

world famous
DAYTONA
BEACH

THE CITY OF DAYTONA BEACH, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2025

City of Daytona Beach, Florida

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the year ended September 30, 2025

Prepared by: The Finance Department

INTRODUCTION SECTION

world famous

DAYTONA BEACH

City of Daytona Beach, Florida
Table of Contents
September 30, 2025

Introductory Section **Page**

Table of Contents 1
Letter of Transmittal 5
Certificate of Achievement for Excellence in Financial Reporting 12
Organizational Chart 13
Mayor, City Commissioners and City Officials 14

Financial Section
Independent Auditor's Report 15
Management's Discussion and Analysis 19
Basic Financial Statements:
Government-Wide Financial Statements:
Statement of Net Position 39
Statement of Activities 40
Fund Financial Statements:
Balance Sheet – Governmental Funds 41
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position 42
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds 43
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 44
Statement of Net Position – Proprietary Funds 45
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds 47
Statement of Cash Flows – Proprietary Funds 48
Statement of Fiduciary Net Position – Fiduciary Funds 50
Statement of Changes in Fiduciary Net Position – Fiduciary Funds 51
Notes to the Financial Statements 53
Required Supplementary Information:
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund 123
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Redevelopment Trust Special Revenue Fund 124
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Emergency Management Grants Special Revenue Fund 125
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual –Grants Special Revenue Fund 126
Budgetary Notes to Required Supplementary Information 127
Schedule of the City's Proportionate Share of the Net Pension Liability – Florida Retirement System and Health Insurance Subsidy Program 128
Schedule of City Contributions – Florida Retirement System and Health Insurance Subsidy Program 129
Schedule of Changes in the City's Net Pension Liability and Related Ratios – Police and Fire Pension Trust Fund 130
Schedule of City Contributions – Police and Fire Pension Trust Fund 131
Schedule of Changes in the City's Total Other Post-Employment Benefit Liability and Related Ratios 132

City of Daytona Beach, Florida
Table of Contents
September 30, 2025

Financial Section (Continued) **Page**

Combining and Individual Fund Statements and Schedules:
- Combining Balance Sheet – Nonmajor Governmental Funds 135
- Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds 140
- Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:
  - Community Development Special Revenue Fund 145
  - Local Housing Assistance Special Revenue Fund 146
  - Law Enforcement Trust Special Revenue Fund 147
  - Federal Shared Property Forfeitures Special Revenue Fund 148
  - Transportation 5-Cent Gas Tax Special Revenue Fund 149
  - Permit and License Special Revenue Fund 150
  - Road Impact Fees Special Revenue Fund 151
  - Recreation/Parks/Culture Impact Fees Special Revenue Fund 152
  - Fire/EMS Impact Fees Special Revenue Fund 153
  - Police Impact Fees Special Revenue Fund 154
  - General Government Impact Fees Special Revenue Fund 155
  - Capital Improvement Bonds Revenue Fund 156
  - General Obligation Refunding Bonds Debt Service Fund 157
  - Capital Improvement Revenue Notes Debt Service Fund 158
  - Capital Financing Debt Service Fund 159
- Combining Statement of Net Position – Nonmajor Enterprise Funds 162
- Combining Statement of Revenues, Expenses, and Changes in Net Position – Nonmajor Enterprise Funds 163
- Combining Statement of Cash Flows – Nonmajor Enterprise Funds 164
- Combining Statement of Net Position – Internal Service Funds 168
- Combining Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Funds 170
- Combining Statement of Cash Flows – Internal Service Funds 172
- Combining Statement of Net Position – Discretely Presented Component Units 178
- Combining Statement of Activities – Discretely Presented Component Units 179
- Combining Schedule of Deposits and Withdrawals – Redevelopment Trust Funds 180

City of Daytona Beach, Florida
Table of Contents
September 30, 2025

Statistical Section **Page**

Summary of Statistical Tables 181
Table 1 - Net Position by Component 183
Table 2 - Changes in Net Position 184
Table 3 - Fund Balances of Governmental Funds 186
Table 4 - Changes in Fund Balances of Governmental Funds 187
Table 5 - Assessed Value and Estimated Actual Value of Taxable Property 188
Table 6 - Property Tax Rates – Direct and Overlapping Governments 189
Table 7 - Principal Property Taxpayers 190
Table 8 - Property Tax Levies and Collections 191
Table 9 - Water Produced and Consumed and Wastewater Treated 192
Table 10 - Water and Sewer Rates 193
Table 11 - Ten Largest Water and Sewer Customers 194
Table 12 - Ratios of Outstanding Debt by Type 195
Table 13 - Ratios of General Bonded Debt Outstanding 196
Table 14 - Governmental Activities Debt – Direct and Overlapping 197
Table 15 - Legal Debt Margin 198
Table 16 - Pledged Revenue Coverage 199
Table 17 - Demographic and Economic Statistics 200
Table 18 - Principal Employers 201
Table 19 - Full-Time Equivalent City Government Employees by Function/Program 202
Table 20 - Operating Indicators by Function 203
Table 21 - Capital Asset Statistics by Function/Program 204
Table 22 - Other Post-Employment Benefits (OPEB) Schedule of Statistical Information 205

Compliance Section

Schedule of Expenditures of Federal Awards and State Financial Assistance 207
Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance 210
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* 211
Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and on Internal Control over Compliance Required by the Uniform Guidance and Chapter 10.550, Rules of the Florida Auditor General 213
Schedule of Findings and Questioned Costs 216
Independent Auditor's Management Letter 221
Independent Accountant's Report on Compliance with Local Government Investment Policies 227

Corrective Action Plan 229



THIS PAGE IS INTENTIONALLY LEFT BLANK

OFFICE OF THE CITY MANAGER
City of Daytona Beach
301 S. Ridgewood Avenue
Daytona Beach, FL 32114
(386) 671-8009

May 21, 2026

Honorable Mayor and City Commissioners, and
Citizens of The City of Daytona Beach

We are pleased to submit the Annual Comprehensive Financial Report of The City of Daytona Beach, Florida, for the fiscal year ended September 30, 2025. The report fulfills the requirements of Article X, Section 41 of The City of Daytona Beach Charter; Section 166.241, Florida Statutes; and Section 10.550 of the Rules of the Florida Auditor General. The financial statements included in this report conform to Generally Accepted Accounting Principles in the United States (GAAP), as prescribed by the Governmental Accounting Standards Board (GASB).

This report complies with these requirements and continues to present the City's strong tradition of full financial disclosure. The management team assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance the financial statements are free of any material misstatements.

Carr, Riggs & Ingram, L.L.C., Certified Public Accountants, have issued an unmodified ("clean") opinion on City of Daytona Beach's financial statements for the year ended September 30, 2025. The independent auditor's report is located at the front of the financial section of this report. Management's discussion and analysis (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.

Profile of The City of Daytona Beach

The City of Daytona Beach, Florida, (the "City") is an incorporated municipality of the State of Florida located within the County of Volusia. The City, which currently encompasses 68 square miles, is located on the central east coast of the State of Florida, 89 miles south of Jacksonville, 50 miles northeast of Orlando and 75 miles north of Cape Canaveral. It is at the top of the I-4 corridor and located at the crossroads of Interstate 4 and Interstate 95. The area's natural environment includes miles of pristine beaches, blue waterways, brilliant sunlit skies and exceptional weather. An estimated population of more than 88,000 residents call this full-service city their home. The City is home to six colleges and universities serving approximately 40,000 college students.

The City was incorporated July 26, 1876, and operates under a Commission-Manager form of government. Policy-making and legislative authority are vested in the City Commission, which

consists of the mayor, elected citywide, and six commissioners elected by district. The Mayor and Commissioners are elected on a non-partisan basis to four (4) year terms. The City Commission is responsible for, among other things, setting policy, passing ordinances and resolutions, adopting the budget, appointing committee and board members, and hiring the City Manager, City Attorney and City Auditor. The City Manager is responsible for carrying out the policies and directives of the City Commission, overseeing the day-to-day operations of the city and appointing various department directors to join his leadership team.

The City is empowered to levy a property tax on both real and personal property within the city and provides general government, public safety, transportation, economic environment, cultural, parks and recreation services to its residents, visitors, and businesses. To provide these services, the City operates five (5) enterprise activities: a water and sewer system, a solid waste system, a stormwater system, a marina with an office plaza, and pier operations.

To effectively manage its financial resources, the City of Daytona Beach prepares and adopts an annual operating budget and a five-year capital program that encompasses all funds as necessary. Usually, the budget process starts each January with a strategic planning session with the City Commission and management. Later, the operating department managers submit their requests to the City Manager, who reviews these requests and, considering available revenue sources, prepares his proposed budget. The City Manager's proposed budget is submitted to the City Commission by July 15th of each year. Budget workshops are scheduled as necessary, and two advertisements and two public hearings are held with final adoption by September 30, all in compliance with Florida's Truth in Millage (TRIM) requirements. Annual budgets are legally adopted for activities of the general fund, certain special revenue funds, debt service funds, and capital projects funds. Certain special revenue funds and capital projects funds, such as multi-year grant funds, are appropriated on a project basis. The legal level of budgetary control is at the fund level at which management may not overspend appropriated amounts.

Financial Reporting Entity

This financial report includes all funds and component units of the City in accordance with Governmental Accounting Standards Board, Statement No. 14, as amended, which clarifies the criteria in defining the governmental reporting entity. Included as part of this report is the fiscal information the City maintains for the Daytona Beach Downtown Development Authority, which is a dependent taxing entity. The First Step Shelter Inc., a 501(c)3 not-for-profit corporation that provides homeless services, is a discretely presented component unit of the City as the Commission is responsible for appointing and removing its board members.

The Daytona Beach Housing Authority is not included in this report because the City's accountability does not extend beyond making appointments to its board. The City cannot impose its will on the Daytona Beach Housing Authority, nor does the City derive any financial benefit or burden from the relationship.

The Volusia County school system provides education and schools, and the Volusia County government provides ambulance, judicial, airport, library and health services. The Volusia County school system and government are independent taxing authorities, and their financial data is not included in this report's financial statements.

Factors Affecting Financial Condition

Local economy. There is a continued interest in new housing opportunities within the City, which started before, during, and after the COVID-19 pandemic shutdown. Daytona Beach increased its population by 5.0% from 84,891 in 2024 to 88,144 in 2025, according to the Bureau of Economic and Business Research, University of Florida. Daytona Beach has been consistently ranked as one of the fastest growing areas and best places to live in America by various surveys and rankings. It is noted for its high quality of life, affordability, and a variety of recreational activities. In recent years, more than 10,000 single-family residential and apartment rental units have been recently completed or are currently under construction, with additional units being planned. Several complexes are "class A" apartments with high-end features and amenities, while others are fully furnished, resort-style apartments or geared toward college students. Commissioners have also actively pursued workforce housing prospects and have taken local legislative action to incentivize developers to address the area's affordable housing quandary.

The City's growth generates the entire Volusia County's growth, which means making smart planning choices now is more important than ever before. The City's financial picture includes resources to ensure adequate infrastructure to support existing and planned growth, a safe, healthy, and welcoming community of desirable neighborhoods, and an environment of prosperity to promote economic vitality and opportunity for everyone.

The City continues its commitment to economic development. There is a focus on economic stability and business opportunity. The team works daily to grow and retain existing businesses, attract new businesses, develop entrepreneurship and make Daytona Beach a more competitive city. Major features of the economy include an international airport, a motorsports entertainment venue, a minor league baseball affiliate, convention and entertainment districts, retail outlet centers, institutions of higher learning, an engineering, aviation and aerospace research and development incubator and innovation complex, a business district, headquarters for several leading national and global companies, manufacturing and distribution centers, multiple hospital systems and medical facilities, museums, theaters, live entertainment venues, and other cultural facilities. The City's economic sectors include professional and business services, trade, transportation, utilities, education, insurance, and health services. According to the 2022 U.S. Census, the four largest industries in Daytona Beach are retail trade, health care and social assistance, transportation and warehousing shipment, and accommodation and food services. The three highest-paying industries are utilities, public administration, and professional, scientific and technical services.

The business community's need for a healthy and well-educated workforce is another City priority. A well-attended recurring program is the Mayor's Fitness Challenge, which promotes healthy living. Moreover, there are six institutions of higher learning within the City: Daytona State College, Bethune-Cookman University, Embry-Riddle Aeronautical University, Keiser University, University of Central Florida's Connect Campus, and Florida State University's College of Medicine Regional Campus. The Daytona Beach International Airport is also one of the few teaching airports in the country.

Daytona Beach has always been heavily tourist-oriented, drawing more than 10 million tourists annually for family vacations and to attend many of the major special events held in the City

throughout the year. The City's investment over the past several years to create a diversified employment base is paying off, with additional high-paying jobs being created by various non-tourism businesses. Small and mid-sized firms, as well as industry giants such as Brown & Brown Inc., one of the largest insurance companies in the nation, and B. Braun Medical Inc., a German-based manufacturer of intravenous drug systems, are headquartered here. These companies are an important part of the local economy and will provide an expansion of the City's tax base in the long term.

Additionally, the City is located at the crossroads of Interstate 4 and Interstate 95 and is convenient to most major metropolitan areas and commercial markets in the eastern coastal United States. The City is at the top of the I-4 corridor, in which Interstate 4 crosses the state of Florida, starting at Daytona Beach and running west through Orlando, continuing to Tampa. Interstate 95 at the east end of I-4 provides access to Port Canaveral, Miami and all of South Florida as well as northbound destinations like Jacksonville's JaxPort, the Eastern Seaboard and points north of the Florida border. Because of its location and access to the interstate and its international airport, the city is a major distribution hub currently servicing World Class Distribution (Trader Joe's stores), B. Braun Medical, TopBuild, two Amazon distribution centers, and others.

Long-term financial planning. The City Commission's budget process is to plan for resilience and sustainability for its residents and the business community. The primary focus related to economic growth is to enhance commercial and residential property values through continued revitalization. The City continues to stress expenditure control, employ cost-cutting measures, and seek to leverage its dollars by grant funding and additional sources of recurring revenues whenever opportunities arise. One of the ongoing budgetary challenges is anticipating the impact of state mandates. There were several legislative initiatives that put financial restraints on Florida's local governments. The last legislative session included proposed changes that continue the erosion of home-rule capabilities and are an area of uncertainty and vulnerability for municipal governments throughout the state.

Relevant financial policies. To ensure sound financial management policies and procedures are in place in Daytona Beach, the City forefathers adopted the Fiscal Integrity Principles Ordinance. The City Commission recognizes the need to meet seasonal shortfalls in cash flows, its susceptibility to emergencies or unanticipated expenditures, or the possibility of revenue shortfalls during any fiscal year. To address these issues, the Fiscal Integrity Principles Ordinance contains a policy to maintain a segregated budgetary cash reserve in the General Fund of not less than 10 percent of next year's budgeted operating expenditures. The segregated budgetary cash reserve is shown as an unassigned fund balance on the General Fund Balance Sheet. On September 30, 2025, the General Fund unassigned fund balance is $36.8 million which is 28.0 percent of fiscal year 2025-26 budgeted operating expenditures of $131.5 million.

Major initiatives – Work year. Daytona Beach has accelerated efforts to ensure it is the community of choice – a great place to live, learn, work, play and raise a family. Fiscal year 2025 was another successful year for prioritizing citizen engagement, improving public spaces, completing infrastructure projects, continuing funding assistance, and increasing affordable housing. The City is extremely appreciative of the federal, state and local grants received and

the services they make possible. Team members continue to pursue grant funding to leverage our resources to offer the best possible public services at the lowest cost.

Significant completed initiatives and projects include the following:

- Connected with residents through diverse community events, weekend festivals, parades, and music concerts held in various neighborhood locations.

- Assisted first-time homebuyers with down payment and closing costs assistance and home repairs, including roof replacements. Two homes that were in disrepair were torn down and rebuilt at no cost to the homeowner. The city donated several vacant lots for new construction of homes and eligible first-time homebuyers purchased the house. Our partner organizations included Mid-Florida Housing Partnership, Habitat for Humanity, Central Florida Community Development Corporation and Homes Bring Hope. The city is one of the sponsors for the annual housing fair for potential homebuyers that disseminated valuable information to the public. The City's Essential Housing Trust Fund is established to also assist with affordable housing needs.

- Completed the Main Street Arch restoration project. The nearly 90-year-old landmark, which has connected the boardwalk and pier since the 1930s, holds decades of memories for both locals and visitors. The iconic structure has undergone an extensive restoration effort aimed at preserving its historic character while strengthening its structure and improving the integrity and appearance.

- Completed the two-year installation project of electric vehicles charging stations to continue the city's commitment to sustainable transportation. The new Level 2 electric vehicles charging stations are located at City Hall, Cherry Cultural and Educational Center, Florida Tennis Center, downtown on Beach Street and Magnolia Avenue, and Breakers Oceanfront Park.

- Donated nearly $760,000 to community organizations and youth sports.

- Installed new playground equipment at Bethune Point Park. Resurfaced basketball courts at Henry Lee and Suburbia Park for Fall Zone Protection. These projects demonstrate the City's continued investment in maintaining and improving public spaces and supporting active recreation and community engagement.

- Completed a ten (10) year Parks and Recreation Master Plan. Daytona Beach is home to nearly 30 parks, 5 community centers and numerous trails. The plan addresses current needs and identifies opportunities for enhancements within our parks, facilities and programming to better meet the residents' evolving needs.

Major initiatives – In the future. The City is committed to investing in its future through various long-term programs and policies that will ensure the preservation of the City's quality of life. Long-term capital item improvements include facility improvements, road improvements, streetscaping, bicycle and pedestrian projects, and drainage projects. Notable projects scheduled to be completed in fiscal year 2026 and beyond include the following:

- The sixth year of the City's Road Resurfacing and Restoration Program is underway. Its goal is resurfacing of public roadways, streetscape and lighting improvements on major roads to create a vibrant and positive atmosphere. This initiative has repaved

nearly 167 lane miles or 55% of the city's road network, greatly improving travel safety and roadway durability.

- New Fire Station One remains on schedule for completion in Spring 2026. The modern facility is being constructed on a 3.6-acre to replace the nearly 100-year-old historic Fire Station 1. The upcoming two-story, 31,000-square-foot headquarters will feature full solar power and other green technologies, community space, an emergency operations center and a fire department museum.

- Continue the successful public-private partnership by providing funding to the Brown Riverfront Esplanade Foundation, which maintains the mile-long, 22.5-acre, city-owned but privately managed Riverfront Esplanade.

- Continuation of affordable housing incentives to address quality of life issues and to fund assistance programs.

- Rehabilitation of critical infrastructure by replacement of aging watermains, force mains, and sanitary lift stations to modernize and improve existing treatment plants and infrastructure. Key projects include wellfield expansion, storm hardening at the Bethune Water Treatment Plant and the Brennan Water Reclamation Facility, and clarifier improvements at the Brennan WRF to support reliable treatment performance.

- City-owned Jackie Robinson Ballpark renovation to upgrade the historic venue MLB standards for minor league facilities. Once completed, a 30,000-square-foor multi-story player development facility will include home and visiting clubhouses, batting cages, umpire facilities, fitness and training spaces, fully equipped dining facilities, and a multi-purpose community room and office space.

Tax abatements. Tax abatements are a temporary reduction in property tax revenues for a limited length of time. The City is authorized by city resolution 13-313 and Section 196.1995, Florida Statutes, to enter into economic development ad valorem tax exemption agreements with new or expanding businesses. Under the program, property tax abatements are used to attract or retain businesses that contribute to the economy of the City with new jobs, improvements to designated Brownfield properties, and increases to real and personal property values. During the fiscal year 2024-25, no new agreements were created and no previously adopted agreements became eligible for the program. The City abated 2024 real estate and tangible property taxes to six businesses at three locations totaling $275,479.

Over the last several years, the City has made significant progress in planning for future development, fostering a positive business climate and improving the City's appearance along gateway corridors and in neighborhoods, upgrading roadways and utility systems, renovating community centers, creating master plans for redevelopment areas, and revitalizing Daytona Beach all while reducing crime rates and preserving Daytona Beach's outstanding quality of life.

Awards

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 Daytona Beach for its annual comprehensive financial report for the fiscal year ended

September 30, 2024. This was the 53rd consecutive year the City has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one (1) year only. We believe that our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

An annual comprehensive financial report of this nature could not have been prepared without the dedicated efforts of all staff members concerned. We would like to express our appreciation to all who helped produce this report and for their interest and support in planning and conducting the fiscal operations of the City. A special note of thanks and acknowledgment is extended to the Accounting team of the Finance Department for their continued dedicated contribution and their proficient effort in the preparation of this report. Thank you to Carr, Riggs & Ingram L.L.C. for their professional approach and high standards in conducting the independent audit. Credit must also be given to the City Commission and City Management Team for their commitment to supporting sound fiscal management practices with an emphasis on long-term financial stability and sustainability.

Respectfully submitted,

Deric C. Feacher
City Manager

Natalia Eckroth
Chief Financial Officer

Christine Aiken
Assistant Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Daytona Beach
Florida

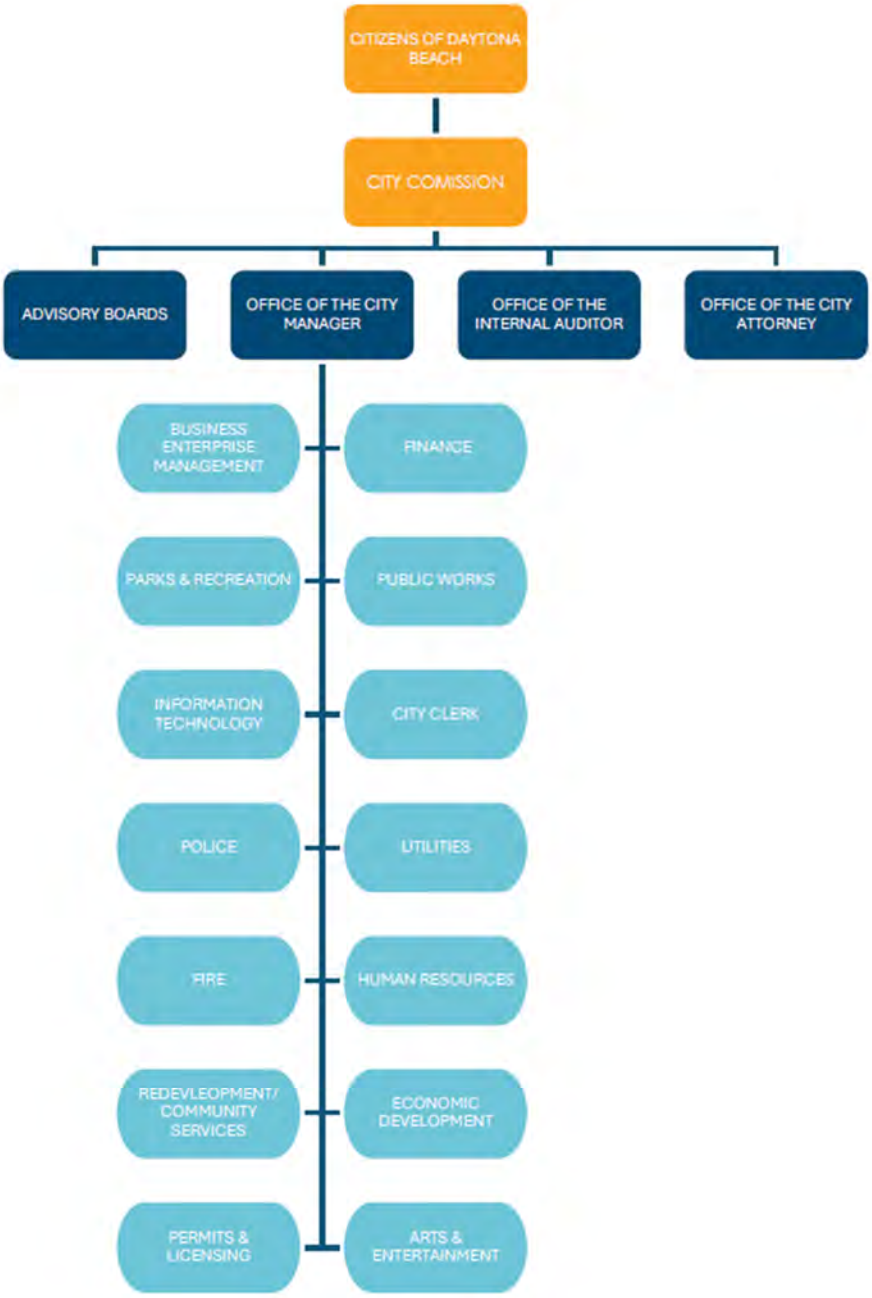
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morrill

Executive Director/CEO

City of Daytona Beach, Florida
Organization Chart
September 30, 2025



City of Daytona Beach, Florida
Mayor, City Commissioners and City Officials
September 30, 2025

MAYOR AND COMMISSIONERS



Front Row, left to right: Monica Paris, Mayor Derrick L. Henry, Dannette Henry
Back Row, left to right: Quanita May, Stacy Cantu, Paula R. Reed, Ken Strickland

CITY MANAGER
Deric C. Feacher

CHIEF FINANCIAL OFFICER
Natalia Eckroth

CITY ATTORNEY
Benjamin Gross

CITY CLERK
Letitia LaMagna

FINANCIAL SECTION

DAYTONA BEACH

CARR, RIGGS & INGRAM, L.L.C.

Carr, Riggs & Ingram, L.L.C.
7506 Lynx Way
Suite 201
Melbourne, FL 32940

321.255.0088
386.336.4189 (fax)
CRIadv.com

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Commission
City of Daytona Beach, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Daytona Beach, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Daytona Beach, Florida, as of September 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, the Redevelopment Trust Special Revenue Fund and for the Emergency Management Grants Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Police and Fire Pension Trust Fund, which represents 100% of the assets, net position and additions of the pension trust fiduciary fund. We also did not audit the financial statements of First Step Shelter, Inc., which represent 97%, 97%, and 85%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as it relates to the Police and Fire Trust Fund and the First Step Shelter, Inc., are based solely on the reports of the other auditors.

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.

Emphasis of Matter

As described in Note 1 to the financial statements, in fiscal year 2025, the City adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension and other post-employment benefits supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary schedules of nonmajor special revenue and debt service funds, combining internal service funds financial statements, combining discretely presented component units financial statements and schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and 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 nonmajor fund financial statements and the schedule of expenditures of federal awards and State of Florida 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 section, combining schedule of deposits and withdrawals for the redevelopment trust fund, and statistical section 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 21, 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.

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida
May 21, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

DAYTONA BEACH

On behalf of the City of Daytona Beach (the "City"), management presents to the readers of the City's financial statements this narrative overview and analysis of financial activities of the City of Daytona Beach for the fiscal year ended September 30, 2025. We are providing this discussion and analysis to assist the reader in a better understanding of the City's overall financial position. This discussion and analysis should be considered in conjunction with the additional information in the letter of transmittal beginning on page 5, and the City's financial statements beginning on page 39.

EXECUTIVE SUMMARY & FINANCIAL HIGHLIGHTS

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of FY 2024-25 by $386.6 million (*net position*).

- For FY 2024-25, the City's total net position increased by $47.4 million, or 14.0 percent when compared to last fiscal year's net position. The governmental activities' net position increased by $15.7 million. The business-type activities' net position increased by $31.7 million.

- At the close of the fiscal year ended 09/30/2025, the City's governmental funds reported combined fund balances of $147.5 million, a decrease of $31.4 million from the prior fiscal year, largely attributable to capital outlay on previously financed projects. Approximately $17.2 million of the governmental fund balance is available for spending at the City's discretion *(unassigned fund balance)*.

- At the end of FY 2024-25, the General Fund's unrestricted fund balance (the total of *committed, assigned, and unassigned* components of *fund balance*) was $43.7 million.

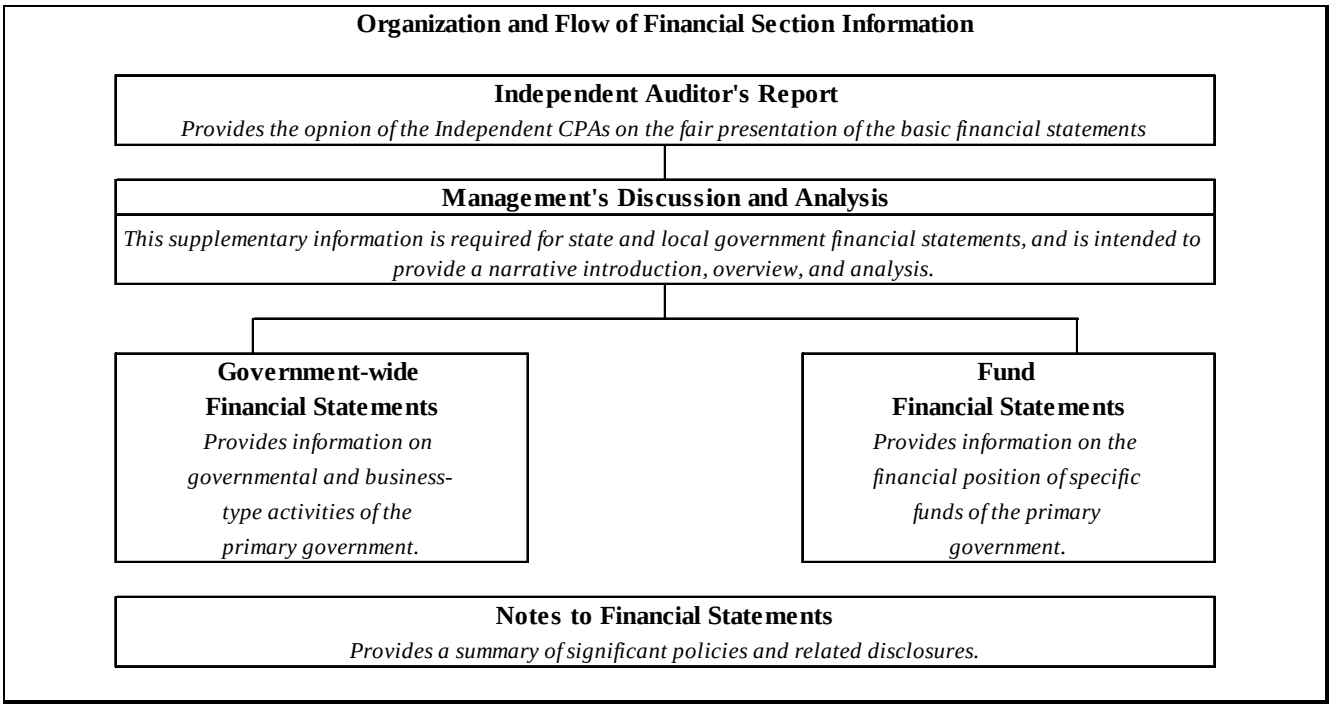
- In compliance with the City's Fiscal Integrity Principles Ordinance, segregated budgetary cash reserves (*unassigned fund balance*) in the General Fund on September 30, 2025, is 28.0 percent of the future year's (FY 2025-26) budgeted operating expenditures, which is greater than the 10 percent minimum requirement. Water and Sewer System, Stormwater Improvement, and Daytona Beach Pier enterprise funds contain a FY 2024-25 budget appropriation designated for capital renewal and replacement equal to 8 percent of the preceding fiscal year's revenues, which is the minimum amount required.

- The City's total outstanding long-term debt from bonds, loans and notes increased by $7.5 million for FY2024-25 over FY2023-24. Overall, governmental activities debt decreased by $1.1 million, net of $5.3 million in new leases, and subscriptions less principal retirement of $6.4 million. Business-type activities debt increased by $8.5 million which is net of principal retirement of $8.6 million and new borrowing of $17 million, which consists primarily of State Revolving Fund (SRF) loans for ongoing and new utility projects.

- Enterprise operations relating to Water & Sewer, Solid Waste, and Stormwater each reported positive operating results; combined business-type net position rose $31.7 million, aided primarily by CPI-linked utility rates.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements which are comprised of the following components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also includes the required supplementary information intended to furnish additional detail to support the basic financial statements themselves.



Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The *statement of net position* presents information on all the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The *statement of activities* presents information on how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows.* Thus, revenues and expenses are reported 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). 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 services, public safety, transportation, economic environment, human services, cultural, leisure and recreation. The business-type activities of the City include the water and sewer system, solid waste management, stormwater improvement, marina with office plaza, and pier operations. The government-wide financial statements include not only the City itself (known as the *primary government*), but also the legally separate Downtown Development Authority and First Step Shelter, Inc. for which the City discretely reports separately from the primary government. The government-wide financial statements can be found on pages 39 and 40 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into three (3) categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. These funds are reported using the **modified accrual** basis of accounting, which measures cash and all other financial assets that can be readily converted into cash. Such information may be useful in evaluating the City's near-term financing requirements. Because the focus of governmental funds is narrower than that of the 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. These reconciliations can be found on pages 42 and 44.

The City maintains twenty (20) 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, Redevelopment Trust Fund, Capital Projects Fund, Emergency Management Grants Fund and Grants Fund, all of which are major funds. Data from the other fifteen (15) nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* in the combining and individual fund statements and schedules section of this report.

The City adopts an annual appropriated budget for its General Fund, Redevelopment Trust Fund, Emergency Management Grants Fund and Grants Fund. Budgetary comparison statements have been provided for the General Fund, Redevelopment Trust Fund (special revenue fund), Emergency Management Grants Fund (special revenue fund) and Grants Fund (special revenue fund) to demonstrate compliance with the adopted budgets. The basic governmental fund financial statements can be found on pages 41-44 of this report.

Proprietary Funds**.** The City maintains two (2) different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses five (5) enterprise funds to account for its water and sewer system, solid waste management, stormwater improvement, marina and office plaza, and pier operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses five (5) internal service funds to account for its fleet vehicle maintenance, employment services, property maintenance, information technology systems, and consolidated insurance. These internal service funds have been included within *governmental activities* in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements only in more detail. The proprietary fund financial statements provide separate information for the water and sewer system, solid waste management, and stormwater improvement, all of which are major funds. Data from the other non-major proprietary funds are combined into a single, aggregated presentation. Internal service funds are also combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the nonmajor proprietary funds and the internal service funds is provided in the form of *combining statements* in the

combining and individual fund statements and schedules section of this report. The basic proprietary fund financial statements can be found on pages 45-48 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are *not* reported in the government-wide financial statements because the resources of those funds are *not* available to support the City's programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City maintains two (2) different types of fiduciary funds. The Police and Fire Pension Trust Fund is used to report resources held in trust for retirees and beneficiaries covered by this pension trust fund. The Police Asset Custodial Fund is used to report resources held in trust that were seized by police officials and held in evidence until the criminal investigations are complete and is reported using the economic measurement focus and the accrual basis of accounting. The basic fiduciary fund financial statements can be found on pages 50 and 51 of this report.

Notes to the Financial Statements. The notes to the financial statements 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 53-122 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* on pages 123-132 concerning the City's proportionate share of and changes in the net pension liability for Florida Retirement System, Health Insurance Subsidy, the Police and Fire pensions, and the total liability and changes in the total liability for post-employment benefits (OPEB), as well as the City's progress in funding its contribution requirements for pension benefits and other post-employment benefits to certain employees.

The *combining statements* referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds and internal service funds are presented immediately following the required supplementary information on pensions and other post-employment benefits. Combining, and individual fund budgetary comparison schedules can be found on pages 135-175 of this report.

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

As noted previously, net position over time may serve as a useful indicator of a government's financial position, and reviewing the changes in assets, liabilities, resources, and outlays during the fiscal period allows management to assess the City's current financial position and the results of its operations for FY2025. The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of FY2024-25 by $386.6 million, which is an increase of $47.4 million or 14.0 percent from the previous fiscal year.

The following condensed information includes some of the basic data used to measure the City's progress over the last year.

Assets – The largest portion of the City's net position ($220.2 million) reflects its substantial investment in capital assets (e.g., land, buildings, improvements, equipment, and infrastructure) less any related debt used to acquire those assets that is still outstanding. This displays the City's commitment to investing in assets that have useful lives more than the life the debt issues used to finance the assets. Government-wide assets increased over the prior year by 8.13% or $59.5 million for a balance at year-end of $791.5 million in total assets. This increase was primarily due to the addition of $52.2 million in capital assets this fiscal year to include a wastewater treatment plant for $48.3 million, Jackie Robinson Ballpark improvements of $18.2 million, and Fire Station 1 construction

of $14.8 million, alongside solid and substantial cash and cash equivalents. The major additions were offset by current year depreciation.

Liabilities – Total government-wide liabilities increased by $2.3 million, or 0.58 percent compared to the prior fiscal year. This increase was driven primarily by a combination of higher outstanding obligations related to capital project activity, normal annual changes in long-term liabilities such as compensated absences and pension/OPEB adjustments, and timing differences in accounts payable associated with year-end expenditures.

Net Position – As noted previously, net position may serve as a useful indicator of a government's financial position over time. Approximately 57.0% of the City's net position reflects its investment in capital assets (land, equipment, buildings, improvements, machinery and equipment, infrastructure, and right-to-use lease assets and right-to-use subscriptions), and net of related debt. The City uses these capital assets to provide a variety of services to its citizens, so consequently these assets are not available for future spending. It should be noted that resources needed to repay capital-related debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate the liabilities.

The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the end of the fiscal year by $386.6 million. Total net position increased $47.4 million from last year. Net position of the City's governmental activities increased by $15.7 million and totaled $145.3 million at the end of the fiscal year. Of this amount, approximately 88.3% is either restricted as to the purpose for which it can be used or is invested in capital assets. Net position of the City's business-type net activities experienced an increase of $31.7 million, for a total of $241.3 million compared to $209.6 million in FY2023-24, primarily due to continued growth in the Water and Sewer System Fund operating revenues and strong capital contributions from ongoing infrastructure expansion.

The following is a summary of net position for the years ended September 30, 2025, and 2024:

The City of Daytona Beach, Florida
Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Current and other assets	$ 195,617,480	$ 208,508,241	$ 173,999,491	$ 153,683,259	$ 369,616,971	$ 362,191,500
Capital assets	174,776,870	138,622,243	247,109,292	231,147,913	421,886,162	369,770,156
Total assets	370,394,350	347,130,484	421,108,783	384,831,172	791,503,133	731,961,656
Total deferred outflows of resources	13,251,469	19,685,529	3,185,062	4,123,943	16,436,531	23,809,472
Other liabilities	20,420,270	13,543,782	17,682,579	20,538,767	38,102,849	34,082,549
Long-term liabilities	210,516,876	218,163,755	159,854,236	153,890,564	370,371,112	372,054,319
Total liabilities	230,937,146	231,707,537	177,536,815	174,429,331	408,473,961	406,136,868
Total deferred inflows of resources	7,364,817	5,498,981	5,491,842	4,929,352	12,856,659	10,428,333
Net position:						
Net investment in capital assets	122,831,466	110,533,663	97,369,473	86,703,441	220,200,939	197,237,104
Restricted	86,700,174	82,904,805	77,069,092	73,457,534	163,769,266	156,362,339
Unrestricted (deficit)	(64,187,784)	(63,828,973)	66,826,623	49,435,457	2,638,839	(14,393,516)
Total net position	$ 145,343,856	$ 129,609,495	$ 241,265,188	$ 209,596,432	$ 386,609,044	$ 339,205,927

***Changes in Net Position*.** While the statement of net position shows a summary of the City's financial position at the end of the fiscal year, the statement of changes in net position provides answers as to the nature and source of those changes. During FY2025, the City's net position totaled $386.6 million, an increase of $47.4 million over the previous year. The City's total revenues increased by $16.9 million over FY2024 to a total of $288.9 million, primarily driven by $9.8 million increase in property taxes due to rising taxable values and the adopted millage rate, $7.3 million in intergovernmental revenues not restricted to specific programs, largely attributable to timing and volume of reimbursements from the Federal Emergency Management Agency (FEMA) and State of Florida for storm-related recovery, infrastructure repair, and mitigation projects. Additionally, operating grants and contributions increased by $6.1 million, from $2.9 million in FY2023-24 to $9.0 million, primarily due to the recognition of reimbursable program expenditures, including public safety, emergency preparedness, and environmental compliance activities.

Government-wide expenses increased by $19.3 million or 8.7 percent during the reporting period, primarily due to governmental activities with public safety being the largest contributing factor, which increased by $6.4 million over last year relating to personnel-related costs (normal salary adjustments and benefits changes required under labor agreements), and overtime needs associated with city-wide special events, emergency response, and staffing fluctuations. Economic environment expenditures increased by $3.4 million, driven primarily by higher State Housing Initiatives Partnership (SHIP) and housing assistance program activity, increased utilization of grant-funded housing assistance, and expanded redevelopment efforts with the City's CRA districts to include land acquisition and grant-supported projects tied to Downtown and Midtown revitalization. Interest and fiscal charges rose by $2.0 million primarily driven by the 2024AB Capital Improvement Revenue Bonds which introduced new first-year interest costs.

Business-type activities expenses increased by $5.3 million, rising from $75.9 million to $81.2 million. This increase was driven primarily by higher contractual and material costs, particularly for chemicals, contract services, and maintenance associated with ongoing utility system improvements. In addition, depreciation expense increased due to several major Water & Sewer, and Stormwater capital assets being placed in service during the year. The overall increase was partially moderated by slight reductions in Solid Waste and Stormwater operating costs, which helped cushion total utility expense growth.

The following is a comparison of major revenue and expense categories for the fiscal years ending September 30, 2025, and 2024:

The City of Daytona Beach, Florida
Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
REVENUES:						
Program revenues:						
Charges for services	$ 24,421,589	$ 33,326,947	$ 127,510,028	$ 121,755,992	$ 151,931,617	$ 155,082,939
Operating grants and contributions	9,754,753	2,905,850	-	-	9,754,753	2,905,850
Capital grants and contributions	8,019,146	33,052	3,893,006	11,941,957	11,912,152	11,975,009
General revenues:						
Property taxes	55,889,766	46,065,662	-	-	55,889,766	46,065,662
Gas taxes	1,966,736	2,035,990	-	-	1,966,736	2,035,990
Public services taxes	16,345,346	15,421,115	-	-	16,345,346	15,421,115
Sales taxes	5,236,649	5,125,464	-	-	5,236,649	5,125,464
Franchise taxes	8,918,802	8,496,719	-	-	8,918,802	8,496,719
Tax increment taxes	5,528,023	5,069,209	-	-	5,528,023	5,069,209
Other taxes	1,838,704	1,625,574	-	-	1,838,704	1,625,574
Intergovernmental revenue not restricted to specific programs	4,039,259	5,258,300	-	-	4,039,259	5,258,300
Income on investments	7,087,610	7,099,105	3,919,167	3,977,204	11,006,777	11,076,309
Other general revenues	3,565,118	1,701,556	985,764	146,449	4,550,882	1,848,005
Total revenues	152,611,501	134,164,543	136,307,965	137,821,602	288,919,466	271,986,145
EXPENSES:						
General government	30,823,116	29,089,605	-	-	30,823,116	29,089,605
Public safety	84,770,895	78,330,034	-	-	84,770,895	78,330,034
Transportation	13,438,991	13,223,362	-	-	13,438,991	13,223,362
Economic environment	8,768,842	5,369,947	-	-	8,768,842	5,369,947
Human services	425,326	829,927	-	-	425,326	829,927
Culture and recreation	18,497,164	17,876,780	-	-	18,497,164	17,876,780
Interest and fiscal charges	3,571,246	1,557,585	-	-	3,571,246	1,557,585
Water and sewer system	-	-	56,023,520	51,798,858	56,023,520	51,798,858
Solid waste management	-	-	13,743,568	13,121,632	13,743,568	13,121,632
Stormwater improvement	-	-	6,327,367	6,111,779	6,327,367	6,111,779
Halifax Harbor Marina	-	-	4,039,205	3,799,986	4,039,205	3,799,986
Daytona Beach Pier	-	-	1,087,109	1,109,059	1,087,109	1,109,059
Total expenses	160,295,580	146,277,240	81,220,769	75,941,314	241,516,349	222,218,554
Excess (deficiency) before transfers	(7,684,079)	(12,112,697)	55,087,196	61,880,288	47,403,117	49,767,591
Net transfers - in (out)	23,418,440	30,324,700	(23,418,440)	(30,324,700)	-	-
Change in net position	15,734,361	18,212,003	31,668,756	31,555,588	47,403,117	49,767,591
NET POSITION:						
Net position - beginning	129,609,495	111,397,492	209,596,432	178,040,844	339,205,927	289,438,336
Net position - ending	$ 145,343,856	$ 129,609,495	$ 241,265,188	$ 209,596,432	$ 386,609,044	$ 339,205,927

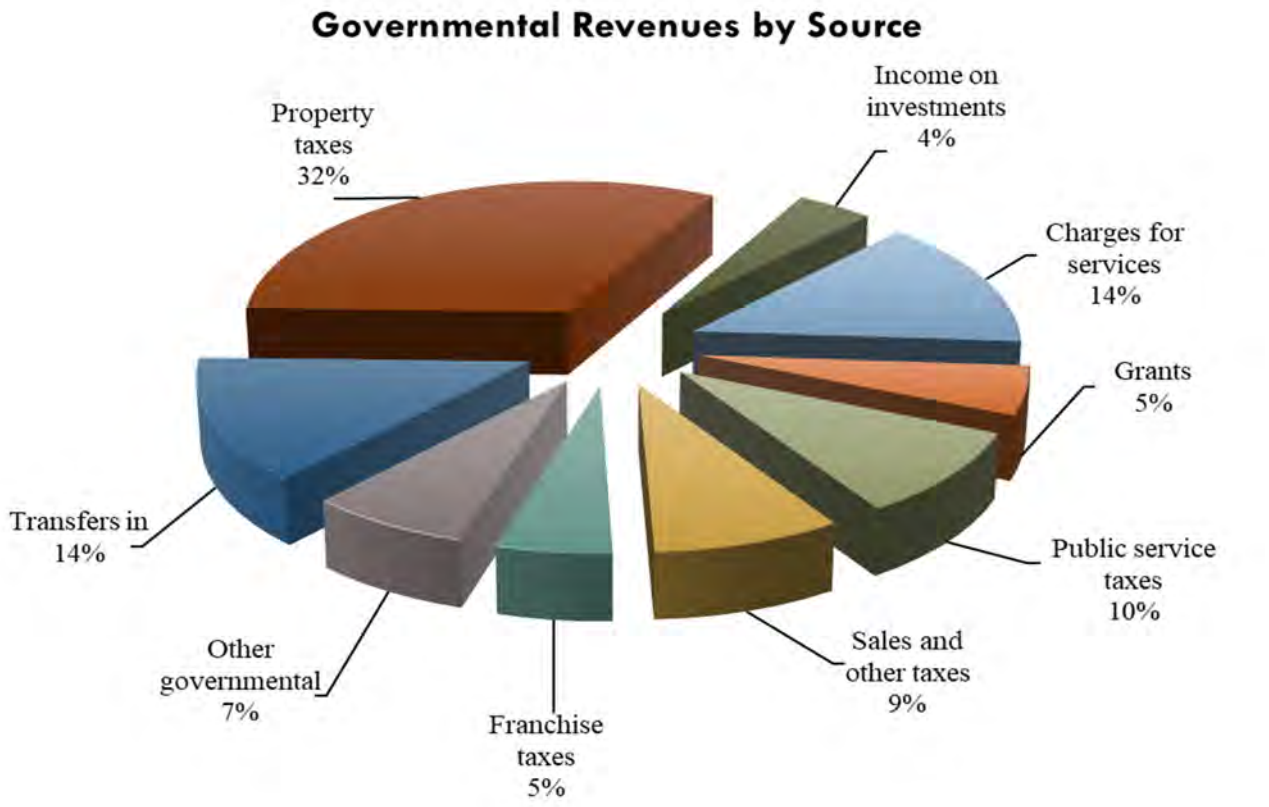
Governmental Activities:

Revenues for governmental activities increased by $18.4 million, or 13.7 percent from the prior fiscal year. Revenue growth was driven largely by a $9.8 million increase in property taxes, reflecting continued growth in taxable values and the impact of the adopted millage rate. Unrestricted intergovernmental revenues rose by $7.3 million, primarily attributable to timing and release of FEMA reimbursements and state grant funding. Offsetting these gains, charges for services declined by $8.9 million, primarily due to lower revenues from licenses and permits and by extension reduced special assessment impact fees reflecting a contraction in building and maintenance activity during the year. Operating grants and contributions increased $6.1 million due to an increase in operating grants tied to reimbursement timing.

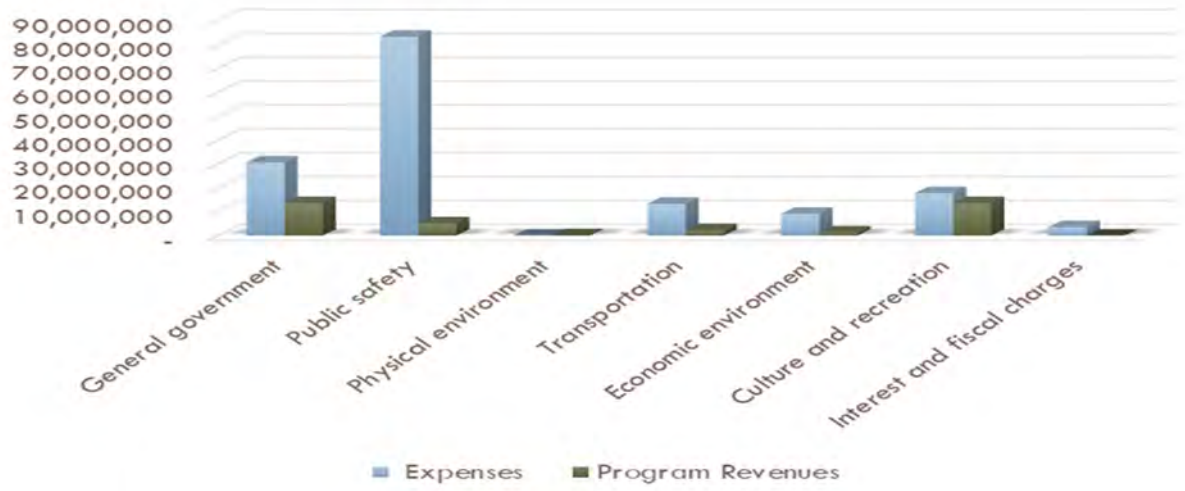
Governmental expenses increased $14.0 million over the prior year, with the most significant contributors being a $6.4 million increase in public safety due to operational and personnel-related demands; higher interest and fiscal charges primarily relating to the introduction of the 2024AB Capital Improvement Revenue Bonds, which rose by $2.0 million over the prior fiscal year; and a $3.4 million increased in economic environment because of redevelopment projects undertaken during the year.

Revenues by Source – Governmental Activities

An individual comparison of the City's functional program revenues and costs of providing program services to its citizens during FY2025 is useful in identifying the program and the extent of which each program is dependent on taxes and other non-exchange revenues to subsidize their program operations, which is presented in the graph below:



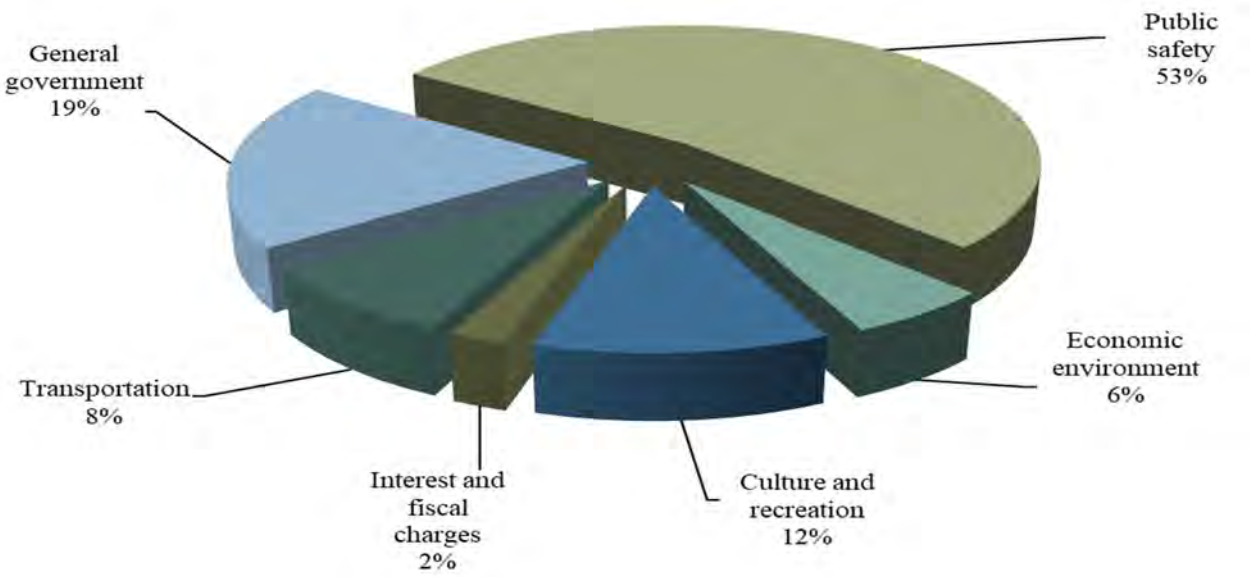
FY2024-25 Expenses and Program Revenues – Governmental Activities



The cost of all governmental activities expended this fiscal year totaled $160.3 million compared to $146.3 million last fiscal year, which denotes a $14.0 million or 9.6 percent increase over last fiscal year. This increase is indicative of increases across all functions of government expenditures. Most notably, public safety had a $6.4 million increase over the prior fiscal year, economic environment ended with a $3.4 million increase, and interest and fiscal charges had an uptick of $2.0 million.

The following is a summary of the City's govermental activities expenses by function for FY2024-25:

Governmental Expenses by Function



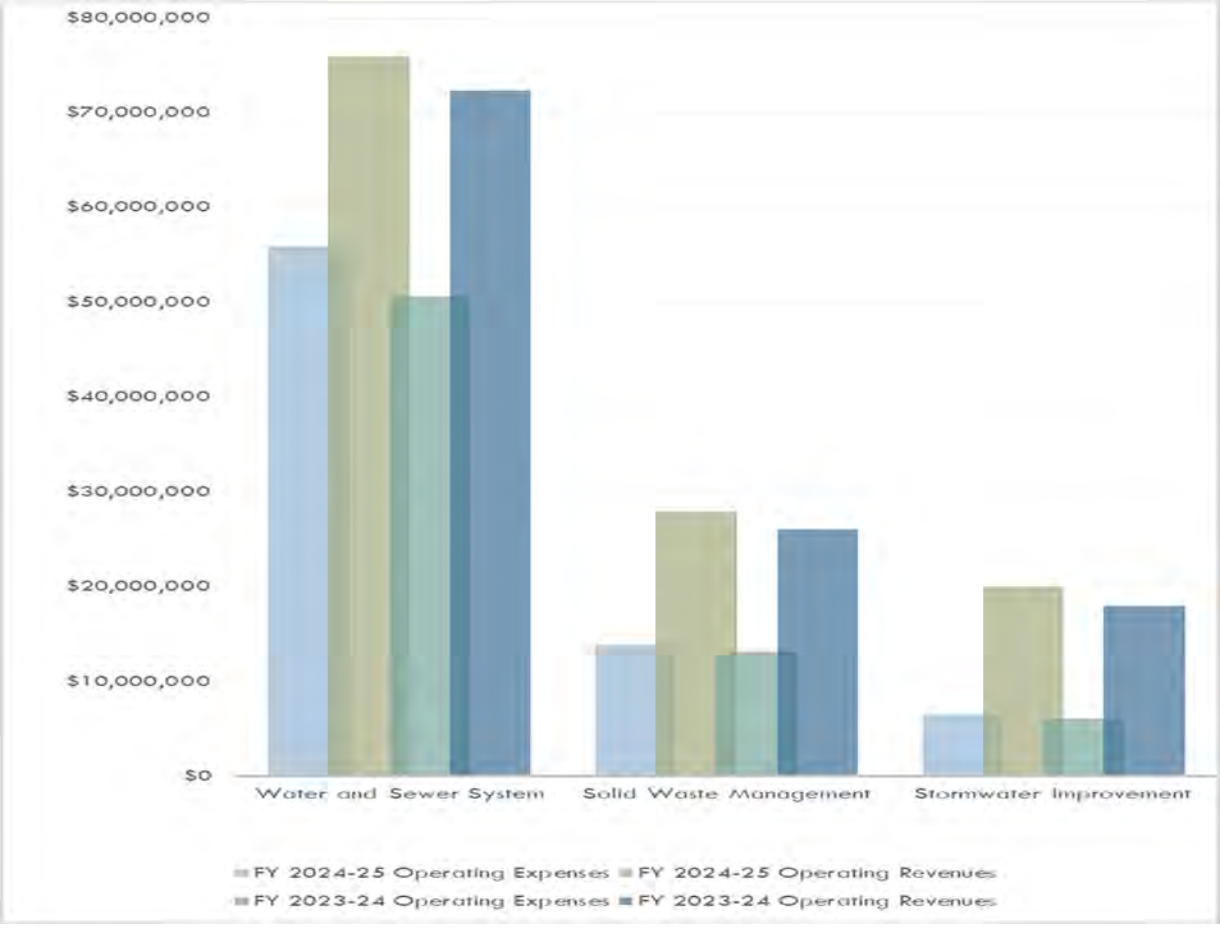
Business-Type Activities:

The City's business-type activities reported another strong year, with total operating revenues of $129.0 million and operating income of $48.0 million for an ending total net position of $241.3 million, a $31.7 million increase over FY2023-24. This overall performance continues to be supported by CPI-indexed rates, system growth, disciplined cost management, and low-cost State Revolving Fund (SRF) financing.

At the fund level, Water & Sewer remained the strongest performer, generating $75.9 million in operating revenues and increasing net position by $17.9 million, primarily driven by consumption growth, CPI-based rate adjustments, and $3.4 million in capital contributions from water and sewer impact fees and SRF loan forgiveness. Solid Waste produced $14.1 million in operating income and a $7.6 million increase in net position, reflecting CPI-driven fee adjustments and stable collection and tipping costs. Stormwater generated $13.6 million in operating income, with a $5.1 million increase in net position, largely attributed to the CPI-linked stormwater rates, consumption growth and improved efficiency and system management. Nonmajor enterprise operations (Marina and Pier) were approximately breakeven, generating operating income of $0.1 million, reflecting modest positive operating performance for the year.

A comparison of the City's functional program revenues and costs of providing business-type services to its customers in fiscal year 2025 is useful in identifying the capabilities of producing revenues sufficient to operate their programs and are presented in the graph below:

FY 2024-25 Business-Type Activities – Major Funds – Operating Expenses and Operating Revenues



Water and Sewer System Fund reported strong operating performance, generating $75.9 million in operating revenues, an increase of $3.6 million or 5.0 percent from the prior fiscal year primarily due to the net effect of a 4.1% annual CPI rate adjustments, coupled with continued development activity, which simultaneously increased consumption, resulting in an uptick of $2.7 million in charges for services. Operating expenses totaled $55.7 million, a $5.1 million or 10.2 percent increase over FY2023-24, reflective in increased cost for materials and supplies and contractual services; personnel costs remained stable, while depreciation and amortization increased modestly with the addition of new assets. The fund produced $20.2 million in net operating income and ended the year with net position of $183.2 million, a $17.9 million increase over last fiscal year. Growth in consumption, rate adjustments, and continued development activity contributed to the fund's positive results.

Solid Waste Management Fund generated $27.9 million in operating revenues producing operating income of $14.1 million, an increase of $1.2 million, or 9.0 percent from the prior fiscal year. Operating expenses increased slightly by $0.7 million, or 5.1 percent, to $13.8 million, driven mainly by contractual services, reflecting collection and disposal agreements, while personnel and material costs remained modest. The fund's net position increased by $7.6 million, ending at $18.0 million, a 73.0 percent increase over FY2023-24, demonstrating stable service revenues and continued operational efficiency.

Stormwater Improvement Fund reported $20.0 million in operating revenues realizing operating income of $13.6 million, an increased $1.7 million, or 13.9 percent, from the prior fiscal year. This increase was primarily due to the annual CPI rate change. Operating expenses rose marginally by $0.4 million or 6.1 percent to $6.4 million when compared to $6.0 million last fiscal year, primarily due to depreciation, the result of infrastructure placed into service, and ongoing maintenance and system improvements. The fund achieved a $5.1 million increase in net position, supported by stable revenues and cost controls.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As stated previously, 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. Particularly, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use, which represents the portion of fund balance that has not yet been limited to use for a specific purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for specific purposes by the City Commission.

At the end of FY2024-25, governmental funds reported combined fund balances of $147.5 million, a decrease of $31.4 million, or 17.6 percent when compared to FY2023-24. The decline is primarily attributable to $48.9 million in capital outlay for major projects including construction of the Fire Station 1 project and Jackie Robinson Ballpark Improvements along with scheduled debt service and the timing difference between current year expenditures and prior year receipt of bond proceeds. Approximately 11.7 percent of this total fund balance amount, $17.2 million, constitutes unassigned fund balance which is available for spending at the City's discretion. The remainder of fund balance is *non-spendable, restricted, committed or assigned* to indicate the following:

- non-spendable for inventories and prepaid items ($1.0 million)
- legally required to be maintained intact for debt covenants ($0.8 million)
- restricted by external grantors and outside agencies for specific purposes ($85.9 million)
- assigned by the City for specific purposes ($42.5 million)

The General Fund serves as the primary operating fund of the City. At the end of FY2024-25, the general fund reported a fund balance of $44.7 million. Of this amount, $1.0 million is classified as non-spendable because it cannot be easily converted to cash or is contractually required to remain intact. The remaining spendable portions reflect balances that are assigned to fund the FY2024-25 budget ($1.0 million), and for capital and other designated projects ($6.0 million). The unassigned fund balance in the General Fund totaled $36.8 million, representing a marginal decrease of $0.8 million or 2.2 percent when compared to FY 2023-24. This decline is attributable primarily to increased revenue generation in taxes, charges for services and income on investments. Additionally, a portion of the change is due to the modification in terminology applied to unassigned balance per the updated Fiscal Integrity Ordinance in FY 2018-19. According to the Fiscal Integrity Ordinance, portions of the surplus balances are reclassified and carried forward as assigned in the subsequent budget year. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 28.3 percent of total current year's (FY 2024-25) General Fund expenditures (excluding transfers out, capital, and other financing uses). Total fund balance represents approximately 34.4 percent of the same expenditure base, reflecting strong liquidity position and continued adherence to the City's financial policies.

The Redevelopment Trust Fund is a special revenue fund that accounts for the activities of the City's five (5) tax increment financing (TIF) redevelopment areas. Revenues are largely restricted for reinvestment within designated CRA districts and used primarily for infrastructure, economic revitalization, and project-based improvements. For fiscal year ended September 30, 2025, the fund reported a modest change in fund balance of approximately $0.3 million when comparing total revenues to expenditures, including transfers. This slight surplus reflects stable TIF revenues driven by continued growth in assessed property values, as well as higher investment earnings resulting from favorable market conditions. Expenditures increased by $4.5 million compared to the prior fiscal year, primarily due to higher capital outlay, and grant expenditures. Major spending included land acquisitions in the Downtown, Main Street, and Midtown redevelopment districts, repairs of the historic Coquina Arch in the Main Street CRA; as well as increased grant expenditures associated with the implementation of the Commercial Property Improvement and Professional Incentive Program, which supports renovation and rehabilitation efforts within the redevelopment areas. Despite the capital activity, the fund ended the year with a fund balance of $20.8 million, reflecting a $0.3 million increase over FY2023-24. In accordance with state statutes, any unspent CRA funds at year-end remain restricted and will be carried forward to support future redevelopment projects. More detailed financial information on the Redevelopment Trust Fund can be found on page 180 in the combining and individual fund statements and schedules section of this report.

The Capital Projects Fund ended FY2024-25 with a total fund balance of $35.6 million, compared to $55.7 million at the end of FY2023-24, reflecting a year-over-year decrease of approximately $20.1 million. This decline reflects the planned use of significant capital spending during the year, as major projects advance through construction. The fund has remaining unspent funds for several high-dollar capital projects expected to be completed in the next year, to include the completion of Fire Station 1, and capital improvements to Jackie Robinson Ball Park.

The Emergency Management Grants Fund is used to track federal and state storm-related grant activity, ending the fiscal year with a deficit fund balance of $13.1 million deficit fund balance. This deficit is expected to be normalized as outstanding obligations are finalized and related reimbursements are received. The current balance is primarily driven by $5.5 million in intergovernmental receivables due from the Federal Emergency Management Agency (FEMA) for Hurricanes Dorian, Irma, Matthew, and Milton, as well as $8.5 million for expenditures incurred from Hurricanes Ian, Nicole, and Milton but not yet obligated by FEMA, of which $5.7 million was expended in FY2024-25.

The Grants Fund (formerly reported as a nonmajor fund) serves as an additional tracking mechanism for grant activity excluding federal and state storm-related grants, ended the fiscal year with a deficit fund balance of $6.5 million. This deficit is primarily due to intergovernmental receivable of $7.9 million, of which $6.7 million is due from the Florida Department of Environmental Protection through the Resilient Florida Program for the relocation and hardening of Fire Station 1.

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Other pertinent information concerning the finances of the enterprise funds has already been addressed in the discussion of business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City's adopted General Fund budget was amended during the year by the City Commission in accordance with the Fiscal Integrity Ordinance and the Resolutions of the City Commission. These amendments reflect updated operational priorities, capital needs, and adjustments made in response to evolving financial conditions. The General Fund final expenditure budget, including transfers out, increased by approximately $14.0 million, or 9.9 percent, from the originally adopted expenditure budget. The most significant amendments made to the budget were as follows:

- $10.8 million for capital projects, including the carryforward of unexpended project funds from FY 2023-24 to FY 2024-25.
- $7.8 million for carryforward of operating funds from FY2023-24 to FY2024-25.

Final budgeted revenues totaled approximately $117.5 million, while actual revenues amounted to $112.3 million, resulting in an unfavorable variance of $5.2 million. This shortfall was driven primarily by lower investment income and underperformance in several economically sensitive revenue categories. Similar to the prior year, actual revenues did not fully meet expectations, continuing a trend influenced by market volatility and moderated fee-based activity.

General Fund actual expenditures totaled $130.0 million, coming in $6.3 million below the final budgeted appropriations of $136.3 million. The expenditure budget increased from $124.0 million to $136.3 million, with upward revisions across multiple operational areas. These increases provided additional capacity for service delivery in departments such as Legislative, City Manager, Police, Transportation, and Culture & Recreation. Nearly all departments underspent their budgets, demonstrating continued cost-management efforts. This pattern is consistent with the prior year, in which departmental savings also helped mitigate revenue underperformance.

Overall, the General Fund experienced a decrease in fund balance of $6.5 million, ending the fiscal year with a balance of $44.7 million. While this represents a decline from the prior year, the reduction reflects revenue conditions and previously approved spending commitments. The City's fund balance remains within acceptable policy ranges and continues to support financial stability.

A budgetary comparison statement can be found in the required supplementary information section on page 123.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

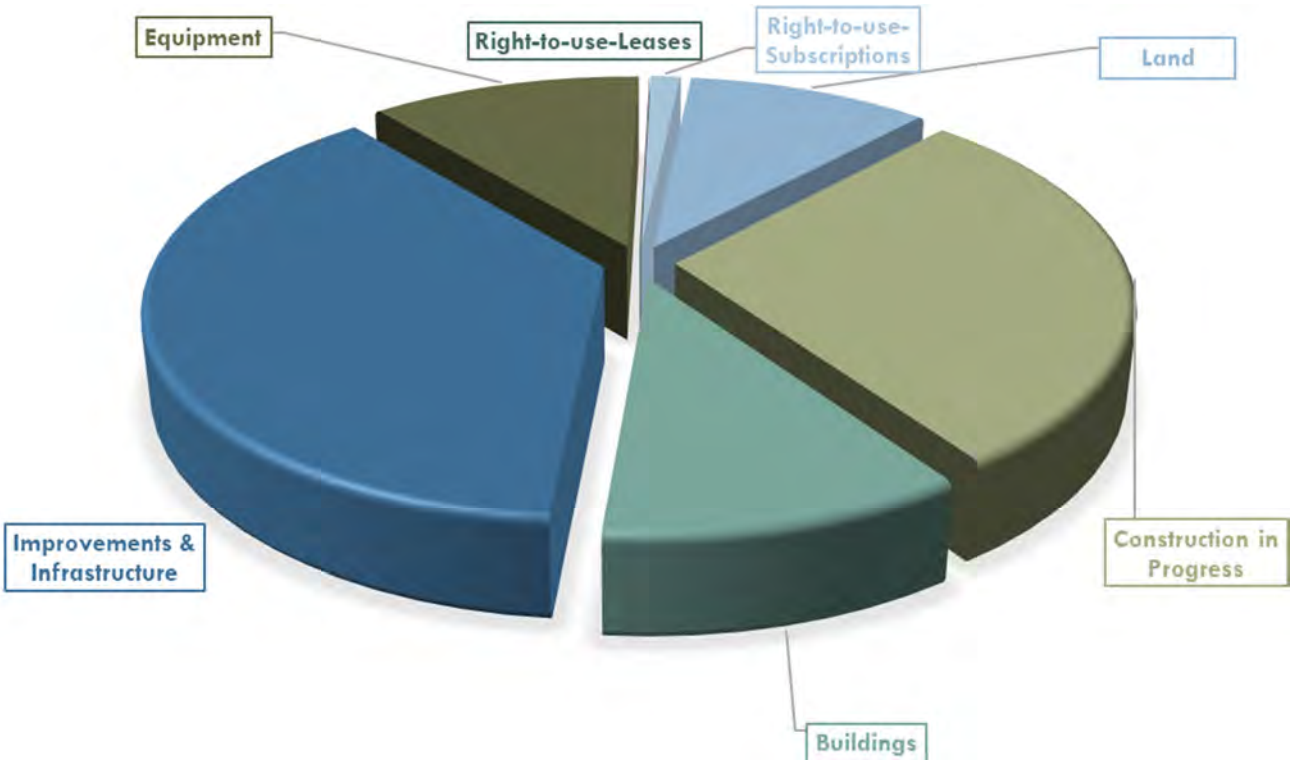
The City's investment in capital assets includes land, buildings, improvements and infrastructure, equipment, construction in progress, and right-to-use assets. As of September 30, 2025, the City reported capital assets net of related depreciation, totaling $421.9 million. This reflects a net increase of $52.1 million from the prior fiscal year, attributable to a combination of asset additions, retirements, depreciation, and amortization. The increase was driven primarily by ongoing utilities improvements to wastewater treatment plants, lift stations, and force mains throughout the city, as well as significant progress on major projects such as the Fire Station 1 and Jackie Robinson Ballpark improvements.

The following is a summary of the City's capital assets, net of depreciation, as of September 30, 2025, and 2024:

The City of Daytona Beach, Florida
Capital Assets (Net of Depreciation)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Land	$ 36,536,894	$ 32,932,300	$ 6,427,676	$ 6,428,187	$ 42,964,570	$ 39,360,487
Construction in progress	39,852,410	12,967,394	79,942,338	71,869,674	119,794,748	84,837,068
Buildings	35,047,364	33,484,107	11,007,071	11,697,441	46,054,435	45,181,548
Improvements and infrastructure	38,686,282	41,084,480	119,175,686	109,343,422	157,861,968	150,427,902
Equipment	18,040,043	16,596,657	29,931,020	31,015,999	47,971,063	47,612,656
Right-to-use assets:						
Equipment	1,205,208	359,042	-	-	1,205,208	359,042
Land and infrastructure	648,934	205,726	138,887	184,688	787,821	390,414
Right-to-use subscription assets	4,759,735	992,537	486,614	608,502	5,246,349	1,601,039
Total	$ 174,776,870	$ 138,622,243	$ 247,109,292	$ 231,147,913	$ 421,886,162	$ 369,770,156

Capital Assets



This fiscal year's major additions to capital assets, including projects completed during the year, are as follows:

- Wastewater Treatment Plant Improvements - $48,306,062
- Lift Stations and Force Mains – $21,717,972
- Jackie Robinson Ballpark Improvements - $18,242,424
- Fire Station 1 - $14,758,670
- Brennan Water Treatment Plant - $1,285,563
- Coquina Arch - $891,119

Additional information regarding the City's capital assets can be found in Note 8 of the financial statements (see pages 78-82).

Debt Administration

At fiscal year ended September 30, 2025, the City had $229.7 million in debt outstanding compared to $222.2 million for FY2023-24 as shown in the table below.

The City of Daytona Beach, Florida
Outstanding Debt (Net)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Revenue bonds	$ 52,268,934	$ 52,893,895	$ -	$ -	$ 52,268,934	$ 52,893,895
General obligation bonds	5,275,000	6,572,511	-	-	5,275,000	6,572,511
Notes payable	16,954,543	20,032,397	27,209,000	31,465,000	44,163,543	51,497,397
State Revolving Fund loans	-	-	118,030,628	105,106,219	118,030,628	105,106,219
Financed purchases	2,622,814	4,005,927	-	-	2,622,814	4,005,927
Lease liabilities	1,891,472	567,066	147,776	193,492	2,039,248	760,558
Subscription liabilities	4,794,214	805,301	508,419	599,736	5,302,633	1,405,037
Total	$ 83,806,977	$ 84,877,097	$ 145,895,823	$ 137,364,447	$ 229,702,800	$ 222,241,544

Governmental debt decreased by $1.1 million, net of the addition of $5.3 million in leases and subscriptions, less principal retirement of $6.4 million. Business-type debt increased by $8.5 million which is net of principal retirement of $8.6 million and new debt issuance of $17.2 million, primarily in the form of Florida Department of Environmental Protection State Revolving Funds loans. Currently, the City has 100 percent fixed rate debt. Of the outstanding debt, approximately 3.0 percent is backed by the full faith and credit of the government, and the balance is secured by various revenue sources. The City Commission adopted a Municipal Securities Disclosure Policy on November 19, 2014, and uses the services of a financial advisor for debt administration related to new debt issues.

The following table provides a list of the bond ratings by bond issue and rating agency.

The City of Daytona Beach, Florida
Bond Ratings

Revenue Bond Issue	Moody's	Standard & Poor's
Capital Improvement Revenue Bonds (Taxable), Series 2024A	Aa2	AA
Capital Improvement Revenue Bonds, Series 2024B	Aa2	AA

Additional information on the City's long-term debt can be found in Notes 9 and 10 in the notes to the financial statements section of this report.

Fiscal Integrity Principles Ordinance

On June 2, 2004, the City Commission established the Fiscal Integrity Principles Ordinance (the "Ordinance") to institute sound financial policies and procedures in assuring the optimal use of public funds. The Ordinance was amended in FY 2006-07, FY 2007-08, FY 2011-12, and FY 2018-19 and was used as a basis for the FY 2005-06 through FY 2020-24 budgets. Some of the more salient points of the Ordinance include: maintaining a General Fund segregated budgetary cash reserve at a minimum of 10 percent of next year's budgeted operating expenditures, limiting new personnel requests to an increase in services and new recurring revenue, limiting annual salary increases to increases in recurring revenues, funding the pension plan contributions as actuarially computed and in a manner that provides for a more level annual contribution, funding a self-insurance program through fees charged to user departments, performing user fee rate studies when an operating loss has occurred for two (2) consecutive fiscal years and cash reserves fall below 10 percent, preparing and updating a 5-year financial plan annually, and establishing a budget review committee to review and verify the assumptions and

estimates underlying the annual budget and 5-year financial plan. Additionally, non-recurring revenues from the City's fund balance account cannot be used to balance the annual budget for recurring expenditures.

The purpose of the FY 2011-12 amendment was to establish renewal and replacement funds for the Water and Sewer System and Stormwater Improvement funds for the purpose of maintaining infrastructure and the quality of services provided. Annually, the City will appropriate 8 percent of the preceding fiscal year's actual operating revenues for the specific fund. Usually, the amount of this renewal and replacement appropriation provides funds for system repairs and improvements equal to approximately 50 percent of the annual depreciation expense and shows the City's commitment to maintaining its existing infrastructure.

The purpose of the FY 2018-19 amendment was to clarify the policy as it relates to segregated budgetary cash reserves which changes terminology applied to unassigned fund balance, establish renewal and replacement fund for certain other enterprise funds, and modified the re-appropriation budgetary process of donation or grant funded expenditures. According to the updated Fiscal Integrity Ordinance, additions to surplus or use of reserves will be included in the budget and are shown on budget vs. actual statements and schedules as net budgetary reserves.

The City is compliant with the Ordinance by having segregated budgetary cash reserve in the General Fund of 28.0 percent of future year's (FY2025-26) budgeted operating expenditures and by appropriating 8 percent of the prior year's (FY 2023-24) budget for renewal and replacement in the Water and Sewer System, Stormwater Improvement, and Daytona Beach Pier funds.

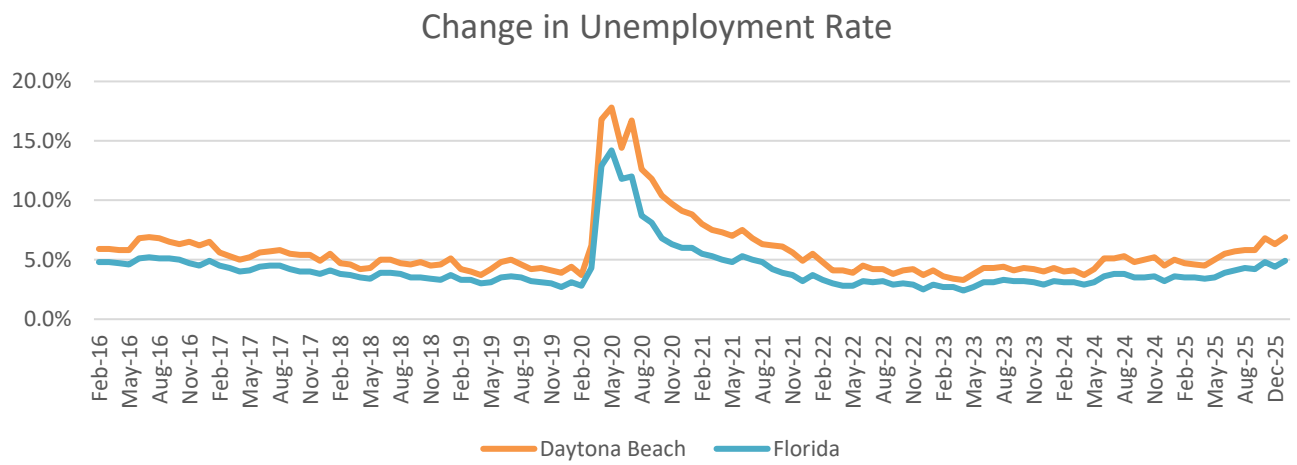
ECONOMIC FACTORS AFFECTING NEXT YEAR'S BUDGET AND RATES

Many factors are considered each year by the City Commission in its efforts to establish an operating budget, evaluate its personnel needs, and develop uniform user fees that are reasonable, and adequately recover costs. Some of the major factors considered in this process are the local economy, civilian labor force, inflation rates and unemployment rates.

As Volusia County's commercial sector leader, Daytona Beach had a growing local economy, rising home values, record number of new housing, commercial growth, and low unemployment rates.

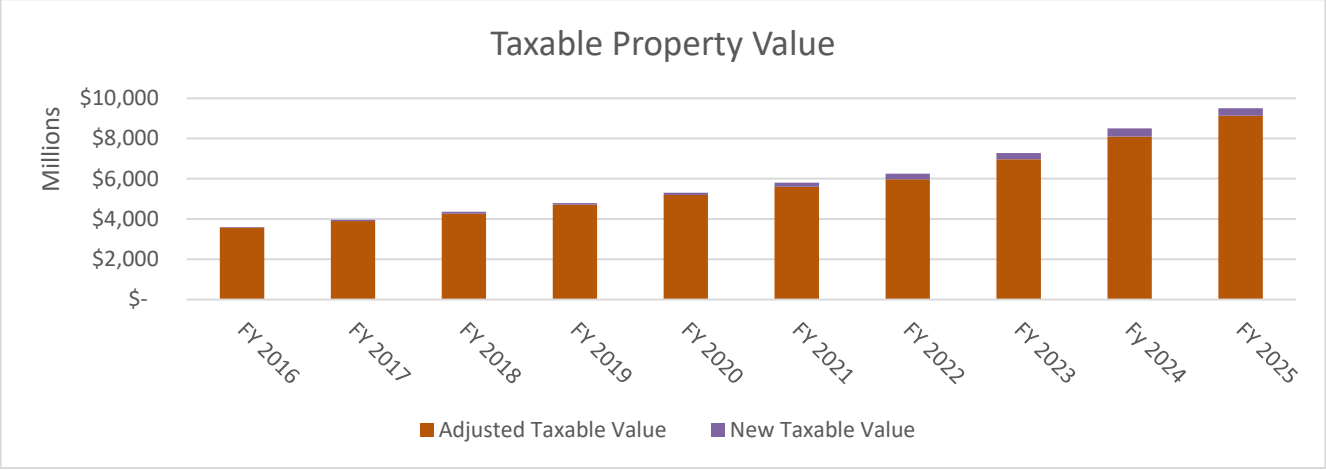
The City's Unemployment Rate as of September 30, 2025, was 5.8% up from 4.8% in September 2024. The recent estimates below for unemployment data in Daytona Beach, Volusia County and the State of Florida are compiled by the Florida Commerce Bureau of Workforce Statistics and Economic Research:

Region	2025	2024	2023	2022
Daytona Beach	5.8%	4.8%	4.1%	3.8%
Deltona-Daytona Beach-Ormond Meach Metro Area	4.9%	4.0%	3.7%	3.2%
Volusia County	4.9%	4.0%	3.6%	3.2%
State of Florida	4.2%	3.5%	3.2%	2.9%
United States	4.4%	4.1%	3.7%	3.6%



Inflationary trends for Volusia County are comparable with those trends experienced at the state and national levels. Although down from its peak, inflations continue to be a challenge with rising costs related to operations, construction and capital projects.

For FY2025 the City's taxable property values, based on the 2024 tax roll, increased over the previous year by 11.81%. During the FY2025 budget process, the City Commission voted for an ad valorem (property) tax millage rate of 5.91300 mills for the Daytona Beach Operating Millage, 0.1574 mills for the Voted Debt Service Millage and 1.0000 mills for the Downtown Development Authority Millage. The Operating Millage and Downtown Development Authority Millage were the same as the prior year, and the Voted Debt Service Millage was reduced by 0.0175 mills. The rise in property values resulted in a higher revenue collection from the prior year, underscoring an important principle of property taxation; millage is only one part of the property tax equation.



The City continues to face challenges dealing with the impacts of growth and having sufficient capacity to service it. The City's infrastructure needs to be in place and available to coincide with the growth and private capital investments occurring within the City's boundaries. The challenge this present is the need to do capital projects to keep up with capacity along with rising costs and interest rates. Management has continued to look for ways to streamline City functions to keep expenditure low and continues to pursue cost saving measures such as outsourcing.

The City and its four unions – the Coastal Florida Police Benevolent Association (CFPBA), the American Federation of State, County and Municipal Employees, Florida Council (AFSCME), the International Association of Firefighters Local 1162 (IAFF), and the Florida State Lodge Fraternal Order of Police (FOP) – executed collective bargaining agreements with a two-year term. These agreements began on October 1, 2025, and will expire on September 30, 2027. All union contracts will have an impact on future budgets.

Current and upcoming challenges facing the City include:

- Statutorily imposed caps on property values, millage rates and certain fees.
- Limited opportunities to diversify revenues, especially for recurring expenses.
- Unfunded mandates from State and/or Federal government.
- Demand for technological advances tempered by availability of funding.
- Ongoing needs for both expansion and maintenance of existing infrastructure, especially water/sewer and streets.

All these factors were considered in preparing the City's Budget for the 2026 fiscal year.

The FY 2025/26 budget was developed to address the City Commission's priorities, which included improvements for stormwater mitigation, addressing the homeless population of Daytona Beach, initiatives for proactive public safety, proactive road maintenance, evaluation of the utility system, funding for sidewalk and trail projects, maintenance of city owned assets such as Daytona Stadium, and redevelopment of the downtown and midtown areas. The City will continue to monitor revenue and expenditure trends in anticipation of a potential nationwide economic downturn and pursue financial assistance to stabilize the local economy. However, to date there has been no such downturn in the Daytona Beach area. It is anticipated that the City's spending requirements for FY 2025/26 will be met with current financial resources including federal aid and grants.

Despite the ongoing financial constraints put on all local governments to keep taxes and service fees as low as possible, the City continues with a long-term strategic focus on improving the quality of life for all citizens, encouraging a positive business environment, and improving tourist gateway corridor appearances. It is anticipated that the City's spending requirements for FY 2025/26 will be met with current financial resources including federal aid and grants.

FINANCIAL CONTACT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions regarding this report or need additional financial information, contact the Chief Financial Officer, 301 South Ridgewood Avenue, P. O. Box 2451, Daytona Beach, Florida 32115-2451. Additional financial information can also be found on the City's web site: https://www.daytonabeach.gov.



THIS PAGE IS INTENTIONALLY LEFT BLANK

BASIC FINANCIAL STATEMENTS

world famous

DAYTONA BEACH

City of Daytona Beach, Florida
Statement of Net Position
September 30, 2025

September 30, 2025	Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units
ASSETS:				
Equity in pooled cash, cash equivalents and investments	$ 171,524,823	$ 87,442,237	$ 258,967,060	$ 2,152,417
Receivables (net)	4,728,131	16,316,827	21,044,958	99,013
Lease receivables	1,078,287	1,310,416	2,388,703	-
Intergovernmental receivable	15,349,860	318,105	15,667,965	-
Internal balances	(2,133,361)	2,133,361	-	-
Inventory	1,054,809	1,130,463	2,185,272	-
Prepaids	502,927	152,056	654,983	4,461
Other assets	510,150	27,000	537,150	19,145
Restricted assets:				
Equity in pooled cash, cash equivalents and investments	3,001,854	65,169,026	68,170,880	-
Capital assets:				
Non-depreciable	76,389,304	86,370,014	162,759,318	-
Depreciable (net)	91,773,689	160,113,777	251,887,466	34,073
Right-to-use lease assets (net)	1,854,142	138,887	1,993,029	-
Right-to-use subscription assets (net)	4,759,735	486,614	5,246,349	-
Total assets	370,394,350	421,108,783	791,503,133	2,309,109
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred amount on refunding	67,411	458,428	525,839	-
Deferred amount for other post-employment benefits	399,269	112,765	512,034	-
Deferred amount for pensions	12,784,789	2,613,869	15,398,658	-
Total deferred outflows of resources	13,251,469	3,185,062	16,436,531	-
LIABILITIES:				
Accounts payable and other liabilities	12,508,344	4,537,133	17,045,477	56,359
Contracts payable	-	148,117	148,117	-
Intergovernmental payable	192,409	36,083	228,492	-
Unearned revenue	4,398,364	2,489,026	6,887,390	-
Payable from restricted assets:				
Accounts payable and other liabilities	-	1,183,902	1,183,902	-
Contracts payable	1,377,310	399,730	1,777,040	-
Accrued interest	613,673	583,240	1,196,913	-
Deposits	1,330,170	8,305,348	9,635,518	-
Due within one year:				
Bonds, loans, and notes payable	5,973,418	9,479,858	15,453,276	-
Other post-employment benefits	232,798	65,943	298,741	-
Insurance claims payable	2,419,000	-	2,419,000	-
Lease liabilities	532,062	47,350	579,412	-
Subscription liabilities	1,189,533	112,018	1,301,551	-
Compensated absences	982,570	210,862	1,193,432	25,000
Landfill closure and post closure liabilities	-	48,300	48,300	-
Due in more than one year:				
Bonds, loans, and notes payable	71,147,873	135,759,770	206,907,643	-
Net pension liability	102,062,500	10,981,177	113,043,677	-
Other post-employment benefits	3,017,908	723,831	3,741,739	-
Insurance claims payable	9,152,000	-	9,152,000	-
Lease liabilities	1,359,410	100,426	1,459,836	-
Subscription liabilities	3,604,681	396,401	4,001,082	-
Landfill closure and post closure liabilities	-	30,531	30,531	-
Compensated absences	8,843,123	1,897,769	10,740,892	-
Total liabilities	230,937,146	177,536,815	408,473,961	81,359
DEFERRED INFLOWS OF RESOURCES:				
Deferred amount on refunding	-	1,396,175	1,396,175	-
Deferred amount for pensions	5,317,429	2,526,085	7,843,514	-
Deferred amount for other post-employment benefits	1,014,269	308,480	1,322,749	-
Deferred amount for leases	1,033,119	1,261,102	2,294,221	-
Total deferred inflows of resources	7,364,817	5,491,842	12,856,659	-
NET POSITION:				
Net investment in capital assets	122,831,466	97,369,473	220,200,939	34,073
Restricted for:				
Debt covenants	812,236	12,356,044	13,168,280	-
General government	13,791,465	-	13,791,465	-
Public safety	29,774,853	-	29,774,853	-
Transportation	7,056,610	-	7,056,610	-
Economic environment	21,574,454	-	21,574,454	-
Human services	-	-	-	2,129,742
Culture and recreation	13,690,556	-	13,690,556	-
Capital projects	-	64,430,107	64,430,107	-
Landfill	-	282,941	282,941	-
Unrestricted (deficit)	(64,187,784)	66,826,623	2,638,839	63,935
Total net position	$ 145,343,856	$ 241,265,188	$ 386,609,044	$ 2,227,750

The accompanying notes are an integral part of this financial statement.

City of Daytona Beach, Florida
Statement of Activities
For the Year Ended September 30, 2025

Year Ended September 30, 2025		PROGRAM REVENUES			Net (Expense) Revenue and Changes in Net Position			
					Primary Government			
FUNCTIONS/PROGRAMS:	EXPENSES	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business - type Activities	Total	Component Units
Primary Government:								
Governmental Activities:								
General government	$ 30,823,116	$ 8,620,263	$ 5,525,622	$ -	$ (16,677,231)	$ -	$ (16,677,231)	$ -
Public safety	84,770,895	3,937,083	469,458	7,466,773	(72,897,581)	-	(72,897,581)	-
Transportation	13,438,991	558,105	1,311,266	-	(11,569,620)	-	(11,569,620)	-
Economic environment	8,768,842	482,984	2,052,556	-	(6,233,302)	-	(6,233,302)	-
Human services	425,326	-	-	-	(425,326)	-	(425,326)	-
Culture and recreation	18,497,164	10,823,154	395,851	552,373	(6,725,786)	-	(6,725,786)	-
Interest and fiscal charges	3,571,246	-	-	-	(3,571,246)	-	(3,571,246)	-
Total governmental activities	160,295,580	24,421,589	9,754,753	8,019,146	(118,100,092)	-	(118,100,092)	-
Business-Type Activities:								
Water and sewer system	56,023,520	74,453,053	-	3,886,254	-	22,315,787	22,315,787	-
Solid waste management	13,743,568	27,888,508	-	-	-	14,144,940	14,144,940	-
Stormwater improvement	6,327,367	19,994,048	-	6,752	-	13,673,433	13,673,433	-
Halifax Harbor	4,039,205	4,155,018	-	-	-	115,813	115,813	-
Daytona Beach Pier	1,087,109	1,019,401	-	-	-	(67,708)	(67,708)	-
Total business-type activities	81,220,769	127,510,028	-	3,893,006	-	50,182,265	50,182,265	-
Total primary government	$ 241,516,349	$ 151,931,617	$ 9,754,753	$ 11,912,152	(118,100,092)	50,182,265	(67,917,827)	-
Component Units:								
Downtown Development Authority	$ 380,650	$ -	$ 130,541	$ -				(250,109)
First Step Shelter, Inc.	1,819,940	-	1,988,634	-				168,694
Total component units	$ 2,200,590	$ -	$ 2,119,175	$ -				(81,415)
GENERAL REVENUES:								
Taxes:								
Property taxes, levied for general purposes					55,889,766	-	55,889,766	240,291
Local option gas taxes					1,966,736	-	1,966,736	-
Public service taxes					16,345,346	-	16,345,346	-
Sales taxes					5,236,649	-	5,236,649	-
Franchise taxes					8,918,802	-	8,918,802	-
Tax increment taxes					5,528,023	-	5,528,023	-
Other taxes					1,838,704	-	1,838,704	-
Intergovernmental revenues not restricted to specific programs					4,039,259	-	4,039,259	-
Income on investments					7,087,610	3,919,167	11,006,777	72,350
Miscellaneous					3,565,118	985,764	4,550,882	-
Transfers					23,418,440	(23,418,440)	-	-
Total general revenues and transfers					133,834,453	(18,513,509)	115,320,944	312,641
Change in net position					15,734,361	31,668,756	47,403,117	231,226
NET POSITION:								
Beginning of year					129,609,495	209,596,432	339,205,927	1,996,524
End of year					$ 145,343,856	$ 241,265,188	$ 386,609,044	$ 2,227,750

The accompanying notes are an integral part of this financial statement.

City of Daytona Beach, Florida
Balance Sheet – Governmental Funds
September 30, 2025

	General	Redevelopment Trust	Capital Projects	Emergency Management Grants	Grants (formally nonmajor)	Nonmajor Governmental	Total Governmental Funds
ASSETS:							
Equity in pooled cash, cash equivalents, and investments	$ 24,406,470	$ 18,256,634	$ 41,772,473	$ 813	$ 739,257	$ 68,119,976	$ 153,295,623
Receivables (net):							
Accounts	3,857,363	-	-	-	-	126,659	3,984,022
Taxes	190,439	-	-	-	-	7,085	197,524
Notes	-	48,396	-	-	-	-	48,396
Accrued interest	497,919	270	-	-	-	-	498,189
Due from other funds	18,993,265	-	-	-	-	-	18,993,265
Intergovernmental receivable	1,498,850	-	-	5,459,722	7,920,041	471,247	15,349,860
Deposits	10,150	500,000	-	-	-	-	510,150
Inventory	960,155	-	-	-	-	-	960,155
Prepaids	24,136	-	-	-	-	-	24,136
Lease receivable	1,052,939	25,348	-	-	-	-	1,078,287
Restricted equity in pooled cash, cash, cash equivalents, and investments	-	2,177,451	-	-	-	824,403	3,001,854
Total assets	$ 51,491,686	$ 21,008,099	$ 41,772,473	$ 5,460,535	$ 8,659,298	$ 69,549,370	$ 197,941,461
LIABILITIES:							
Accounts payable and other liabilities	$ 3,286,036	$ 205,050	$ 5,225,078	$ 201,249	$ 1,114,027	$ 575,075	$ 10,606,515
Due to other funds	-	-	-	12,889,000	6,044,000	60,265	18,993,265
Intergovernmental payable	174,071	1,644	-	-	-	5,139	180,854
Deposits	372,196	10,000	-	-	-	947,974	1,330,170
Contracts payable	78,730	333	941,182	21,401	335,664	-	1,377,310
Unearned revenue	1,892,947	-	-	-	503,844	2,001,573	4,398,364
Total liabilities	5,803,980	217,027	6,166,260	13,111,650	7,997,535	3,590,026	36,886,478
DEFERRED INFLOWS OF RESOURCES:							
Deferred amount for leases	1,003,426	29,693	-	-	-	-	1,033,119
Deferred inflows-unavailable revenue	-	-	-	5,459,722	7,101,260	-	12,560,982
Total deferred inflows of resources	1,003,426	29,693	-	5,459,722	7,101,260	-	13,594,101
FUND BALANCES:							
Non-Spendable:							
Inventory	960,155	-	-	-	-	-	960,155
Prepaids	24,136	-	-	-	-	-	24,136
Restricted:							
Debt covenants	-	-	-	-	-	812,236	812,236
General government	-	-	-	-	-	13,791,465	13,791,465
Public safety	-	-	-	-	-	29,774,853	29,774,853
Transportation	-	-	-	-	-	7,056,610	7,056,610
Economic environment	-	20,761,379	-	-	-	813,075	21,574,454
Culture and recreation	-	-	-	-	-	13,690,556	13,690,556
Assigned:							
Capital projects	5,386,001	-	35,606,213	-	-	-	40,992,214
Fiscal year 2026 budget	951,153	-	-	-	-	-	951,153
Other projects	584,812	-	-	-	-	-	584,812
Unassigned (deficit)	36,778,023	-	-	(13,110,837)	(6,439,497)	20,549	17,248,238
Total fund balances (deficit)	44,684,280	20,761,379	35,606,213	(13,110,837)	(6,439,497)	65,959,344	147,460,882
Total liabilities, deferred inflows of resources, and fund balances	$ 51,491,686	$ 21,008,099	$ 41,772,473	$ 5,460,535	$ 8,659,298	$ 69,549,370	$ 197,941,461

The accompanying notes are an integral part of this financial statement.

City of Daytona Beach, Florida
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
September 30, 2025

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

Fund balance - governmental funds		$ 147,460,882
Capital assets, net of accumulated depreciation or amortization, used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Land	$ 36,536,894	
Construction in progress	39,822,760	
Buildings (net)	35,038,768	
Improvements and infrastructure (net)	38,621,888	
Equipment (net)	17,345,488	
Right-to-use lease assets (net)	1,572,948	
Right-to-use subscription assets (net)	4,313,509	
Total		173,252,255
Internal service funds are used by management to charge the costs of fleet maintenance, employment services, property maintenance, information systems, and insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		(1,356,184)
Long-term liabilities - liabilities are not due and payable in the current period and are not reported in the funds:		
Accrued interest payable	$ (584,513)	
Bonds, loans, notes payable, lease liabilities and subscription liabilities	(83,153,118)	
Net pension liability	(97,820,170)	
Compensated absences	(8,834,007)	
Other post-employment benefits	(3,020,752)	
Total		(193,412,560)
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position:		
Deferred amount on refunding (to be amortized as interest revenue)	$ 67,411	
Deferred amount for pensions (net)	7,330,375	
Deferred amount for other post-employment benefits (net)	(559,305)	
		6,838,481
Certain tax and other revenues are considered unavailable for governmental funds but are recognized as revenue for the government-wide statements.		12,560,982
Net position - governmental activities		$ 145,343,856

The accompanying notes are an integral part of this financial statement.

City of Daytona Beach, Florida
Statement of Revenues, Expenditures, and Changes In Fund Balances - Governmental Funds
For the Year Ended September 30, 2025

	General	Redevelopment Trust	Capital Projects	Emergency Management Grants	Grants (formally nonmajor)	Nonmajor Governmental	Total Governmental Funds
REVENUES:							
Taxes	$ 74,715,541	$ -	$ -	$ -	$ -	$ 2,285,851	$ 77,001,392
Licenses and permits	8,938,406	-	-	-	-	4,582,770	13,521,176
Intergovernmental	10,431,377	5,658,564	-	1,896,811	2,118,475	2,319,327	22,424,554
Charges for services	13,437,484	221,331	-	-	-	429,057	14,087,872
Fines and forfeitures	1,075,753	-	-	-	-	176,308	1,252,061
Special assessments/impact fees	48,125	-	-	-	-	3,539,635	3,587,760
Income on investments	2,821,448	643,017	1,385,175	-	11,977	1,861,035	6,722,652
Miscellaneous	803,563	9,342	-	-	332,696	336,120	1,481,721
Total revenues	112,271,697	6,532,254	1,385,175	1,896,811	2,463,148	15,530,103	140,079,188
EXPENDITURES:							
Current operating:							
General government	21,051,141	-	631,186	5,589,216	-	109,611	27,381,154
Public safety	70,685,819	-	39,993	-	453,478	8,267,327	79,446,617
Transportation	7,625,922	-	4,543,890	-	-	300,076	12,469,888
Economic environment	1,754,099	3,870,206	-	-	-	2,076,489	7,700,794
Grants and aids	793,227	-	-	-	-	-	793,227
Human services	400,000	-	25,326	-	-	-	425,326
Culture and recreation	15,464,139	-	153,523	-	41,733	15,157	15,674,552
Capital outlay	12,265,325	4,950,379	22,784,882	130,642	8,146,472	666,540	48,944,240
Debt service:							
Principal	-	-	-	-	-	7,832,129	7,832,129
Interest and fiscal charges	-	-	-	-	-	3,542,831	3,542,831
Total expenditures	130,039,672	8,820,585	28,178,800	5,719,858	8,641,683	22,810,160	204,210,758
Excess (deficiency) of revenues over (under) expenditures	(17,767,975)	(2,288,331)	(26,793,625)	(3,823,047)	(6,178,535)	(7,280,057)	(64,131,570)
OTHER FINANCING SOURCES (USES):							
Issuance of debt	68,000	-	-	-	-	-	68,000
Proceeds from leases	1,421,870	329,820	-	-	-	-	1,751,690
Proceeds from subscriptions	5,333,989	-	-	-	-	-	5,333,989
Insurance recoveries	803,436	-	-	1,341,966	-	-	2,145,402
Transfers in	23,418,440	5,317,467	8,208,206	-	-	11,430,500	48,374,613
Transfers (out)	(19,770,801)	(3,067,909)	(1,477,248)	-	-	(640,215)	(24,956,173)
Total other financing sources (uses)	11,274,934	2,579,378	6,730,958	1,341,966	-	10,790,285	32,717,521
Net change in fund balances	(6,493,041)	291,047	(20,062,667)	(2,481,081)	(6,178,535)	3,510,228	(31,414,049)
FUND BALANCES (DEFICIT):							
Beginning of year, as previously reported	51,177,321	20,470,332	55,668,880	(10,629,756)	-	62,188,154	178,874,931
Adjustments	-	-	-	-	(260,962)	260,962	-
Beginning of year, after adjustments	51,177,321	20,470,332	55,668,880	(10,629,756)	(260,962)	62,449,116	178,874,931
End of year	$ 44,684,280	$ 20,761,379	$ 35,606,213	$ (13,110,837)	$ (6,439,497)	$ 65,959,344	$ 147,460,882

The accompanying notes are an integral part of this financial statement.

City of Daytona Beach, Florida
Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2025

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

Net change in fund balance - total governmental funds			$	(31,414,049)
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. Also, certain capital assets are contributed to the City upon completion, requiring recognition of capital contributions not reported in the funds.				
Capital assets acquired by use of financial resources	$	48,944,240		
Current year depreciation and amortization		(11,287,309)		
Total				37,656,931
In the statement of activities, only the gain or loss on the sale or disposal of capital assets are reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in the net position differs from the change in fund balances by the cost of the capital assets sold or disposed, net of accumulated depreciation or amortization.				(1,104,596)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.				
Earned but unavailable grant revenues				10,106,201
The issuance of long-term debt (i.e., bonds, notes, leases, subscriptions) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of prepaid bond insurance costs and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.				
Principal paid	$	7,832,129		
Issuance of debt		(68,000)		
Proceeds from leases		(1,751,690)		
Proceeds from subscriptions		(5,333,989)		
Total				678,450
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 the governmental funds.				
Amortization of deferred amount on refunding	$	(13,761)		
Amortization of bond premium		22,472		
Accrued interest		(4,581)		
Pension expense		(2,224,441)		
Compensated absences		(108,423)		
Other post-employment benefits		58,962		
Total				(2,269,772)
Internal service funds are used by management to charge the costs of fleet maintenance, employment services, property maintenance, information systems, and insurance to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.				2,081,196
Change in net position - governmental activities			$	15,734,361

The accompanying notes are an integral part of this financial statement.

City of Daytona Beach, Florida
Statement of Net Position
Proprietary Funds
September 30, 2025

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Water and Sewer System	Solid Waste Management	Stormwater Improvement	Nonmajor Enterprise	Totals	Internal Service Funds
ASSETS:						
Current assets:						
Equity in pooled cash, cash equivalents, and investments	$ 54,461,444	$ 15,755,860	$ 14,881,017	$ 2,343,916	$ 87,442,237	$ 18,229,200
Accounts receivable (net)	10,425,088	3,596,816	2,292,899	-	16,314,803	-
Accrued Interest receivable	-	-	-	2,024	2,024	-
Intergovernmental receivable	285,524	-	32,581	-	318,105	-
Lease receivables	-	-	-	1,310,416	1,310,416	-
Inventory	1,070,839	-	-	59,624	1,130,463	94,654
Prepaids	251	-	-	151,805	152,056	478,791
Total current assets	66,243,146	19,352,676	17,206,497	3,867,785	106,670,104	18,802,645
Noncurrent assets:						
Restricted equity in pooled cash, cash equivalents, and investments	64,287,533	282,941	155,997	442,555	65,169,026	-
Deposits	27,000	-	-	-	27,000	-
Capital assets:						
Non-depreciable	81,727,954	25,021	4,382,308	234,731	86,370,014	29,650
Depreciable (net)	137,290,042	15,439	16,816,448	5,991,848	160,113,777	767,545
Right-to-use lease assets (net)	87,740	-	-	51,147	138,887	281,194
Right-to-use subscription assets (net)	486,614	-	-	-	486,614	446,226
Total noncurrent assets	283,906,883	323,401	21,354,753	6,720,281	312,305,318	1,524,615
Total assets	350,150,029	19,676,077	38,561,250	10,588,066	418,975,422	20,327,260
DEFERRED OUTFLOWS OF RESOURCES:						
Deferred amount on refunding	422,650	-	4,864	30,914	458,428	-
Deferred amount for other post-employment benefits	91,428	1,493	18,907	937	112,765	33,538
Deferred amount for pensions	1,899,223	48,950	562,142	103,554	2,613,869	1,038,454
Total deferred outflows of resources	2,413,301	50,443	585,913	135,405	3,185,062	1,071,992

The accompanying notes are an integral part of this financial statement.

City of Daytona Beach, Florida
Statement of Net Position (Continued)
Proprietary Funds
September 30, 2025

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Water and Sewer System	Solid Waste Management	Stormwater Improvement	Nonmajor Enterprise	Totals	Internal Service Funds
LIABILITIES:						
Current liabilities:						
Accounts payable and other liabilities	3,118,249	1,116,090	121,281	181,513	4,537,133	1,930,989
Contracts payable	147,784	-	-	333	148,117	-
Intergovernmental payable	22,108	757	4,953	8,265	36,083	11,555
Insurance claims payable	-	-	-	-	-	2,419,000
Unearned revenues	-	-	2,433,523	55,503	2,489,026	-
Compensated absences	153,840	8,117	39,522	9,383	210,862	99,169
Other post-employment benefits	52,864	1,286	10,797	996	65,943	20,632
Lease liabilities	3,785	-	-	43,565	47,350	79,742
Subscription liabilities	112,018	-	-	-	112,018	260,778
Notes and loans payable	8,723,490	-	119,368	637,000	9,479,858	-
Landfill closure and post-closure	-	48,300	-	-	48,300	-
Payable from restricted assets:						
Accounts payable	1,183,902	-	-	-	1,183,902	-
Contracts payable	399,730	-	-	-	399,730	-
Accrued interest	533,950	-	9,615	39,675	583,240	-
Deposits	8,163,383	-	-	141,965	8,305,348	-
Total current liabilities	22,615,103	1,174,550	2,739,059	1,118,198	27,646,910	4,821,865
Noncurrent liabilities:						
Insurance claims payable	-	-	-	-	-	9,152,000
Compensated absences	1,384,563	73,053	355,699	84,454	1,897,769	892,517
Other post-employment benefits	541,112	29,519	150,730	2,470	723,831	209,322
Net pension liability	8,155,548	295,632	2,161,852	368,145	10,981,177	4,242,330
Landfill closure and post-closure	-	30,531	-	-	30,531	-
Lease liabilities	89,407	-	-	11,019	100,426	204,290
Subscription liabilities	396,401	-	-	-	396,401	109,049
Notes and loans payable	132,673,066	-	1,039,704	2,047,000	135,759,770	-
Total noncurrent liabilities	143,240,097	428,735	3,707,985	2,513,088	149,889,905	14,809,508
Total liabilities	165,855,200	1,603,285	6,447,044	3,631,286	177,536,815	19,631,373
DEFERRED INFLOWS OF RESOURCES:						
Deferred amount on refunding	1,349,567	-	46,608	-	1,396,175	-
Deferred amount on other post-employment benefits	246,379	4,222	53,180	4,699	308,480	89,233
Deferred amount for pensions	1,872,907	97,446	463,339	92,393	2,526,085	901,469
Deferred amount for leases	-	-	-	1,261,102	1,261,102	-
Total deferred inflows of resources	3,468,853	101,668	563,127	1,358,194	5,491,842	990,702
NET POSITION:						
Net investment in capital assets	73,761,350	40,460	19,997,940	3,569,723	97,369,473	870,756
Restricted for:						
Debt covenants	10,806,994	-	1,146,084	402,966	12,356,044	-
Capital projects	64,430,107	-	-	-	64,430,107	-
Landfill	-	282,941	-	-	282,941	-
Unrestricted (deficit)	34,240,826	17,698,166	10,992,968	1,761,302	64,693,262	(93,579)
Total net position (deficit)	$ 183,239,277	$ 18,021,567	$ 32,136,992	$ 5,733,991	$ 239,131,827	$ 777,177
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time					2,133,361	
Net position of business-type activities					$ 241,265,188	

The accompanying notes are an integral part of this financial statement.

City of Daytona Beach, Florida
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended September 30, 2025

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Water and Sewer System	Solid Waste Management	Stormwater Improvement	Nonmajor Enterprise	Totals	Internal Service Funds
OPERATING REVENUES:						
Charges for services	$ 74,366,390	$ 27,888,508	$ 19,994,048	$ 4,601,219	$ 126,850,165	$ 24,427,341
Lease revenue	-	-	-	573,200	573,200	-
Other receipts	1,573,375	300	-	(4,538)	1,569,137	13,588
Total operating revenues	75,939,765	27,888,808	19,994,048	5,169,881	128,992,502	24,440,929
OPERATING EXPENSES:						
Personnel services	15,159,033	506,751	3,295,568	366,115	19,327,467	6,599,556
Contractual services	20,932,277	13,270,356	1,555,398	3,472,772	39,230,803	11,659,447
Materials and supplies	9,565,171	9,277	227,993	732,930	10,535,371	2,614,662
Depreciation and amortization	10,054,847	4,860	1,351,628	514,958	11,926,293	747,509
Total operating expenses	55,711,328	13,791,244	6,430,587	5,086,775	81,019,934	21,621,174
Operating income	20,228,437	14,097,564	13,563,461	83,106	47,972,568	2,819,755
NONOPERATING REVENUE (EXPENSE):						
Income on investments	3,135,110	348,334	345,793	89,930	3,919,167	408,160
Interest expense	(1,172,407)	-	(33,094)	(107,419)	(1,312,920)	(32,545)
Gain (loss) on disposal of capital assets	(19,544)	(3,845)	-	-	(23,389)	(2,089)
Total nonoperating revenue (expense)	1,943,159	344,489	312,699	(17,489)	2,582,858	373,526
Income before capital grants, contributions and transfers	22,171,596	14,442,053	13,876,160	65,617	50,555,426	3,193,281
Capital grants and contributions	3,412,933	-	6,752	-	3,419,685	-
Transfers (out)	(7,730,029)	(6,839,966)	(8,744,390)	(104,055)	(23,418,440)	-
Change in net position	17,854,500	7,602,087	5,138,522	(38,438)	30,556,671	3,193,281
NET POSITION (DEFICIT):						
Beginning	165,384,777	10,419,480	26,998,470	5,772,429	208,575,156	(2,416,104)
Ending	$ 183,239,277	$ 18,021,567	$ 32,136,992	$ 5,733,991	$ 239,131,827	$ 777,177

Change in net position from above	$ 30,556,671
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise fund	1,112,085
Change in net position of business-type activities	$ 31,668,756

The accompanying notes are an integral part of this financial statement.

City of Daytona Beach, Florida
Statement of Cash Flows – Proprietary Funds
For the Year Ended September 30, 2025

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Water and Sewer System	Solid Waste Management	Stormwater Improvement	Nonmajor Enterprise	Totals	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts from customers	$ 74,130,392	$ 27,625,605	$ 19,995,787	$ 5,136,875	$ 126,888,659	$ 24,427,341
Other receipts	1,573,375	300	-	(4,538)	1,569,137	13,588
Payments to suppliers	(25,045,022)	(10,188,427)	213,816	(4,197,177)	(39,216,810)	(14,120,523)
Payments to employees	(15,690,066)	(539,810)	(3,435,774)	(424,365)	(20,090,015)	(6,853,369)
Payment to other funds for services provided	(8,529,120)	(3,102,200)	(2,088,398)	-	(13,719,718)	-
Net cash provided by operating activities	26,439,559	13,795,468	14,685,431	510,795	55,431,253	3,467,037
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Transfers (to) other funds	(7,730,029)	(6,839,966)	(8,744,390)	(104,055)	(23,418,440)	-
Net cash provided by (used for) noncapital financing activities	(7,730,280)	(6,839,966)	(8,737,638)	(104,055)	(23,411,939)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Proceeds from sale of capital assets	-	-	-	-	-	6,146
Acquisition and construction of capital assets	(27,028,555)	-	(816,530)	(46,431)	(27,891,516)	(52,941)
Issuance of debt	17,009,256	-	-	-	17,009,256	-
Principal payments on debt, leases and subscriptions	(7,779,120)	-	(40,764)	(657,996)	(8,477,880)	(639,351)
Interest payments on debt, leases and subscriptions	(1,275,791)	-	(40,994)	(107,391)	(1,424,176)	(32,545)
Capital grants and contributions for purchase of capital assets	3,412,933	-	-	-	3,412,933	-
Net cash used for capital and related financing activities	(15,661,277)	-	(898,288)	(811,818)	(17,371,383)	(718,691)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Interest received	3,135,110	348,334	345,793	89,563	3,918,800	408,160
Net cash provided by investing activities	3,135,110	348,334	345,793	89,563	3,918,800	408,160
Net increase (decrease) in cash, cash equivalents, and investments	6,183,112	7,303,836	5,395,298	(315,515)	18,566,731	3,156,506
EQUITY IN POOLED CASH, CASH EQUIVALENTS, AND INVESTMENTS:						
Beginning	112,565,865	8,734,965	9,641,716	3,101,986	134,044,532	15,072,694
Ending	$ 118,748,977	$ 16,038,801	$ 15,037,014	$ 2,786,471	$ 152,611,263	$ 18,229,200
Classified as:						
Unrestricted	$ 54,461,444	$ 15,755,860	$ 14,881,017	$ 2,343,916	$ 87,442,237	$ 18,229,200
Restricted	64,287,533	282,941	155,997	442,555	65,169,026	-
Total	$ 118,748,977	$ 16,038,801	$ 15,037,014	$ 2,786,471	$ 152,611,263	$ 18,229,200

The accompanying notes are an integral part of this financial statement.

City of Daytona Beach, Florida
Statement of Cash Flows – Proprietary Funds (Continued)
For the Year Ended September 30, 2025

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Water and Sewer System	Solid Waste Management	Stormwater Improvement	Nonmajor Enterprise	Totals	Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:						
Operating income (loss)	$ 20,228,437	$ 14,097,564	$ 13,563,461	$ 83,106	$ 47,972,568	$ 2,819,755
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation and amortization	10,054,847	4,860	1,351,628	514,958	11,926,293	747,509
(Increase) decrease in:						
Accounts receivable (net)	(570,782)	(262,903)	(227,322)	-	(1,061,007)	-
Lease receivable	-	-	-	143,379	143,379	-
Intergovernmental receivable	-	-	9,719	-	9,719	-
Inventory	82,050	-	-	749	82,799	3,613
Intergovernmental receivable	184,548	-	-	4,706	189,254	(53,837)
Prepaids	(251)	-	-	-	(251)	-
Deferred outflow amount for pensions	614,438	33,341	148,466	28,130	824,375	292,267
Deferred outflow amount for OPEB	28,106	684	5,741	530	35,061	10,970
Increase (decrease) in:						
Accounts payable and other liabilities	(2,089,828)	41,790	(38,933)	12,652	(2,074,319)	437,249
Contracts payable	(1,071,018)	-	(53,014)	(7,630)	(1,131,662)	-
Intergovernmental payable	2,353	98	756	(10,399)	(7,192)	2,561
Insurance claims payable	-	-	-	-	-	(236,000)
Unearned revenues	-	-	219,342	(42,051)	177,291	-
Deposits	150,236	-	-	8,447	158,683	-
Pollution remediation obligation	-	(8,124)	-	-	(8,124)	-
Landfill closure and post-closure	-	(44,758)	-	-	(44,758)	-
Compensated absences	(17,806)	(5,653)	(16,747)	(35,150)	(75,356)	(14,291)
Other post-employment benefits	(46,681)	(1,135)	(9,535)	(880)	(58,231)	(18,220)
Net pension liability	(1,774,829)	(96,303)	(428,848)	(81,255)	(2,381,235)	(838,887)
Deferred inflow amount for leases	-	-	-	(138,872)	(138,872)	-
Deferred inflow amount for pensions	661,856	35,912	159,924	30,301	887,993	312,834
Deferred inflow amount for OPEB	3,883	95	793	74	4,845	1,514
Total adjustments	6,211,122	(302,096)	1,121,970	427,689	7,458,685	647,282
Net cash provided by operating activities	$ 26,439,559	$ 13,795,468	$ 14,685,431	$ 510,795	$ 55,431,253	$ 3,467,037
Noncash capital and related financing activities:						
Amortization of deferred amounts on refunding	$ 68,724	$ -	$ -	$ 10,026	$ 78,750	$ -
Prior year construction-in-progress costs abandoned	$ -	$ -	$ -	$ -	$ -	$ 69,761
Issuance of debt	$ -	$ -	$ -	$ -	$ -	$ 305,095
Deferred gain on refunding	$ (185,157)	$ -	$ (6,319)	$ -	$ (191,476)	$ -

The accompanying notes are an integral part of this financial statement.

City of Daytona Beach, Florida
Statement of Fiduciary Net Position – Fiduciary Funds
September 30, 2025

	Police and Fire Pension Trust Fund	Police Asset Custodial Fund
ASSETS:		
Cash and cash equivalents	$ 3,433,335	$ 1,034,851
Investments, at fair value:		
Equities - stocks	184,277,546	-
Fixed income - bonds and notes	48,378,594	-
Receivables:		
Contributions	56,507	-
Accrued interest and dividends	30,838	-
Total assets	236,176,820	1,034,851
LIABILITIES:		
Accounts payable and other liabilities	198,714	12,735
Total liabilities	198,714	12,735
NET POSITION:		
Restricted for pensions	235,978,106	-
Restricted for criminal investigations	-	1,022,116
Total net position	$ 235,978,106	$ 1,022,116

The accompanying notes are an integral part of this financial statement.

City of Daytona Beach, Florida
Statement of Changes in Fiduciary Net Position – Fiduciary Funds
For the Year Ended September 30, 2025

	Police and Fire Pension Trust Fund	Police Asset Custodial Fund
ADDITIONS:		
Contributions:		
Employer	$ 10,050,347	$ -
Employee	2,397,379	-
Employer from state	1,771,168	-
Total contributions	14,218,894	-
Asset seizures	-	477,123
Investment income:		
Net appreciation in fair value of investments plan investments	18,328,890	-
Interest and dividends	3,066,528	-
Class action settlement	4,164	-
Total investment income	21,399,582	-
Less: Investment expense	(383,534)	-
Net investment income	21,016,048	-
Total additions	35,234,942	477,123
DEDUCTIONS:		
Benefit payments	20,171,722	-
Refunds on member contributions	364,815	-
Administrative expenses	352,902	-
Asset forfeitures	-	149,769
Assets released in adjudication	-	87,101
Total deductions	20,889,439	236,870
Change in net position	14,345,503	240,253
NET POSITION - beginning	221,632,603	781,863
NET POSITION - ending	$ 235,978,106	$ 1,022,116

The accompanying notes are an integral part of this financial statement.



THIS PAGE IS INTENTIONALLY LEFT BLANK

NOTES TO THE FINANCIAL STATEMENTS

DAYTONA BEACH

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of The City of Daytona Beach, Florida (the "City") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies of the City:

Reporting Entity

The City is a municipal corporation created pursuant to the laws of Florida, Chapter 67-1274, governed by an elected seven (7) member board composed of a Mayor and six (6) district Commissioners. The accompanying financial statements present The City of Daytona Beach (the primary government) and its component units, entities for which the City is considered to be financially accountable. A blended component unit, is in substance, part of the primary government's operations, even though it is a legally separate entity. Thus the blended component unit is appropriately presented as a fund of the primary government. The discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the City. All component units have a September 30 year-end.

Blended Component Unit – The Daytona Beach Community Redevelopment Agency (CRA)

The Daytona Beach Community Redevelopment Agency (CRA) was created pursuant to Chapter 163, Part III, Florida Statutes, and Ordinance 82-255 in August 1982. Although legally separate, the CRA is a blended component unit of the City and is reported as if it were part of the City, as a special revenue fund. The CRA is governed by a board of directors which is comprised of the City Commission; the CRA's Chairman is the City's Mayor. The purpose of the CRA is to eliminate and prevent blight within the designated Community Redevelopment Areas of the City. These services provided by the CRA almost entirely benefit the City. Bond issuance authorization is approved by the City Commission. The CRA's resources are pledged to repay its associated debt; and, if those resources are insufficient, then the City has obligated its non-ad valorem revenues in any amount necessary to make such debt repayment. The CRA issues separate financial statements. As required by Section 163.387(8), Florida Statutes, additional financial information is included on page 180 in the Combining and Individual Fund Statements and Schedules section of this report.

Blended Component Unit – City of Daytona Beach Police Officers' and Firefighters' Retirement System

The City of Daytona Beach Police Officers' and Firefighters' Retirement System (the "Police and Fire Pension") was established in 1959 under Subpart C and Subpart D of the City's Code of Ordinances. The City Commission only appoints two of the five members of the governing board, but the City is financially responsible for funding the police officers' and firefighters' pension benefits. The Police and Fire Pension Trust Fund only exists to provide benefits to the City police officers and firefighters. It is accounted for in the Police and Fire Pension Trust fund. The Police and Fire Pension Board of Trustees issues separate financial statements on the Fund which may be obtained by writing to the City of Daytona Beach Police and Fire Pension Board, PO Box 2451, Daytona Beach, FL 32115-2451.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

Discretely Presented Component Unit – The Downtown Development Authority (DDA)

The Downtown Development Authority (DDA) (created pursuant to Section 163.01, Florida Statutes) is governed by a five (5) member board appointed by the City Commission. The purpose of the DDA is to finance and promote redevelopment of the City's designated downtown redevelopment area. While the City does appoint the DDA board members and does receive some financial benefit/burden from the DDA, the DDA is discretely presented since the City cannot impose its will on the DDA and the DDA does not provide services entirely to the City. The DDA has established a one mill tax rate cap on property within its downtown district, which is adopted by the DDA Board. The DDA does not and is not anticipated to have any outstanding debt. Additional financial information may be obtained by writing to The City of Daytona Beach, Finance Department, PO Box 2451, Daytona Beach, Florida 32115-2451.

Discretely Presented Component Unit – First Step Shelter, Inc.

The First Step Shelter, Inc. is governed by a board of directors consisting of three (3) to seven (7) voting members. Board members are appointed and removed by the City Commission via resolution. First Step Shelter, Inc. is a not-for-profit Florida corporation and is organized exclusively for charitable purposes as defined by 501(c)(3) of the Internal Revenue Code. The purpose of First Step Shelter, Inc. is to develop, manage, and operate the First Step Shelter Program, a homeless assistance service program located in Volusia County, Florida. The program includes a homeless shelter located within the City of Daytona Beach municipal boundaries, and is located at 3889 West International Speedway Boulevard, which opened on December 16, 2019. The First Step Shelter, Inc. is discretely presented since the First Step Shelter, Inc.'s governing body is not substantively the same as the City's governing body, and does not provide services almost entirely to the City, and its debt, if any, is not expected to be repaid almost entirely with the City's resources. The First Step Shelter, Inc. is considered a discrete component unit of the City since all board members of The First Step Shelter, Inc. are appointed by the City. This condition represents the City's ability to *impose its will* on the organization. Separate financial statements for the First Step Shelter, Inc. may be obtained by writing to First Step Shelter, Inc., Executive Director, 3889 West International Speedway Boulevard, Daytona Beach, FL 32124.

Related Organization – The Daytona Beach Housing Authority

The City Commission is responsible for appointing the members of the board for the Daytona Beach Housing Authority. The City's accountability for this organization does not extend beyond making the appointments. The board members do not serve at the discretion of the City Commission and can only be removed for just cause. The City cannot impose its will on the Daytona Beach Housing Authority and does not derive any financial benefit/burden from the relationship. Financial information related to the Daytona Beach Housing Authority is not included in these financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. As discussed earlier, the City has two discretely presented component units. While they are not considered to be major component units, they are nevertheless shown in a separate column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and indirect cost allocations where the amounts are reasonably equivalent in value to the interfund services provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the City's funds, including its fiduciary funds and blended component units. Separate statements for each fund category – governmental, proprietary, and fiduciary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation – Fund Financial Statements (Continued)

The City reports the following major governmental funds:

General Fund – the primary operating fund that accounts for all financial resources of the general government except those accounted for in another fund.

Redevelopment Trust Fund – a special revenue fund that accounts for financial resources related to economic development. These funds include proceeds from the City's redevelopment tax increment financing districts which are legally restricted and expended for these specific purposes.

Capital Projects Fund – accounts for acquisition or construction of major capital facilities.

Emergency Management Grants Fund – a special revenue fund which was established to provide an additional tracking mechanism for grants from federal and state grants related to storm events.

Grants Fund – a special revenue fund established to provide an additional tracking mechanism for grants received. This fund does not include federal and state grants related to storm events.

The City reports the following major enterprise funds:

Water and Sewer System Fund – accounts for activities of one (1) water treatment plant and distribution system and two (2) sewage treatment plants, re-use system, sewage pumping stations and collection system.

Solid Waste Management Fund – accounts for activities of solid waste collection and disposal.

Stormwater Improvement Fund – accounts for operations of and capital improvements to the stormwater system.

Additionally, the City reports the following fund types:

Internal Service Funds – account for activities of fleet maintenance, employment services, property maintenance, information technology, and consolidated insurance services provided to other City departments on a cost-reimbursement basis.

Pension Trust Fund – accounts for activities of the Police and Fire Pension, which accumulates financial resources to pay pension benefits to qualified police officers and firefighters. All resources of the fund, including any earnings on invested resources, are used to pay the participants over a stated period of time.

Custodial Fund – accounts for assets seized by law enforcement officials during criminal investigations. These funds are held until adjudication occurs at which time the funds are either returned to the defendant or forfeited to the Law Enforcement Trust Fund.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation – Fund Financial Statements (Continued)

During the course of operations the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due to/from other funds (i.e., the current portion of interfund loans) or advances to/from other funds (i.e., the noncurrent portion of interfund loans). While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources.* The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund, fiduciary fund and custodial 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.

The 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 (except entitlements) to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, other post-employment benefits, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under financed purchases are reported as other financing sources in governmental funds.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

Property taxes, franchise fees, utility taxes, licenses, permits, 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.

Entitlements (grants) are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 120 days of fiscal year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 120 days of the fiscal year end). All other entitlements are considered to be measurable and available only when cash is received by the government.

Preparation of the basic financial statements in conformity with GAAP requires management to make use of estimates that affect reported amounts in the basic financial statements. Actual results could differ from estimates.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash, Cash Equivalents, and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits, time deposits, and short-term investments with original maturities of three (3) months or less from the date of acquisition. Investments are reported at fair value, with the exception of external investments which comply with criteria set forth in Section I50: *Investment Pools (External)* of the GASB Codification and have elected to measure their investments at amortized cost. All Police and Fire Pension Trust Fund investments are stated at fair value.

Receivables and Payables

Interfund Receivables and Payables - Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are reported in the fund financial statements and 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.) In the government-wide financial statements, any residual balances outstanding between the governmental activities and business-type activities are reported as “internal balances”.

Unbilled Service Receivables - An amount for unbilled revenue is recorded in the General Fund, Water and Sewer System Fund, Solid Waste Management Fund, and Stormwater Improvement Fund for services rendered, but not yet billed as of the end of the fiscal year. The receivable is derived from the cycle billings generated subsequent to fiscal year end and prorated for usage in September.

Allowance for uncollectible accounts - Accounts receivable have been reported net of the allowance for uncollectible accounts. Accounts receivable in excess of 120 days are subject to being considered as uncollectible.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

Receivables and Payables (Continued)

Unearned Revenue - Unearned revenue recorded on the governmental fund balance sheet represents amounts received before eligibility requirements are met.

Leases Receivable - The City has commercial lease agreements for buildings, land and equipment. The City's commercial lease receivables are measured at the present value of lease payments expected to be received during the lease term at discount rates ranging from 0.21% to 3.74%, which is the discount rate stated in the contract or, in the absence of a stated rate, the City's incremental borrowing rate. Subsequently, the lease receivable is reduced by the principal portion of lease payments received over the life of the lease term.

Inventories and Prepaid Items

Inventory for the Halifax Harbor Fund and Fleet Maintenance Fund are valued at cost using the first-in/first-out method. The Water and Sewer System Fund, the Municipal Golf Course, Cultural Services and the Florida Tennis Center inventories are valued using the weighted average cost method. The costs of all inventories are recorded as expenditures or expenses when consumed rather than when purchased with the exception of Traffic Engineering inventory, which is recorded as an expenditure in the General Fund at the time of purchase with an annual adjustment to record the inventory balance at year end.

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

Restricted Assets for Debt Covenants

Certain debt proceeds, as well as certain resources set aside for their repayments, are classified as restricted assets on the balance sheet because their use is limited by applicable debt covenants. Restricted funds are comprised of the following:

Sinking Funds – used to segregate resources accumulated for debt service payments.

Reserve Funds – used to report debt proceeds designated to pay debt service if pledged revenues are insufficient to satisfy debt service requirements.

Construction Funds – used to report proceeds from debt issuances that are restricted for use in construction for which the debt was issued.

Renewal and Replacement Funds – used to report resources set aside, per bond covenants, to meet unexpected repairs or fund future asset renewal and replacement.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

Capital Assets

Capital assets, which include buildings, improvements, equipment, and infrastructure (e.g. roads, drainage improvements, sidewalks, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of $10,000 or greater and an estimated useful life of two (2) years or more. Infrastructure acquired prior to the implementation of GASB Statement No. 34 has been reported at estimated historical cost.

As the City constructs or acquires additional capital assets, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their acquisition value at the date of donation.

Interest incurred during the construction phase of capital assets of enterprise funds is included as part of the capitalized value of the assets constructed.

Land and construction in progress are not depreciated. Buildings, improvements, equipment, and infrastructure of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Capital Asset Class	Lives in Years
Buildings	10-50
Improvements	10-50
Infrastructure	15-50
Vehicles	3-5
Machinery and equipment	3-30
Right-of-use lease assets	2-20
Right-of-use Subscription assets	2-20

Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts and prepaid bond insurance costs 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 (excluding prepaid insurance) are reported as an expense in the period incurred.

For refunding of debt reported in the government-wide and proprietary fund financial statements, the difference between the reacquisition price and the net carrying amount of the old debt will be deferred and amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter. On the statement of net position, the deferred amount is reported as deferred outflows/inflows of resources. Bond issuance costs (excluding prepaid insurance) are reported as an expense in the period.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

Long-Term Obligations (Continued)

In the fund financial statements, governmental fund types recognize premiums, discounts and issuance costs, during the current period. The face amount of 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 issuance received, are reported as debt service expenditures.

Compensated Absences

The City's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from government service. Unused vacation benefits are eligible to be used while still employed by the City. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements to the extent that the leave is attributable to employees' services already rendered and is more likely than not to be used and paid for while employed or paid for at the end of employment. For the purpose of measuring the liability, the City assumes that leave is used on a last-in-first-out (LIFO) basis, with leave earned during the current year used before leave accumulated in prior years. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable

It is the City's policy to grant employees personal leave, based upon the number of years of employment with the City. Personal leave may be accrued up to the maximum of 264 hours annually and used as time off each fiscal year. Any employee retiring or leaving the City is entitled to be paid for accrued unused personal leave benefits to their credit at the rate of one (1) hour's pay for every two (2) hours accrued during the first five (5) years or less of employment and one (1) hour's pay for every one (1) hour accrued after five (5) years of employment at the employee's then current rate of pay up to the maximum carryover of 960 hours.

Leases

Lease contracts that provide the City with control of a non-financial asset, such as land, buildings or equipment, for a period of time in excess of twelve months are reported as a leased asset with a related lease liability. The lease liability is recorded at the present value of future lease payments, including fixed payments, variable payments based on an index or fixed rate and reasonably certain residual guarantees. The intangible leased asset is recorded for the same amount as the related lease liability plus any prepayments and initial direct costs to place the asset in service. Leased assets are amortized over the shorter of the useful life of the asset or the lease term. The lease liability is reduced for lease payments made, less the interest portion of the lease payment.

Subscription-Based Information Technology Arrangements

Subscription-Based Information Technology Arrangements provide the City with control of a non-financial software asset for a period of time in excess of twelve months are reported as a right-to-use subscription asset with a related subscription liability. The subscription liability is recorded at the present value of future subscription payments, including fixed payments and variable payments based on an index or fixed rate. The

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

Subscription-Based Information Technology Arrangements (Continued)

intangible right-to-use subscription asset is recorded for the same amount as the related subscription liability plus any prepayments and initial direct costs to place the asset in service. The right-to-use subscription assets are amortized over the subscription term and the subscription liability is reduced for lease payments made, less the interest portion of the subscription payment.

Other Post-Employment Benefits (OPEB)

Pursuant to Section 112.0801, Florida Statutes, the City is mandated to permit participation in the health insurance program by retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. The rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. The City also provides an explicit subsidy for a portion of the premium charged for dependent coverage. These benefits are provided in accordance with the vesting and retirement requirements for its employees. The City is financing the post-employee benefits on a pay-as-you-go basis. As determined by an actuarial valuation, a total OPEB liability related to the implicit and explicit subsidies is recorded in the proprietary fund and government-wide financial statements in accordance with GASB Codification P52: *Other Postemployment Benefits Other than Pensions*.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for *deferred outflows of resources*. Deferred outflows of resources represent a consumption of net assets that applies to future periods. The City has three (3) items that qualify for reporting as deferred outflows of resources; the *deferred amount on refunding*, the *deferred amount for other post-employment benefits* and the *deferred amount for pensions*.

All three are reported in the government-wide and proprietary funds statements of net position. The *deferred amount on refunding* results from debt refinancing, whereby the reacquisition price of the funding debt instruments exceed their net carrying amount. The *deferred amount on refunding* is amortized over the shorter of the life of the refunded or refunding debt. The *deferred outflows on other post-employment benefits* results from classification of certain reporting adjustments per GASB Codification Section P52: *Post-employment Benefits Other than Pensions* and will be amortized for eight years. The *deferred outflows related to pensions* are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria*. The *deferred outflows related to pensions* will be recognized as either pension expense or a reduction in the net pension liability in future reporting years. The deferred outflows related to other post-employment benefits will be recognized as either group health insurance expense or a reduction in the net other post-employment benefits liability in future reporting years.

In addition to liabilities, the statement of net position will sometimes report a separate section for *deferred inflows of resources*. Deferred inflows of resources represent an acquisition of net assets that applies to future

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

Deferred Outflows/Inflows of Resources (Continued)

periods and will *not* be recognized as an inflow of resources (revenue) until that time. The City has five (5) items that qualify for reporting as deferred inflows of resources, which are the *deferred amount for refunding*, *deferred amount for pensions,* the *deferred amount for other post-employment benefits,* the *deferred amount for leases* and the *deferred amount for unavailable revenue.*

The *deferred inflows related to refunding* results from debt refinancing, whereby the reacquisition price of the funding debt instruments exceed their net carrying amount. The *deferred amount on refunding* is amortized over the shorter of the life of the refunded or refunding debt.

The *deferred inflows related to pensions* are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria.*

The *deferred inflows related to pensions* will be recognized as a reduction to pension expense in future reporting years. The *deferred inflows on other post-employment benefits* results from classification of certain reporting adjustments per GASB Codification Section P52: *Post-employment Benefits Other than Pensions* and will be recognized as a reduction to benefits expense in future reporting years.

The *deferred amounts related to leases* are associated with amounts owed to the City, as lessor, by entities leasing the City's capital assets as calculated in accordance with GASB Codification L20: *Leases*. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is recognized as revenue on a straight-line basis over the term of the lease.

The *deferred inflows related to unavailable revenues* arises only under modified accrual basis of accounting and is only reported on the balance sheet for the governmental funds. The governmental funds report unavailable revenues when receivables are not considered measurable or available as defined by the City's revenue recognition policies defined in *Measurement Focus and Basis of Accounting* section.

Pensions and Net Pension Liability

The City participates in both the Florida Retirement System (FRS) defined benefit pension plan and the Health Insurance Subsidy Program (HIS) defined benefit plan administered by Florida Division of Retirement (collectively, FRS/HIS). In the government-wide and proprietary fund statements of net position, a net pension liability has been recorded representing the City's proportionate share of the net pension liability of the cost-sharing pension plans in which it participates. This proportionate amount represents a share of the present value of projected benefit payments to be provided through the cost-sharing pension plan to current and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the cost-sharing pension plan's fiduciary net position.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

Pensions and Net Pension Liability (Continued)

The City also sponsors a single-employer defined benefit pension plan for police officers and firefighters which is administered by the Police and Fire Pension Board appointed by the City Commission. In the government-wide statement of net position, the net pension liability represents the present value of projected benefit payments to be provided through the pension plan to current and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the net position of each plan and additions to/deductions from each plan's net position have been determined on the same basis as they are reported by each plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund Balance Policies

The City adopted a fund balance policy whereby fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (*committed fund balance*) or an assignment (*assigned fund balance*).

The City's adopted fund balance policy is as follows:

Non-spendable – fund balance amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash such as inventories and prepaid amounts. It also includes the long-term portion of loans and notes receivable as well as property acquired for resale unless the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

Restricted – fund balance amounts that can be spent only for the purposes specified by external resource providers (such as grantors, creditors, or contributors), the City Charter, enabling legislation, or laws or regulations of other governmental agencies. Restrictions may be changed or lifted only with the consent of the resource providers.

Committed – fund balance amounts that can only be used for specific purposes pursuant to constraints imposed by ordinance of the City Commission. Those committed amounts cannot be used for any other purpose unless the City Commission removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The City has no committed fund balance at September 30, 2025.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

Fund Balance Policies (Continued)

Assigned – fund balance amounts, other than restricted or committed fund balance, that the City intends to use for a specific purpose. The intent shall be expressed by the City Commission, or the City Manager or Chief Financial Officer if authorized by the City Commission per the City's fund balance policy. Unlike commitments, assignments generally exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned – this is the residual classification for the General Fund and represents amounts that have not been assigned to other funds and have not been restricted, committed or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

Minimum Unreserved (Unassigned) Fund Balance – as per City Code, Section 46-26, the City has established a minimum ten percent (10%) segregated budgetary cash reserve of total current year budgeted operating expenditures in the general fund. Should the segregated budgetary cash reserve fall below this minimum, a financial plan outlining an increase in revenues or a decrease in expenditures will be submitted to the City Commission for approval. This plan will require the segregated budgetary cash reserve be fully funded within a two-year period. Use of the segregated budgetary cash reserve below the ten percent (10%) reserve would be permitted only in the case of a legitimate emergency or disaster, or in the case of an unanticipated economic downturn resulting in a "material" loss in revenues.

The City considers restricted fund balances to be spent first when both restricted and unrestricted resources are available for use. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the City considers committed amounts to be reduced first, followed by assigned amounts and then unassigned amounts.

Net Position

The government-wide and proprietary funds financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets into one component of net position; accumulated depreciation and the outstanding balances of debt that are attributed to the acquisition, construction or improvement of these assets reduce the balance in this category. Restricted net position includes all net position with external restrictions imposed by creditors, grantors, or laws and regulations of other governments. Unrestricted net position is the residual amount of net position of the City that is not restricted for any particular purpose.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

Net Position (Continued)

The calculation for net investment in capital assets for the governmental and business-type net position are as follows:

	Government-wide						Internal
	Governmental Activities	Business-type Activities	Water and Sewer System	Solid Waste Management	Stormwater Improvement	Nonmajor Enterprise	Service Funds
Capital assets, net	$ 174,776,870	$ 247,109,292	$ 219,592,350	$ 40,460	$ 21,198,756	$ 6,277,726	$ 1,524,615
Capital-related accounts payable	-	(2,358,402)	(2,358,402)	-	-	-	-
Contracts (retainage) payable	(1,377,310)	(547,847)	(547,514)	-	-	(333)	-
Capital-related debt outstanding	(83,806,977)	(145,895,823)	(141,998,167)	-	(1,159,072)	(2,738,584)	(653,859)
Deferred amounts on refunding	67,411	(937,747)	(926,917)	-	(41,744)	30,914	-
Unspent capital-related debt proceeds	33,171,472	-	-	-	-	-	-
Net investment in capital assets	$ 122,831,466	$ 97,369,473	$ 73,761,350	$ 40,460	$ 19,997,940	$ 3,569,723	$ 870,756

Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., debt or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as net position-restricted and net position-unrestricted in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider net position-restricted to have been depleted before net position-unrestricted is applied.

Revenues and Expenditures/Expenses

Property Taxes

Under Florida law, the assessment of all properties and the collection of all county, municipal and school district property taxes are consolidated in the offices of the Volusia County Property Appraiser and Chief Financial Officer. The laws of the state regulating tax assessment are designed to assure a consistent property valuation method statewide. State statutes permit municipalities to levy property taxes at a rate of up to ten (10) mills. The millage rate assessed by the City for operating purpose was 5.9300 mills and for debt service was 0.1574 mills for a total millage rate of 6.0874 mills for the fiscal year ended September 30, 2025.

The property tax calendar is as follows:

Valuation date ..... January 1, 2024

Each taxing authority is notified of their respective valuations based on the assessment roll prepared by the property appraiser and approved by the State .....July 1, 2024

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Expenditures/Expenses (Continued)

Property Taxes (Continued)

City Commission holds two (2) required public hearings, adopts an ad valorem tax millage rate, and adopts the budget for the coming fiscal year.....September 2024

All real and tangible personal property taxes are due and payable (levy date).....November 1, 2024

The County mails Notice of Taxes to property owners on the assessment roll.....November 2024

Taxes are paid from November 2024 through March 2025, with the following applicable discounts:

Month Paid	Percent Discount
November	4%
December	3%
January	2%
February	1%
March	0%

All unpaid taxes on real and tangible personal property become delinquent ..... April 1, 2025

Tax certificates are sold on all parcels with unpaid real property taxes (lien date).....May 31, 2025

A court order is obtained by the County authorizing the seizure and sale of personal property if the taxpayer fails to pay the delinquent personal property taxes ..... August 2025

Program Revenues

Amounts reported as *program revenues* include: 1) fees, fines and 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 (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment.

All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than program revenues.

Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* 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 enterprise funds and internal service funds are charges to customers for sales and services.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Expenditures/Expenses (Continued)

Proprietary Funds Operating and Nonoperating Revenues and Expenses (Continued)

Operating expenses for enterprise funds and internal service 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 nonoperating revenues and expenses.

Fair Value Measurement

The City follows GASB Codification I50: *Investments*, which provides guidance for determining, applying and disclosing fair values measurement for financial reporting purposes for financial and non-financial assets, including real estate, intangible assets, land rights, natural resources and alternative investments. A three level hierarchy of valuation techniques used to measure fair value was established. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are inputs other than quoted prices that are observable either directly or indirectly. Level 3 inputs are unobservable inputs. These standards require disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, May 21, 2026. See Note 19 for relevant disclosures. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recently Issued and Implemented Accounting Pronouncements

GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. This Statement requires retrospective application; however, the impact was deminimis to the September 30, 2024 balance, therefore was applied prospectively.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

***Recently Issued and Implemented Accounting Pronouncements* (Continued)**

GASB Statement No. 102, *Certain Risk Disclosures*. This Statement establishes financial reporting requirements for risks related to vulnerability due to certain concentrations or constraints. The requirements of this Statement apply to the financial statements of all state and local governments. This Statement amends NCGA Interpretation 6, Notes to the Financial Statements Disclosure, paragraph 5. The objective of this Statement is to provide users of government financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. This pronouncement did not have a material impact on the City's Financial Statements.

The Government Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

ASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing government accountability. The Statement enhances Management Discussion and Analysis, addresses unusual or infrequent items, and clarifies the presentation of proprietary fund statements. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Management has not yet evaluated the impact that this pronouncement will have on the City's Financial Statements.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34. The Statement also requires that capital assets held for sale be evaluated each reporting period and requires additional disclosures for capital assets held for sale. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Management has not yet evaluated the impact that this pronouncement will have on the City's Financial Statements.

GASB Statement No. 105, *Subsequent Events*. The objective of this Statement is to enhance the consistency with which the standards for reporting subsequent events are applied, thereby better meeting the information needs of financial statement users. The Statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued (that is, when the financial statements are complete in a form and format that complies with generally accepted accounting principles and approvals necessary for issuance have been obtained), rather than the date the financial statements are issued. The date through which subsequent events have been evaluated should be disclosed. A recognized subsequent event provides evidence of conditions that existed at the financial statement date that inform accounting estimates reported as of the financial statement date and should be reflected in those estimates. A nonrecognized subsequent event results in a significant effect (favorable or unfavorable) that is recognized or disclosed in the basic financial statements in the reporting period in which the event occurs and is one of the following: a debt-related transaction; government combination or a disposal of government operations; a change to the legally separate entities that compose the financial reporting entity; or a transaction or other event that is of such a nature that disclosure is essential to a user's analysis for making decisions or assessing accountability.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

***Recently Issued and Implemented Accounting Pronouncements* (Continued)**

Governments will be required to disclose a description of the nonrecognized event and its effect and an estimate of the amount of the effect (or the reason why an estimate cannot be made).

The City is evaluating the requirements of the above statements and the impact on reporting.

Note 2: DEFICIT NET POSITION AND FUND BALANCE, STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

The following funds had a deficit net position at fiscal year-end September 30, 2025.

Fleet Maintenance Fund – The Fleet Maintenance Fund had a deficit net position of $69,715 at September 30, 2025. This deficit is primarily due to increased supply costs in excess of charges to the user funds. The deficit will be reduced in the next fiscal year through an adjustment to service charges.

Employment Services Fund – The Employment Services Fund had a deficit net position of $479,316 at September 30, 2025. This deficit was a result of a restatement to the fund's beginning net position in FY 2014-15, due to the required implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions,* which requires employers participating in cost-sharing multiple-employer defined benefit pension plans to report the employers' proportionate share of the net pension liabilities of the defined benefit pension plans. The requirements of this Statement were implemented prospectively, with the City reporting its proportionate share of the actuarially determined liabilities at October 1, 2014. On an annual basis the City calculates its internal rate structure and includes the amount required for the current pension funding. The deficit caused by implementing GASB Statement No. 68, is a long-term net pension liability and will be reduced over a significant period of time.

Property Maintenance Fund - The Property Maintenance Fund had a deficit of net position of $192,865 at September 30, 2025. The deficit is primarily due to increased costs and need for contracted services in excess of charges to the user funds. The deficit will be reduced in the next fiscal year through an adjustment to the service charges.

Grants Special Revenue Fund – The Grants Special Revenue Fund had a deficit net position of $6,439,497 at September 30, 2025. The deficit was primarily due to receivables from grantors which were not collected within the City's revenue recognition period, where the City deferred the revenue to future periods. The City has $7,101,260 as unavailable revenue at September 30, 2025 in the Grants Special Revenue Fund.

Emergency Management Grants Special Revenue Fund – The Emergency Management Grants Special Revenue Fund had a deficit net position of $13,110,837 at September 30, 2025. The deficit was primarily due to approximately $12.9 million balance due to other funds to cover expenditures related to emergency management relief efforts for recent hurricanes that affected the City and the continuing recovery efforts until the City is reimbursed for these costs by Federal and State grantors.

Note 3: DEPOSITS AND INVESTMENTS

A common cash and investment pool is maintained for the use of all funds. All cash and investments are managed in accordance with City ordinances except the Police and Fire Pension Trust Fund which is separately managed under the direction of the Police and Fire Pension Board. See Note 15 for further information regarding the Police and Fire Pension. On February 21, 2001, the City Commission formally adopted a comprehensive investment policy pursuant to Section 218.415, Florida Statutes, which established permitted investments, asset allocation limits, credit ratings requirements and maturity limits to protect the City's cash and investments. On August 5, 2009 the City Commission approved a revised policy to change the asset allocations due to changes that had occurred in the financial markets.

Custodial Credit Risk – All cash deposits are held by banks that qualify as a public depository under the Florida Security for Public Deposits Act as required by Chapter 280.02, Florida Statutes. Any potential losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral by the bank and, if necessary, assessments against other qualified public depositories of the same type as the depository in default. Therefore, the City has no custodial credit risk associated with deposits. The City's investment policy allows for the following investments: Local Government Surplus Funds Trust Fund, United States Government Securities, United States Government Agencies, Federal Instrumentalities, Interest Bearing Time Deposit or Savings Accounts, Repurchase Agreements, Corporate Notes, Commercial Paper, Corporate Obligations, Bankers' Acceptances, State and/or Local Government Taxable Debt, Registered Investment Companies (Mutual Funds and Money Market Mutual Funds) and Intergovernmental Investment Pools. For all investments authorized by the policy, the City applies the "Prudent Person" standard when developing investment strategies. *Interest Rate Risk* – Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value. The City's investment policy limits investments to those having a maturity, at the time of purchase, of less than ten (10) years. There were no investments that exceeded this maximum maturity at September 30, 2025. The City utilizes "duration" as a measurement of interest rate risk and as of September 30, 2025, the combined cash and investment portfolios had a weighted average duration of 1.33 years.

Credit Risk – Credit risk exists when there is a possibility the issuer or other counter-party to an investment may be unable to fulfill its obligations. The City's investment policy protects its investments by requiring specific credit ratings for each type of investment in the portfolio. All are rated within policy guidelines.

Custodial Credit Risk – The City's investment policy, pursuant to Section 218.415(18), Florida Statutes, requires securities, with the exception of certificates of deposit, to be held with a third-party custodian and all securities purchased by, and all collateral obtained by the City, should be properly designated as an asset of the City. The securities must be held in an account separate and apart from the assets of the financial institution. Security transactions between a broker/dealer and the custodian involving the purchase or sale of securities by transfer of money or securities must be made on a "delivery versus payment" basis, if applicable, to ensure the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction. As of September 30, 2025, the City's investment portfolios were held with a third-party custodian as required by the investment policy.

Concentration of Credit Risk – In addition to describing the credit risk of investments in the portfolio, governmental entities need to disclose the concentration of any single investment type or holding per single issuer. The City's investment policy allows investment concentrations in various percentages for different types of investments. The investments held at year end are all within the allowable percentages.

Note 3: DEPOSITS AND INVESTMENTS (Continued)

Foreign Currency Risk – The City's investment policy does not allow for investments in foreign currency; therefore, the City has no exposure to foreign currency risk.

The table below shows the cash, cash equivalents, and investments including their respective durations (in years), ratings of investments held at year end, and percent allocations of each investment type in the portfolio at September 30, 2025:

Portfolio	Fair Value	Duration (Years)	Weighted Average Rating Moody's/S&P	Percent Distribution
Cash Deposits	$ 250,961,923	-	Not Rated	76.72%
First American Treasury Money Market Fund	619,511	-	Aaa/AAAm	0.19%
FLCLASS	20,099,430	0.12	Aaa/AAAm	6.14%
US Treasury Notes	51,107,464	1.83	Aaa/AA+	15.62%
US Instrumentalities:				
Federal Home Loan Bank	1,515,162	1.13	Aaa/AA+	0.46%
Federal Farm Credit Bank	1,003,936	0.73	Aaa/AA+	0.31%
Municipal Bonds:				
State of Georgia	1,524,385	1.75	Aaa/AAA	0.47%
State of Hawaii	306,129	0.46	Aa2/AA+	0.09%
Total	$ 327,137,940			100.00%

The City follows Section I50: *Investments* of the GASB Codification which establishes a framework for measuring fair value. This framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under Section I50: *Investments* of the GASB Codification are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2: Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Note 3: DEPOSITS AND INVESTMENTS (Continued)

The City had the following fair value measurements as of September 30, 2025. At the end of the fiscal year, the City did not have investments classified as Level 1 and Level 3 assets in its portfolio.

Portfolio	Fair Value	Quoted Prices in Active Markets for Identical Assets Level 2
US Treasury Notes	$ 51,107,464	$ 51,107,464
US Instrumentalities:		
Federal Home Loan Bank	1,515,162	1,515,162
Federal Farm Credit Bank	1,003,936	1,003,936
Municipal Bonds:		
State of Georgia	1,524,385	1,524,385
State of Hawaii	306,129	306,129
Subtotal	55,457,076	55,457,076
First American Treasury Money Market Fund	619,511	N/A
FLCLASS	20,099,430	N/A
Cash Deposits	250,961,923	N/A
Total	$ 327,137,940	$ 55,457,076

The City has the following recurring fair value measurements as of September 30, 2025:

- Fixed income funds – valued using price models maximizing the use of observable inputs for similar securities. This includes basing value on yield currently available on comparable securities of issuers with similar credit ratings.
- Common stock – valued at quoted market prices for identical assets in active markets.

The above table summarizes the assets of the City for which fair values are determined on a recurring basis as of September 30, 2025. In accordance with GASB Codification I50: *Investments*, money market funds have not been classified in the fair value hierarchy as they are measured at net asset value (NAV). There are no unfunded commitments for money market funds and they can be redeemed daily with no redemption notice period.

The City has invested funds in the Florida Cooperative Liquid Assets Security System (“FLCLASS”). FLCLASS is an investment pool emphasizing safety, liquidity, and yields as a competitive option for local Florida governments. FLCLASS measure investments at fair value in accordance with Paragraph 41 of GASB Statement No. 79 and Paragraph 11 of GASB Statement No. 31, and therefore the City’s investment in FLCLASS is not required to be categorized within the fair value hierarchy for purposes of Paragraph 81a(2) of GASB Statement No. 72. FLCLASS is rated by S&P Global Ratings. The current rating is “AAAM”. The weighted average days to maturity at September 30, 2025, is 42 days. Next interest rate reset dates for floating rate securities are used in the calculation of weighted average maturity. The weighted average life of FLCLASS at September 30, 2025 is 85 days.

Note 4: RECEIVABLES

Below is the detail of receivables, including applicable allowances for uncollectible accounts, at September 30, 2025:

Description	Receivables	(Less) Allowance for Uncollectibles	Receivables (Net)
General Fund	$ 5,171,462	$ 625,741	$ 4,545,721
Redevelopment Trust	48,666	-	48,666
Nonmajor governmental funds	360,350	226,606	133,744
Total - Governmental Funds	5,580,478	852,347	4,728,131
Proprietary Funds:			
Water and Sewer System	12,878,736	2,453,648	10,425,088
Solid Waste Management	4,270,739	673,923	3,596,816
Stormwater Improvement	2,657,181	364,282	2,292,899
Nonmajor Enterprise Funds	2,024	-	2,024
Total - Proprietary Funds	19,808,680	3,491,853	16,316,827
Fiduciary Funds:			
Police and Fire Pension Trust	87,345	-	87,345
Component unit - First Step Shelter	98,049	-	98,049
Component unit - Downtown Development Authority	964	-	964
Total	$ 25,575,516	$ 4,344,200	$ 21,231,316

Receivables in the General Fund consist mainly of utility taxes and franchise fees due to the City for taxes and fees billed as of September 30, 2025.

Included in accounts receivable in the General Fund, Nonmajor governmental funds, Water and Sewer System Fund, and Solid Waste Management Fund are liens receivable. Liens receivable in the General and Nonmajor governmental funds consist of expenditures incurred for demolitions and are recorded as unearned revenue.

Liens receivable in the Water and Sewer System Fund represent water and sewer charges not paid by the property owner. In the Solid Waste Management Fund, liens receivable represent charges incurred for lot clearances. Each recorded lien has been processed and filed with the Volusia County Clerk of Circuit Court against the specific property affected.

An estimated unbilled revenue amount is recorded within the General Fund of $202,469, Water and Sewer System Fund of $6,045,527, Solid Waste Management Fund of $2,518,870, and Stormwater Improvement Fund of $1,719,625 and represents services rendered but not yet billed as of the end of the fiscal year.

Note 5: NOTES RECEIVABLE

The following is a summary of notes receivable at September 30, 2025:

Redevelopment Trust Fund – On November 19, 2009, the Daytona Beach Community Redevelopment Agency (CRA) entered into an agreement to lend Central Florida Community and Economic Development Corporation,

Note 5: NOTES RECEIVABLE (Continued)

LLC, up to $551,000 for retail development of property located at 456 South Martin Luther King Boulevard, Daytona Beach, Florida, which is within the Midtown Redevelopment area of the City. The note is secured by a mortgage on the property. The CRA agreed to forgive a repayment of up to $250,000 for authorized CRA expenditures under Chapter 163, Florida Statutes, and the Midtown Redevelopment Area Plan pursuant to the terms of the loan agreement. During FY 2012-13, the loan agreement was modified where as of September 30, 2013, combined payments on the indebtedness totaled $20,846, leaving a principal balance owed to the CRA of $280,153. This remaining principal balance was to be amortized over 57 months and repaid in equal monthly installments of $2,083 through December 2018, at which time a balloon payment was due in the amount of $161,396. In FY 2020-21 due to delinquency of payments, the City modified the loan whereas Central Florida Community and Economic Development Corporation, LLC would make monthly payments of $2,000 until the loan was repaid, which has been consistently made since January of 2021. The remaining principal balance owed at September 30, 2025 was $48,396.

Note 6: LEASE RECEIVABLES

The City is the lessor of various properties, including commercial real estate, land and equipment. The City accounts for leases in accordance with GASB Codification L20: *Leases*. The agreements are made up of various noncancellable agreements which expire between the years 2026 and 2045. Most leases include increases of a minimum percentage or escalate on some other basis.

General Fund - On January 1, 2024, the City entered into a long term lease agreement with Tortugas Baseball Club, LLC to lease the City-owned Jackie Robinson Ballpark and the City-owned building at 110 East Orange Ave. Daytona Beach, Florida, for a term of 20 years. Lessee pays a fixed rate monthly fee for the entire duration of the lease. The year following completing contractually-obligated capital improvements to the property, expected to be completed by December 31, 2025, there will be a variable lease component included to the monthly payments, whereas the lessee will pay 25% of net earnings for the previous year, capped at $100,000 per year. For the fiscal year September 30, 2025, the General Fund recognized $52,126 of lease revenue and $43,202 of lease interest.

Community Redevelopment Trust Fund – On September 7, 2023, the City purchased the building at 562 W. International Speedway, Daytona Beach, Florida. The property included an existing lease for the signage on the rooftop of the building which expires on June 30, 2027. The lessee pays a fixed annual rate during the duration of the lease. For the fiscal year September 30, 2025, the Community Redevelopment Trust Fund recognized $16,808 of lease revenue and $753 of lease interest.

Halifax Harbor Fund – The City owns and operates a commercial plaza of approximately 39,500 square feet at the Halifax Harbor Marina through a management contract with an independent management firm. The Halifax Harbor Plaza has a mixture of retail, office, and restaurant space with a number of tenants and for varying lease periods with no period longer than five (5) years, not including lease-renewal options. Lessees pay a base rent amount plus common area maintenance fees. For the fiscal year September 30, 2025, the Halifax Harbor Fund recognized $271,472 of lease revenue and $8,332 of lease interest.

Daytona Beach Pier Fund – On December 6, 2011, the City entered into a 10-year agreement with Crab Addison, Inc. to lease the City-owned Daytona Beach Pier. The agreement contains four (4) options to extend the term an

Note 6: LEASE RECEIVABLES (Continued)

additional five (5) years each. Effective January 3, 2017, Crab Addison, Inc., a Texas corporation was converted to Joe's Crab Shack, LLC, a Texas limited liability company as the new Tenant entity under the Lease. For the fiscal year September 30, 2025, the Daytona Beach Pier Fund recognized $301,728 of lease revenue and $6,092 of lease interest.

The following is a schedule by years of minimum future revenues from noncancellable agreements:

	Governmental Activities		Business-Type Activities		
Year ending September 30,	Principal	Interest	Principal	Interest	Total Future Minimum Lease Payments
2026	$ 39,403	$ 39,430	$ 590,645	$ 13,173	$ 682,651
2027	41,950	38,187	425,656	7,880	513,673
2028	31,616	36,852	128,974	4,713	202,155
2029	33,575	35,641	127,256	2,353	198,825
2030	36,262	34,338	37,885	255	108,740
2031 - 2035	226,383	148,373	-	-	374,756
2036 - 2040	315,663	98,097	-	-	413,760
2041 - 2045	353,435	29,983	-	-	383,418
Total	$ 1,078,287	$ 460,901	$ 1,310,416	$ 28,374	$ 2,877,978

Note 7: INTERFUND BALANCES AND TRANSFERS

The following is a summary of interfund receivable and payable balances at September 30, 2025:

Due To/From Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Emergency Management Grant Fund	$ 12,889,000
General Fund	Grants Fund	6,044,000
General Fund	Nonmajor Governmental Funds	60,265
Total		$ 18,993,265

$18,993,265 represent amounts payable from Nonmajor Governmental Funds, the Grants Fund and the Emergency Management Grants Fund, which were needed to cover cash deficits caused by timing of cash receipts from grant reimbursements.

Note 7: INTERFUND BALANCES AND TRANSFERS (Continued)

Interfund Transfers

		Transfers In			
		Governmental Funds			
Description	Total Transfers (Out)	General Fund	Redevelopment Trust	Capital Projects	Nonmajor Governmental Funds
Governmental Funds:					
General Fund	$ 19,770,801	$ -	$ 5,317,467	$ 8,208,206	$ 6,245,128
Redevelopment Trust	3,067,909	-	-	-	3,067,909
Capital Projects	1,477,248	-	-	-	1,477,248
Nonmajor governmental	640,215	-	-	-	640,215
Total - governmental funds	24,956,173	-	5,317,467	8,208,206	11,430,500
Proprietary Funds:					
Water and Sewer System	7,730,029	7,730,029	-	-	-
Solid Waste Management	6,839,966	6,839,966	-	-	-
Stormwater Improvement	8,744,390	8,744,390	-	-	-
Nonmajor Enterprise	104,055	104,055	-	-	-
Total - proprietary funds	23,418,440	23,418,440	-	-	-
Total	$ 48,374,613	$ 23,418,440	$ 5,317,467	$ 8,208,206	$ 11,430,500

The transfer from the General Fund to the Redevelopment Trust Fund reflects the City's tax increment payment based on the difference in taxable values for the five (5) community redevelopment areas from the base year to 2025. Transfers from the General Fund and Redevelopment Trust Fund to Nonmajor Governmental to meet debt service requirements. The transfers from the General Fund to the Capital Projects Fund were made to cover future improvements for various facilities and roadway projects. Transfers from the Proprietary Funds to the General Fund were primarily for payment in lieu of taxes for governmental services provided. The transfers between the nonmajor governmental funds were to move funds to the debt service funds to provide for current year debt service and to reimburse funds for shared costs.

Note 8: CAPITAL ASSETS

Fiscal Year Activity

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

Description	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
(Includes internal service funds)				
Capital assets, not being depreciated/amortized:				
Land	$ 32,932,300	$ 3,625,953	$ (21,359)	$ 36,536,894
Construction in progress	12,967,394	32,709,703	(5,824,687)	39,852,410
Total capital assets, not being depreciated/amortized	45,899,694	36,335,656	(5,846,046)	76,389,304
Capital assets, being depreciated/amortized:				
Buildings	71,854,412	3,544,342	(721,190)	74,677,564
Equipment	48,684,362	6,157,972	(1,736,510)	53,105,824
Improvements and infrastructure	103,737,598	673,413	(14,823)	104,396,188
Right-to-use lease assets				
Equipment	918,614	1,225,668	(70,655)	2,073,627
Buildings	362,044	604,996	-	967,040
Right-to-use subscription assets	2,624,629	5,560,113	(929,745)	7,254,997
Total capital assets, being depreciated/amortized	228,181,659	17,766,504	(3,472,923)	242,475,240
Less accumulated depreciation/amortization for:				
Buildings	(38,370,305)	(1,981,085)	721,190	(39,630,200)
Equipment	(32,087,705)	(4,693,921)	1,715,845	(35,065,781)
Improvements and infrastructure	(62,653,118)	(3,063,377)	6,589	(65,709,906)
Right-to-use lease assets				
Equipment	(559,572)	(379,502)	70,655	(868,419)
Buildings	(156,318)	(161,788)	-	(318,106)
Right-to-use subscription assets	(1,632,092)	(1,755,148)	891,978	(2,495,262)
Total accumulated depreciation/amortization	(135,459,110)	(12,034,821)	3,406,257	(144,087,674)
Total capital assets, being depreciated/amortized, net	92,722,549	5,731,683	(66,666)	98,387,566
Governmental activities capital assets, net	$ 138,622,243	$ 42,067,339	$ (5,912,712)	$ 174,776,870

Note 8: CAPITAL ASSETS (Continued)

Fiscal Year Activity (Continued)

Description	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated/amortized:				
Land	$ 6,428,187	$ -	$ (511)	$ 6,427,676
Construction in progress	71,869,674	25,489,115	(17,416,451)	79,942,338
Total capital assets, not being depreciated/amortized	78,297,861	25,489,115	(17,416,962)	86,370,014
Capital assets, being depreciated/amortized:				
Buildings	61,114,453	181,422	(1,043,931)	60,251,944
Equipment	157,078,982	2,584,337	(2,071,660)	157,591,659
Improvements and infrastructure	192,108,519	17,072,637	(120,379)	209,060,777
Right-to-use lease assets				
Land	204,588	-	-	204,588
Infrastructure	107,277	-	-	107,277
Right-to-use subscription assets	718,417	-	-	718,417
Total capital assets, being depreciated/amortized	411,332,236	19,838,396	(3,235,970)	427,934,662
Less accumulated depreciation/amortization for:				
Buildings	(49,417,012)	(867,947)	1,040,086	(49,244,873)
Equipment	(126,062,983)	(3,664,887)	2,067,231	(127,660,639)
Improvements and infrastructure	(82,765,097)	(7,225,770)	105,776	(89,885,091)
Right-to-use lease assets				
Land	(112,524)	(4,884)	-	(117,408)
Infrastructure	(14,653)	(40,917)	-	(55,570)
Right-to-use subscription assets	(109,915)	(121,888)	-	(231,803)
Total accumulated depreciation/amortization	(258,482,184)	(11,926,293)	3,213,093	(267,195,384)
Total capital assets, being depreciated/amortized, net	152,850,052	7,912,103	(22,877)	160,739,278
Business-type activities capital assets, net	$ 231,147,913	$ 33,401,218	$ (17,439,839)	$ 247,109,292

Note 8: CAPITAL ASSETS (Continued)

Construction in Progress

As of the end of the fiscal year, the City had active construction projects including improvements to utilities, roads and right-of-way, public safety and recreational facilities, and drainage systems. Following is a schedule of construction in progress at September 30, 2025:

Project Description	Project Budget	Cumulative Amount Spent
Governmental activities:		
Halifax River Greenway Trail	$ 2,121,659	$ 1,963,640
Streets and Sidewalk Improvement Program	2,999,857	1,044,175
Park Renovations/Improvements	2,246,208	514,083
CRA Streetscape Improvements	1,570,265	1,559,783
Boat/House	1,977,068	75,670
Jackie Robinson Ball Park Reno	22,006,488	18,242,424
Land Acquisition	371,355	14,501
P&L Tech Surcharge Projects	902,840	111,800
Rehab Building Code Facility	590,830	587,662
Citywide Roof Maint	1,121,247	217,933
Jimmy Ann Traffic Signal	1,525,000	92,359
Generator Purchase	246,500	169,117
Maintstreet Coquina Arch Repair	116,000	104,119
Fire Station 1 Project	38,684,750	14,758,670
SCBA Cascade System	115,000	101,734
Peabody Bandshell Reno	601,384	152,346
PD Training Center	118,866	112,744
Fiber Optic Upgrades	58,972	29,650
Total construction in progress – governmental activities	$ 77,374,289	$ 39,852,410

Note 8: CAPITAL ASSETS (Continued)

Construction in Progress (Continued)

Project Description	Project Budget	Cumulative Amount Spent
Business-type activities:		
Wastewater Treatment Plant Improvements	$ 50,445,965	$ 48,306,062
Brennan Ozone Compressor	2,445,000	1,285,563
Lift Stations & Force Mains	49,566,095	21,717,972
SCADA Eval, Design & Implmentation	4,835,141	2,894,815
Bethune WRF Process Upgrades	2,602,755	1,803,484
Well 44 Construction	2,069,259	130,859
Lime Sludge Disposal Process	1,856,123	132,769
CIPP Lining	3,171,597	1,976,796
Bennett Swamp Weir Replacement	79,050	7,689
ERP System	716,576	146,566
Oak & Walnut Intersection Improvements	550,000	8,267
Lead & Copper Compliance	6,261,997	183,853
Main St Coquina Arch Repair	244,917	196,128
HMPG IAN Grant Generators	1,069,480	200,000
Manhole Lining/Rehab	960,425	813,690
Derbyshire Neighborhood Sidewalks	138,800	137,825
Total construction in progress – business-type activities	$ 127,013,180	$ 79,942,338

Note 8: CAPITAL ASSETS (Continued)

Depreciation and Amortization Expense

Depreciation and amortization expense was charged to individual functions and programs for the fiscal year ended September 30, 2025 as follows:

Function/Program:		Depreciation Expense
Governmental activities:		
General government	$	3,063,101
Public safety		4,802,474
Transportation		968,738
Economic environment		130,927
Culture and recreation		2,322,072
Subtotal		11,287,312
Capital assets held by internal service funds are charged to the various functions based on their usage of the assets		747,509
Total depreciation expense – governmental activities	$	12,034,821

Note 9: LONG-TERM DEBT AND LIABILITIES

Bonds Payable

The City issues various types of bonds to provide funding for the acquisition and construction of major capital facilities. These bonds include general obligation refunding bonds and capital improvement revenue bonds.

Note 9: LONG-TERM DEBT AND LIABILITIES (Continued)

Bonds Payable (Continued)

Following is a description of bonds payable at September 30, 2025:

Description	Original Amount Issued	Principal Outstanding at September 30, 2025	Interest Rate	Final Maturity
Governmental activities:				
General Obligation Refunding Bonds:				
Series 2012	$ 18,810,000	$ 5,275,000	2% - 3.375%	2029
Capital Revenue Bonds				
Series 2024 A	20,000,000	19,715,000	4.285% - 5.34%	2054
Series 2024 B	29,075,000	28,675,000	5% - 5.5%	2054
Total - governmental activities	$ 67,885,000	$ 53,665,000		

General Obligation Refunding Bonds, Series 2012 – (Governmental activities)

On May 15, 2012, the City issued General Obligation Refunding Bonds, Series 2012 in the amount of $18,810,000 for the purpose of refunding General Obligation Revenue Bonds, Series 2004 of $18,560,000. The original bonds were issued to construct a new police complex. The reacquisition price exceeded the net carrying amount of the old debt by $223,392. This amount is being shown as a deferred outflow of resources and amortized over the term of the new debt issued, which is the same as the term of the old debt. The City reduced its total debt payments over 18 years by $2,634,350, which resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of $2,090,135. The City has pledged the full faith and credit of its taxing power for the payment of principal and interest on the bonds. The remaining principal balance at September 30, 2025 was $5,275,000.

Note 9: LONG-TERM DEBT AND LIABILITIES (Continued)

Bonds Payable (Continued)

General Obligation Refunding Bonds, Series 2012 – (Governmental activities) (Continued)

Annual debt service requirements to maturity for General Obligation Refunding Bonds, Series 2012 bonds payable are as follows:

General Obligation Refunding Bonds, Series 2012

	Governmental activities		
Fiscal Year Ending	Principal	Interest	Total
2026	$ 1,255,000	$ 174,844	$ 1,429,844
2027	1,295,000	134,056	1,429,056
2028	1,340,000	91,969	1,431,969
2029	1,385,000	46,744	1,431,744
	5,275,000	447,613	5,722,613
Unamortized Premium	68,759	-	68,759
Total	$ 5,343,759	$ 447,613	$ 5,791,372

Capital Improvement Revenue Bonds, Series 2024 A – (Governmental Activities)

On September 1, 2024, the City issued Capital Improvement Revenue Bonds, Series 2024 A in the amount of $20,000,000 for the purpose of completing capital improvements at City-owned Jackie Robinson Ballpark. The bonds have maturity dates ranging from September 1, 2025, through September 1, 2054. The City has pledged the full faith and credit of its taxing power for the payment of principal and interest on the bonds. The remaining principal balance at September 30, 2025 was $19,715,000.

Note 9: LONG-TERM DEBT AND LIABILITIES (Continued)

Bonds Payable (Continued)

Capital Improvement Revenue Bonds, Series 2024 A – (Governmental Activities) (Continued)

Annual debt service requirements to maturity for Capital Improvement Revenue Bonds, Series 2024 A bonds payable are as follows:

Capital Improvement Revenue Bonds Series 2024 A			
Governmental activities			
Fiscal Year Ending	Principal	Interest	Total
2026	$ 390,000	$ 1,002,556	$ 1,392,556
2027	405,000	985,844	1,390,844
2028	425,000	968,235	1,393,235
2029	440,000	949,479	1,389,479
2030	460,000	929,842	1,389,842
2031-2035	2,420,000	4,311,257	6,731,257
2035-2040	2,260,000	3,767,688	6,027,688
2041-2045	3,595,000	3,057,902	6,652,902
2046-2050	4,635,000	2,019,054	6,654,054
2051-2055	4,685,000	641,868	5,326,868
Total	$ 19,715,000	$ 18,633,725	$ 38,348,725

Capital Improvement Revenue Bonds, Series 2024 B – (Governmental Activities)

On September 1, 2024, the City issued Capital Improvement Revenue Bonds, Series 2024 B in the amount of $29,075,000 plus an original issue premium of $3,818,895 for the purpose of design, installation, acquisition, construction, reconstruction, and equipping of various capital projects of the City relating to the Fire Station No. 1 and related facilities and the acquisition of certain new equipment including a fire engine apparatus and an aerial truck, and paying certain costs of issuance incurred with respect thereto. The bonds have maturity dates ranging from September 1, 2025 through September 1, 2054 and the bond premium will be amortized over the same period. The City has pledged the full faith and credit of its taxing power for the payment of principal and interest on the bonds. The remaining principal balance at September 30, 2025 was $28,675,000.

Note 9: LONG-TERM DEBT AND LIABILITIES (Continued)

Bonds Payable (Continued)

Capital Improvement Revenue Bonds, Series 2024 B – (Governmental Activities) (Continued)

Annual debt service requirements to maturity for Capital Improvement Revenue Bonds, Series 2024 B bonds payable are as follows:

Capital Improvement Revenue Bonds Series 2024 B			
Governmental activities			
Fiscal Year Ending	Principal	Interest	Total
2026	$ 455,000	$ 1,507,725	$ 1,962,725
2027	480,000	1,484,975	1,964,975
2028	500,000	1,460,975	1,960,975
2029	525,000	1,435,975	1,960,975
2030	555,000	1,409,725	1,964,725
2031-2035	3,205,000	6,604,875	9,809,875
2035-2040	4,090,000	5,719,375	9,809,375
2041-2045	5,220,000	4,589,875	9,809,875
2046-2050	6,765,000	3,048,100	9,813,100
2051-2055	6,880,000	971,300	7,851,300
	28,675,000	28,232,900	56,907,900
Unamortized Premium	3,810,175	-	3,810,175
Total	$ 32,485,175	$ 28,232,900	$ 60,718,075

Notes and Loans Payable

Capital Improvement Refunding and Revenue Note, Series 2020 – (Governmental Activities)

On November 4, 2020, the City issued Capital Improvement Refunding and Revenue Note, Series 2020 in the amount of $24,385,000, for the purpose of refunding the Capital Improvement Revenues Bonds, Series 2011A. The Series A portion of the refunded debt was issued for the purpose of refinancing FIFC Capital Revenue Bonds, Series 2001 C-1 of $33,285,000, which was originally issued to finance certain public improvements benefitting the HBE and Ocean Walk prime areas. $19,190,000 of the new Series 2020 was used to pay off Series 2011A, and the remaining $5,195,000 is new debt to be spent on new projects. Certain tax increment revenues are pledged as security, with the City further obligating itself to budget and appropriate from non-ad valorem revenues any additional amounts necessary to make such repayment. The new note has an interest rate of 2.2%, a term of 11 years, and the refunding will provide an estimated savings of $2,478,699. The remaining principal balance at September 30, 2025 was $14,090,000.

Note 9: LONG-TERM DEBT AND LIABILITIES (Continued)

Notes and Loans Payable (Continued)

Capital Improvement Refunding and Revenue Note, Series 2020 – (Governmental Activities) (Continued)

Annual debt service requirements to maturity for the note payable is as follows:

Captial Improvement Revenue Note, Series 2020			
Governmental activities			
Fiscal Year Ending	Principal	Interest	Total
2026	$ 2,225,000	$ 285,305	$ 2,510,305
2027	2,270,000	236,060	2,506,060
2028	2,320,000	185,570	2,505,570
2029	2,370,000	133,980	2,503,980
2030	2,425,000	81,235	2,506,235
2031-2033	2,480,000	27,280	2,507,280
Total	$ 14,090,000	$ 949,430	$ 15,039,430

Capital Improvement Revenue Note, Series 2017

On December 28, 2017, the City of Daytona Beach issued Capital Improvement Revenue Note, Series 2017 in the amount of $23,655,000 for the purpose of refunding Capital Improvement Revenue Note, Series 2009 of $23,483,000. The reacquisition price exceeded the net carrying amount of the old debt by $244,677. This amount is being shown as a deferred outflow of resources and amortized over the term of the new debt issued, which is the same as the term of old debt. The City reduced its total debt payments over 11 years by $1,835,832 which resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of $1,635,682. Following are the notes related to this loan.

Governmental Activities – Downtown Redevelopment Trust Fund

The City refinanced the Capital Improvement Revenue Note with a 3.54% fixed rate loan from Branch Banking & Trust Company in the amount of $1,568,000. The reacquisition price exceeded the net carrying amount of the old debt by $12,268. This amount is being shown as a deferred outflow of resources and amortized over the term of the new debt issued, which is the same as the term of old debt. The City reduced its total debt payments over 11 years by $159,385 which resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of $135,129. The original proceeds were used for the Magnolia Street streetscape. Principal and interest are payable from the Downtown Redevelopment Trust Fund tax increment revenues. The City has covenanted and agreed to budget and appropriate sufficient amounts of non-ad valorem revenues to satisfy any loan payments required. This portion of the note's final maturity is November 1, 2028. The remaining principal balance at September 30, 2025 was $639,000.

Note 9: LONG-TERM DEBT AND LIABILITIES (Continued)

Notes and Loans Payable (Continued)

Capital Improvement Revenue Note, Series 2017 (Continued)

Business-Type Activities – Water and Sewer System Fund

The City refinanced the Capital Improvement Revenue Note with a 3.54% fixed rate loan from Branch Banking & Trust Company in the amount of $15,504,000. The reacquisition price exceeded the net carrying amount of the old debt by $156,473. This amount is being shown as a deferred outflow of resources and amortized over the term of the new debt issued, which is the same as the term of old debt. The City reduced its total debt payments over 7 years by $1,003,574 which resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of $929,853. The original proceeds were used to finance certain water and sewer system improvements. Principal and interest are payable from water and sewer net operating revenues; additionally, the City has covenanted and agreed to budget and appropriate sufficient amounts of non-ad valorem revenues to satisfy any loan payments required. This portion of the note's final maturity is November 1, 2024. The remaining principal balance at September 30, 2025 was $0.

Business-Type Activities – Halifax Harbor Fund

The City refinanced the Capital Improvement Revenue Note with a 3.54% fixed rate loan from Branch Banking & Trust Company in the amount of $6,583,000. The reacquisition price exceeded the net carrying amount of the old debt by $75,936. This amount is being shown as a deferred outflow of resources and amortized over the term of the new debt issued, which is the same as the term of old debt. The City reduced its total debt payments over 11 years by $672,873, which resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of $570,700. The principal and interest on this loan are payable from marina operating revenues; additionally, the City has covenanted and agreed to budget and appropriate sufficient amounts of non-ad valorem revenues to satisfy any loan payments required. This portion of the note's final maturity is November 1, 2028. The remaining principal balance at September 30, 2025 was $2,684,000.

Capital Improvement Revenue Note, Series 2010 – (Governmental Activities)

On June 10, 2010, the City entered into a loan agreement with SunTrust Bank for $9,345,000 at a fixed interest rate of 3.38% for the purpose of financing the costs of the Midtown Cultural and Educational Center, street and sidewalk enhancements located within the Midtown Redevelopment area, and street and sidewalk enhancements located outside the Midtown Redevelopment area. On October 20, 2016, an allonge to the loan agreement between the City and SunTrust Bank was executed which amended the interest rate of the series 2010 note from 3.38 percent to 2.40 percent for the remaining term. An economic gain (difference between the present values of the debt service payments on the old and new debt) of $271,148 was realized on the transaction. Tax Cuts and Jobs Act that took effect on January 1, 2018 reduced the corporate tax rate to 21 percent from a maximum rate of 35 percent. As a result, the interest rate on the loan has changed from 2.40 percent to 2.92 percent for the remaining term. Principal and interest are payable from the Recreation/Parks/Culture Impact Fee Fund, the Midtown Redevelopment Trust Fund, and the Transportation 5-Cent Gas Tax Fund. The note's final maturity is November 1, 2024. The remaining principal balance at September 30, 2025 was $0.

Note 9: LONG-TERM DEBT AND LIABILITIES (Continued)

Notes and Loans Payable (Continued)

Community Redevelopment Agency Taxable Revenue Note, Series 2023 – (Governmental Activities)

On September 27, 2023, the City of Daytona Beach issued the Community Redevelopment Agency Taxable Revenue Note, Series 2023 which was for the total available amount of $6,500,000 at a fixed rate of 5.48% with the purpose to revitalizing abandoned and dilapidated property within the Midtown Redevelopment area. As of September 30, 2025 the City had drawn down $2,157,543 of the total funds available. Principal and interest are payable from the Midtown Redevelopment Trust Fund tax increment revenue. The City has covenanted and agreed to budget and appropriate sufficient amounts of non-ad valorem revenues to satisfy any loan payments required. The Note's final maturity is September 1, 2036. The principal balance at September 30, 2025 was $2,157,543.

Taxable Revolving Line of Credit Note, Series 2025 – (Governmental Activities)

On April 10, 2025, the City of Daytona Beach entered into an agreement with Truist Bank for the total available amount of $15,000,000 at a variable rate per annum equal to the sum of term Secured Overnight Financing Rate (SOFR) plus 45 basis points, calculated on a 360-day year, with the purpose to provide additional funding for capital improvements at Jackie Robinson Ballpark Stadium. As of September 30, 2025 the City had drawn down $68,000 of the total funds available. Principal and interest are payable from the City's non-ad valorem revenues. The City has covenanted and agreed to budget and appropriate sufficient amounts of non-ad valorem revenues to satisfy any loan payments required. The note's final maturity is September 1, 2028. The principal balance at September 30, 2025 was 68,000.

Subordinate Utility System Revenue Note, Series 2016 – (Business-Type Activities)

On April 6, 2016, the City entered into a loan agreement with Ameris Bank and issued Subordinate Utility System Revenue Note, Series 2016 in an amount not to exceed $6,550,000. Interest accrued on principal amounts drawn down by the City over the initial eighteen months of the loan. Of the amount financed, the City has drawn down $6,550,000, to be repaid over fifteen years with the first semi-annual payment due November 1, 2017 with a final maturity date of November 1, 2031. The Note has a fixed interest rate of 2.44% per annum. A final draw for $3,730,000 was received on October 4, 2017. The debt was issued to finance the acquisition of emergency generators and plant process equipment for the City's Water and Wastewater Plants. Debt service payments are payable solely from net revenues of the City's Water and Sewer revenues. The remaining principal balance at September 30, 2025 was $4,895,000.

Utility System Refunding Revenue Note, Series 2023 – (Business-Type Activities)

On January 12, 2023, the City entered into a loan agreement with Truist Commercial Equity, Inc. and issued the Utility System Refunding Revenue Note, Series 2023 in the amount of $21,330,000, for the purpose to refund the Utility Refunding and Improvement Revenue Bonds, Series 2012. The present value of cash flows of the new debt exceeded the present value of cash flows of the old debt by $1,221,754. This amount is being shown as a deferred inflow of resources and amortized over the term of the new debt issued, which is the same as the term of old debt. Following are the notes related to this loan.

Note 9: LONG-TERM DEBT AND LIABILITIES (Continued)

Notes and Loans Payable (Continued)

Utility System Refunding Revenue Note, Series 2023 – (Business-Type Activities) (Continued)

Business-Type Activities – Water and Sewer System Fund

The City refunded the Utility Refunding and Improvement Revenue Bonds with a 3.46% fixed rate loan from Truist Commercial Equity, Inc. in the amount of $21,330,000. The present value of cash flows of the new debt exceeded the present value of cash flows of the old debt by $1,221,754. This amount is being shown as a deferred inflow of resources and amortized over the term of the new debt issued, which is the same as the term of old debt. The original proceeds were used to finance certain water and sewer system improvements. Principal and interest are payable from water and sewer net operating revenues. This portion of the note's final maturity is November 1, 2033. The remaining principal balance at September 30, 2025 was $18,919,370.

Business-Type Activities – Stormwater System Fund

The City refunded the Utility Refunding and Improvement Revenue Bonds with a 3.46% fixed rate loan from Truist Commercial Equity, Inc. in the amount of $21,330,000. The present value of cash flows of the new debt exceeded the present value of cash flows of the old debt by $1,221,754. This amount is being shown as a deferred inflow of resources and amortized over the term of the new debt issued, which is the same as the term of old debt. The original proceeds were used to finance certain water and sewer system improvements. Principal and interest are payable from water and sewer net operating revenues. This portion of the note's final maturity is November 1, 2033. The remaining principal balance at September 30, 2025 was $710,630.

State Revolving Fund Loans – (Business-Type Activities):

Stormwater Improvement Fund

On December 18, 2012, the City was notified by the State of Florida, Department of Environmental Protection that the City was awarded a State Revolving Fund Clean Water loan of $1,352,754 to be used for designing Midtown redevelopment area stormwater remediation. The interest rate for the authorized loan is 1.72%. Of the amount awarded, the City has drawn down $876,928, to be paid semi-annually over a 20-year period beginning January 15, 2016 and ending July 15, 2035. Principal and interest are payable from stormwater operating revenues. The remaining principal balance at September 30, 2025 was $448,442, which includes capitalized interest of $33,578.

Water and Sewer System Fund

On December 18, 2012, the City was notified by the State of Florida, Department of Environmental Protection that the City was awarded a State Revolving Fund Clean Water loan of $1,307,607 to be used for improvements to Orange Avenue and Lift Station 10 and related force main improvements. The interest rate for the authorized loan is 1.72%. During fiscal year 2013-14 the loan was amended and the City was awarded an additional $25,809,212 at an interest rate of 2.25% to begin the construction phase. Of the amount awarded, the City has drawn down $18,989,740 and accrued $688,526 of capitalized interest. The loan will be paid semi-annually over

Note 9: LONG-TERM DEBT AND LIABILITIES (Continued)

Notes and Loans Payable (Continued)

State Revolving Fund Loans – (Business-Type Activities) (Continued)

Water and Sewer System Fund (Continued)

a 20 year period beginning July 15, 2017 and ending January 15, 2037. Principal and interest are payable from water and sewer operating revenues. The remaining principal balance at September 30, 2025 was $12,385,785.

On December 11, 2013, the City was notified by the State of Florida, Department of Environmental Protection that the City was awarded a State Revolving Fund Drinking Water loan of $2,919,239, to be used for design and construction improvements to Orange Avenue water main infrastructure. The interest rate for the authorized loan is 2.59%. During fiscal year 2013-14 the loan was amended and the City was awarded an additional $1,621,537 at an interest rate of 2.44%. Of the amount awarded totaling $4,540,776, the City has drawn down $3,002,833 and accrued $90,661 of capitalized interest to be paid beginning July 15, 2017 and semiannually thereafter until all amounts due have been fully paid. Principal and interest are payable from water and sewer operating revenues. The remaining principal balance at September 30, 2025 was $1,878,189.

On December 24, 2014, the City was notified by the State of Florida, Department of Environmental Protection that the City was awarded a State Revolving Fund Clean Water loan of $1,337,266, to be used for Beach Street force main and Regional Wastewater Treatment plant improvements. The interest rate for the authorized loan is 1.99%. During fiscal year 2017 and fiscal year 2018 the loan was amended with additional awards of $19,609,300 and $10,173,129, respectively, authorized for disbursement at an interest rate of 0.00%. During fiscal year 2019 the loan was amended with an additional award of $12,475,190 at an interest rate of 0.00%, for a total amount awarded for disbursements totaling $43,594,885, the City had drawn downed $43,560,925 and accrued $112,743 in capitalized interest to be paid beginning December 15, 2021 and semiannually thereafter until all amounts due have been fully paid. Principal and interest are payable from water and sewer operating revenues. The remaining principal balance at September 30, 2025 was $35,680,611.

On March 17, 2017, the City was notified by the State of Florida, Department of Environmental Protection that the City was awarded a State Revolving Fund Clean Water loan of $4,253,714, to be used for the design and construction of the Halifax River Force Main. The interest rate for the authorized loan is 0.00%. Of the amount awarded totaling $4,253,714, the City has drawn down $3,489,307 with the first payment to be paid beginning January 15, 2019 and semiannually thereafter until all amounts due have been fully paid. Principal and interest are payable from water and sewer operating revenues. The remaining principal balance at September 30, 2025 was $2,313,411.

On November 25, 2019, the City was notified by the State of Florida, Department of Environmental Protection that the City was awarded a State Revolving Fund Clean Water loan of $7,494,002, to be used for the design and construction of the Beach Street Force Main. The interest rate for the authorized loan is 0.00%. Of the amount awarded totaling $7,494,002, the City has drawn down $7,186,623 with the first payment to be paid beginning February 15, 2022 and semiannually thereafter until all amounts due have been fully paid. Principal and interest are payable from water and sewer operating revenues. The remaining principal balance at September 30, 2025 was $5,857,853.

Note 9: LONG-TERM DEBT AND LIABILITIES (Continued)

Notes and Loans Payable (Continued)

State Revolving Fund Loans – (Business-Type Activities) (Continued)

Water and Sewer System Fund (Continued)

On December 2019, the City was notified by the State of Florida, Department of Environmental Protection that the City was awarded a State Revolving Fund Clean Water loan of $3,861,283 for the construction of the Biosolids sludge dewatering project at the Westside Regional Water Reclamation Facility. The interest rate for the authorized loan is 0.00%. During fiscal year 2023 the loan was amended with an additional award of $228,606, authorized for disbursement at an interest rate of 0.00 %, where $23,262 was later de-obligated. Of the amount awarded totaling $4,089,806, the City has drawn down $4,066,544 with the first payment on September 15, 2023 and semiannually thereafter until all amounts due have been fully paid. Principal and interest are payable from water and sewer operating revenues. The remaining principal balance at September 30, 2025 was $3,629,391.

On September 10, 2021 the City was notified by the State of Florida, Department of Environmental Protection that the City was awarded a State Revolving Clean Water Loan of $9,163,080 for the construction of the Heinman water tank. The interest rate for the authorized loan is 0.00%. During fiscal year 2023 the loan was amended with an additional award of $4,596,456. Of the amount awarded totaling $13,759,536, the City has drawn down $13,259,199 of which they have received principal forgiveness in the amount of $1,755,695, with the first payment to be paid March 15, 2026 and semiannually thereafter until all amounts due have been fully paid. Principal and interest are payable from water and sewer operating revenues. The remaining principal balance at September 30, 2025 was $11,503,504.

On May 29, 2023, the City was notified by the State of Florida, Department of Environmental Protection that the City was awarded a State Revolving Clean Water Loan of $19,771,394 for the construction of the new influent pump station and headworks facility at the Westside Regional Water Reclamation Facility. The interest rate for the authorized loan is 0.20%. During fiscal years 2024 and 2025 the loan was amended with an additional awards of $18,634,000 and $7,572,801, respectively. The City has drawn down $41,858,008 with the first payment to be paid April 15, 2026 and semiannually thereafter until all amounts due have been fully paid. Principal and interest are payable from water and sewer operating revenues. The remaining principal balance at September 30, 2025 was $41,858,008.

On December 27, 2023, the City was notified by the State of Florida, Department of Environmental Protection that the City was awarded a State Revolving Clean Water Loan of $1,366,000 for the construction of the new Lift Station #34. The interest rate for the authorized loan is 0.52%. During fiscal year2025 the loan was amended with an additional award of $10,535,869. The City has drawn down $2,398,313 with the first payment to be paid August 15, 2026 and semiannually thereafter until all amounts due have been fully paid. Principal and interest are payable from water and sewer operating revenues. The remaining principal balance at September 30, 2025 was $2,398,313.

Note 9: LONG-TERM DEBT AND LIABILITIES (Continued)

Notes and Loans Payable (Continued)

State Revolving Fund Loans – (Business-Type Activities) (Continued)

Water and Sewer System Fund (Continued)

On December 17, 2024, the City was notified by the State of Florida, Department of Environmental Protection that the City was awarded a State Revolving Clean Water Loan of $6,262,427, with a total principal forgiveness amount of $3,068,589, for the planning and design of lead service line inventory and replacement of the lead service lines. The interest rate for the authorized loan is 0.00%. The City has drawn down $151,217 and $74,096 has been forgiven, with the first payment to be paid February 15, 2029 and semiannually thereafter until all amounts due have been fully paid. Principal and interest are payable from water and sewer operating revenues. The remaining principal balance at September 30, 2025 was $77,121.

Annual debt service requirements to maturity for notes (including Series 2020 shown in a separate schedule previously) and loans payable through direct borrowings are as follows:

	Notes and Loans Payable						
	Governmental Activities		Business-Type Activities				
	Bank Notes		Bank Notes		State Revolving Fund Loans		
Fiscal Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Total
2026	$ 2,525,099	$ 423,669	$ 3,687,000	$ 832,772	$ 5,792,858	$ 1,624,104	$ 14,885,502
2027	2,651,215	360,639	3,814,000	708,937	6,926,288	336,488	14,860,597
2028	2,646,776	295,941	3,937,000	581,016	6,953,921	322,875	14,802,227
2029	2,711,806	229,482	3,661,000	455,976	6,989,892	294,631	14,409,246
2030	2,608,330	164,237	12,110,000	779,910	7,018,788	265,747	23,012,257
2031-2035	3,558,822	280,124	-	-	35,550,779	868,121	40,141,959
2035-2040	252,495	13,836	-	-	30,625,198	222,376	31,380,193
2041-2045	-	-	-	-	17,066,495	144,531	17,211,026
2045-2050	-	-	-	-	1,106,409	42,339	1,148,748
Total	$ 16,954,543	$ 1,767,928	$ 27,209,000	$ 3,358,611	$ 118,030,628	$ 4,121,212	$ 171,851,755

Note 9: LONG-TERM DEBT AND LIABILITIES (Continued)

Pledged Revenues:

Information on pledged revenues and principal and interest payments are as follows:

Pledged Revenue	Debt Issue	Future Principal and Interest	Current Pledged Revenue	Current Principal and Interest	Current Percentage of Revenue
Impact Fees, Tax increment and 5-cent Gas Tax	Note Series 2010	$ -	$ 2,382,938	$ 215,708	9%
Tax Increment	Note Series 2023	2,929,661	830,803	118,234	14%
	Note Series 2020	15,039,430	5,681,319	2,510,505	44%
	Note Series 2017	685,179	556,641	171,930	31%
		18,654,270	7,068,764	2,800,669	40%
Non Ad-Valorem	Bond Series 2024A	38,348,725		1,322,901	
	Bond Series 2024B	56,907,900		1,961,674	
		95,256,625	57,507,485	3,284,575	6%
Utility System Operating Revenues	Note Series 2023	21,536,258		2,964,273	
	Note Series 2016	5,331,821		731,874	
	State Revolving Fund Loans	121,661,806		6,224,550	
		148,529,885	85,994,612	9,920,697	12%
Marina Operating Revenues	Note Series 2017	2,878,098	4,095,055	720,739	18%
Stormwater Operating Revenues	Note Series 2023	821,433		102,887	
	State Revolving Fund Loans	490,034		49,003	
		1,311,467	21,345,676	151,890	1%
Totals		$ 266,630,345	$ 178,394,530	$ 17,094,278	

Financed Purchases – Governmental Activities:

Fire – Aerial Apparatus: Commencing December 2015, the City entered into a financing agreement with The Bancorp Bank for one (1) Sutphen SP-70 aerial fire apparatus valued at $838,116. The General Fund is responsible for all payments which are due in annual installments, including interest at 1.70%, for a term of 10 years. The remaining principal balance at September 30, 2025 was $90,311.

Fire – E-One Pumper: Commencing December 2017, the City entered into a financing agreement with Branch Banking and Trust Company ("BB&T") for one 2017 E-One Pumper valued at $450,000. The General Fund is responsible for all payments which are due in annual installments, including interest at 2.3% for a term of 10 years. The remaining principal balance at September 30, 2025 was $145,901.

I.T. Computer Equipment: Commencing September 2020, the City entered into a financing agreement with Truist Bank for computer servers, data storage, networking components, installation and post-installation support, software, and five years of hardware and software support for a total value of $354,030. The General Fund is responsible for all payments which are due in annual installments, including interest at 1.80%, for a term of five (5) years. The remaining principal balance at September 30, 2025 was $0.

Public Safety Radios, Vehicles and Equipment: Commencing April 2022, the City entered into a financing agreement with Truist Bank for radios, vehicles and equipment for the public safety department for a total value of $1,400,500. The General Fund is responsible for all payments, which are due in annual installments, including interest at 2.62% for a term of five (5) years. The remaining principal balance at September 30, 2025 was $577,306.

Note 9: LONG-TERM DEBT AND LIABILITIES (Continued)

Financed Purchases – Governmental Activities: (Continued)

Police Vehicles: Commencing September 2022, the City entered into a financing agreement with Truist Bank for forty police vehicles for a total of $1,954,415. The General Fund is responsible for all payments, which are due in annual installments, including interest at 3.47% for a term of four (4) years. The remaining principal balance at September 30, 2025 was $508,736.

Police Vehicles and Golf Carts: Commencing March 1, 2024 the City entered into a financing agreement with TD Equipment Finance, Inc. for the purchase of 20 police vehicles and 250 golf carts for a total value of $1,700,000. The General Fund is responsible for all payments, which are due in annual installments, including interest at 4.15% for a term of four (4) years. The remaining principal balance at September 30, 2025 was $1,300,560.

Annual debt service requirements to maturity for the City's financed purchases are as follows:

Financed Purchases			
Governmental activities			
Fiscal Year Ending	Principal	Interest	Total
2026	$ 1,348,319	$ 84,740	$ 1,433,059
2027	773,487	44,948	818,435
2028	501,008	19,871	520,879
Total	$ 2,622,814	$ 149,559	$ 2,772,373

Lease Liabilities

Governmental Activities: The City has entered into lease agreements to obtain the right-to-use vehicles, office equipment, office space and land. The lease agreements have payments ranging from $201 to $163,598, with agreements expiring in fiscal year 2024 through 2027. As of September 30, 2025, the value of the lease liability was $1,891,472.

Business-type Activities: The City has entered into lease agreements to obtain the land improvements and equipment. The lease agreements have payments ranging from $3,267 to $4,920, with agreements expiring in fiscal year 2027 through 2042. As of September 30, 2025, the value of the lease liability was $147,776.

Note 9: LONG-TERM DEBT AND LIABILITIES (Continued)

Lease Liabilities (Continued)

The following is a schedule of minimum future lease payments from lease agreements as of September 30:

Fiscal Year Ending	Governmental Activities		Business-type Activities		
	Principal	Interest	Principal	Interest	Total
2026	$ 532,062	$ 38,738	$ 47,350	$ 1,865	$ 620,015
2027	413,492	26,613	14,870	1,573	456,548
2028	310,631	19,277	4,460	1,494	335,862
2029	289,055	12,505	4,538	1,416	307,514
2030	240,289	5,719	4,617	1,336	251,961
2031-2035	105,943	4,173	26,138	5,414	141,668
2036-2040	-	-	31,765	2,942	34,707
2041-2043	-	-	14,038	369	14,407
Total	$ 1,891,472	$ 107,025	$ 147,776	$ 16,409	$ 2,162,682

Subscription-Based Information Technology Arrangements

The City has entered into software arrangements that require recognition under GASBC Section S:80, *Subscription-Based Information Technology Arrangements* (SBITAs). The City recognizes a subscription liability and an intangible right-to-use subscription asset for the software arrangements.

Governmental Activities: As of September 30, 2025, the City had thirteen (13) active software arrangements for the rights of various software. The software arrangements have monthly and annual payments ranging from $0 to $929,967 and discount rates ranging from 2.32% to 3.59%, with agreements expiring in fiscal year 2026 to 2029. As of September 30, 2025, the value of the subscription liability was $4,794,214.

Business-type Activities: As of September 30, 2025, the City had two (2) software arrangements for the rights-to-use water metering software and financial software. The software arrangements have annual payments of $38,550 and $72,415, with arrangements expiring in fiscal years 2033 and 2027, respectively. The City has used a 3.41% discount rate for the right-to-use water metering software and a 3.00% discount rate for the right-to-use financial software. As of September 30, 2025, the value of the subscription liability was $508,419.

Note 9: LONG-TERM DEBT AND LIABILITIES (Continued)

Subscription-Based Information Technology Arrangements (Continued)

The following is a schedule of minimum future subscription payments from subscription agreements as of September 30:

For the years ending	Governmental Activities			Business-Type Activities		
September 30,	Principal	Interest	Total	Principal	Interest	Total
2026	$ 1,189,533	$ 114,663	$ 1,304,196	$ 112,018	$ 16,916	$ 128,934
2027	1,123,075	85,048	1,208,123	55,483	13,517	69,000
2028	1,176,162	58,368	1,234,530	59,445	11,625	71,070
2029	1,305,444	30,430	1,335,874	63,604	9,598	73,202
2030	-	-	-	67,969	7,429	75,398
2031-2033	-	-	-	149,900	7,749	157,649
Total	$ 4,794,214	$ 288,509	$ 5,082,723	$ 508,419	$ 66,834	$ 575,253

Note 9: LONG-TERM DEBT AND LIABILITIES (Continued)

Changes in Long-Term Debt and Liabilities:

Following is a summary of the changes in long-term debt and liabilities for the fiscal year ended September 30, 2025:

Description	Beginning Balance	Additions	Reductions	Ending Balance	Due in One Year
Governmental activities (Includes internal service funds):					
Bonds, loans and notes:					
General obligation bonds	$ 6,490,000	$ -	$ (1,215,000)	$ 5,275,000	$ 1,215,000
Revenue bonds	49,075,000	-	(685,000)	48,390,000	685,000
Premium	3,901,406	-	(22,472)	3,878,934	-
Total bonds payable (net)	59,466,406	-	(1,922,472)	57,543,934	1,900,000
Direct borrowings:					
Notes	20,032,397	68,000	(3,145,854)	16,954,543	2,525,099
Financed purchases	4,005,927	-	(1,383,113)	2,622,814	1,348,319
Total bonds, loans and notes	83,504,730	68,000	(6,451,439)	77,121,291	5,773,418
Lease liabilities	567,066	1,830,662	(506,256)	1,891,472	532,062
Subscription liabilities	805,301	5,560,112	(1,571,199)	4,794,214	1,189,533
Net pension liability	108,286,043	-	(6,223,543)	102,062,500	-
Insurance claims payable	11,807,000	3,568,676	(3,804,676)	11,571,000	2,419,000
Other liabilities:					
Compensated absences	9,731,561	4,273,176	(4,179,044)	9,825,693	982,570
Pollution remediation	5,779	-	(5,779)	-	-
Other post-employment benefits	3,456,275	193,094	(398,663)	3,250,706	232,798
Total other liabilities	13,193,615	4,466,270	(4,583,486)	13,076,399	1,215,368
Total - governmental activities	$ 218,163,755	$ 15,493,720	$ (23,140,599)	$ 210,516,876	$ 11,129,381

Note 9: LONG-TERM DEBT AND LIABILITIES (Continued)

Changes in Long-Term Debt and Liabilities (Continued):

Description	Beginning Balance	Additions	Reductions	Ending Balance	Due in One Year
Business-type activities					
Loans and notes:					
Notes	$ 31,465,000	$ -	$ (4,256,000)	$ 27,209,000	$ 3,687,000
State Revolving Fund loans	105,106,219	17,009,256	(4,084,847)	118,030,628	5,792,858
Total loans and notes	136,571,219	17,009,256	(8,340,847)	145,239,628	9,479,858
Net pension liability	13,362,412	-	(2,381,235)	10,981,177	-
Lease liabilities	193,492	-	(45,716)	147,776	47,350
Subscription liability	599,736	-	(91,317)	508,419	112,018
Other liabilities:					
Landfill closure and post-closure	123,589	-	(44,758)	78,831	48,300
Pollution remediation	8,124	-	(8,124)	-	-
Compensated absences	2,183,987	1,101,483	(1,176,839)	2,108,631	210,862
Other post-employment benefits	848,005	117,218	(175,449)	789,774	65,943
Total other liabilities	3,163,705	1,218,701	(1,405,170)	2,977,236	325,105
Total - business type activities	$ 153,890,564	$ 18,227,957	$ (12,264,285)	$ 159,854,236	$ 9,964,331

At September 30, 2025, the long-term liabilities for internal service funds are included as part of the above totals for governmental activities: lease liability of $284,032, subscription liability of $369,827, net pension liability of $4,242,330, insurance claims payable of $11,571,000, compensated absences of $991,686, and other post-employment benefits of $229,954. The internal service fund had the following additions as part of the above totals for governmental activities: lease liability of $78,972, subscription liability of $226,123, insurance claims of $3,568,676, compensated absences of $1,079,833 and other post-employment benefits of $17,113. For governmental activities, long-term liabilities other than debt related liabilities are liquidated primarily by the General Fund and Internal Service Funds. Landfill closure, post-closure and pollution remediation costs are liquidated by the Solid Waste Fund.

Note 10: DISCOUNT, PREMIUM, PREPAID BOND INSURANCE COSTS AND DEFERRED AMOUNT ON REFUNDING

At September 30, 2025, the balance of unamortized bond discount/premium, prepaid bond insurance costs, and deferred amount on refunding consisted of the following:

Description	Original Amount	Accumulated Amortization	Unamortized Amount
Governmental activities:			
Bond (premium)	$ (4,054,435)	$ 175,501	$ (3,878,934)
Deferred amount on refunding	81,172	(13,761)	67,411
Total governmental activities	$ (3,973,263)	$ 161,740	$ (3,811,523)
Business-type activities:			
Deferred amount on refunding, outflows	$ 537,873	$ (79,445)	$ 458,428
Deferred amount on refunding, inflows	(1,587,651)	191,476	(1,396,175)
Total business-type activities	$ (1,049,778)	$ 112,031	$ (937,747)

Note 11: RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; workers compensation and natural disasters.

Self-Insurance Program

The City is self-insured for most liability exposures to reduce insurance costs and provide a means of controlling workers' compensation and liability claims. General, special revenue and proprietary funds are charged premiums by the Consolidated Insurance Fund which is accounted for as an internal service fund. The accrued liability for insurance claims represents an estimate of the probable loss on claims arising prior to fiscal year-end. These losses include an estimate of claims that have been incurred but not reported.

This liability is the City's best estimate based on annual actuarial studies and does not result in an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends, and other economic and social factors. The estimated claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. At September 30, 2025, the amount of these liabilities discounted at 2.5 percent was $11,571,000; the current portion of this amount was $2,419,000.

Note 11: RISK MANAGEMENT (Continued)

Self-Insurance Program (Continued)

Changes in the reported claims liability since October 1, 2024 were as follows:

Fiscal Year Ending	Balance at October 1,	Current Year Claims and Changes in Estimates	Claims Paid	Balance at September 30,
2025	$ 11,807,000	$ 3,568,676	$ (3,804,676)	$ 11,571,000
2024	11,047,000	4,582,459	(3,822,459)	11,807,000
2023	10,634,000	3,757,451	(3,344,451)	11,047,000

At September 30, 2025, the Consolidated Insurance Fund held cash and investments of $14,250,212 for the purpose of funding future claims liabilities. This balance would fund 100 percent of the short term portion of claims payable and 100 percent of the total claims liability. Settled claims have not exceeded the excess insurance limits or commercial coverage in the past three fiscal years.

The City is self-insured for its workers' compensation and most of its liability exposures. For claims arising after March 1, 1999 through April 15, 2013, the City has purchased excess liability coverage with a $5,000,000 per occurrence limit and $10,000,000 policy aggregate limit of liability and statutory limits for workers' compensation coverage. For claims arising after April 15, 2013 to present, the City has purchased excess liability coverage with a $2,500,000 per occurrence limit and $5,000,000 policy aggregate limit of liability and statutory limits for workers' compensation coverage. The current coverage is maintained with self-insured retentions of $1,000,000 per occurrence for workers' compensation claims, $200,000/$300,000 per occurrence for liability claims falling under Section 768.28, Florida Statutes, and $350,000 per occurrence for liability claims not falling under Section 768.28, Florida Statutes.

The City also purchases medical malpractice coverage for the City's EMTs and paramedics with a $1,000,000 per professional incident/$3,000,000 aggregate limit of liability and a $15,000 deductible.

Insurable real and personal properties are covered under five (5) separate insurance policies. The Landmark American Insurance Company policy covers City properties valued at $290,728,315 for all perils other than named windstorm and earthquake with a $46,000,000 limit of coverage. The deductible for the covered perils is $25,000. The Preferred Governmental Insurance Trust (PGIT) policy covers selected City properties valued at $85,244,299 for all perils including named windstorm, earthquake, and flood. Named windstorm has a 5% total insured value with a minimum $35,000 deductible (whichever is greater) and flood has a 5% of total insured value of affected properties with a minimum $25,000 deductible (whichever is greater). All other perils have a $25,000 deductible. Named windstorm covers the buildings at their reported value, while flood coverage is limited to $2,000,000 A third, fourth and fifth policy with Endurance American Insurance Company, National Fire Marine Insurance Company, and Evanston Insurance Company provide a combined layer of protection for the buildings insured under the Landmark policy for $4,000,000 in named storm with a 5% deductible at each location subject to a minimum of $250,000 and additional flood coverage with a 5% deductible at each location subject to a minimum of $500,000 per occurrence.

Note 11: RISK MANAGEMENT (Continued)

Self-Insurance Program (Continued)

Boiler and machinery coverage is purchased separately and is maintained with a $100,000,000 limit of liability and a $10,000 deductible. The City maintains a crime policy in the amount of $10,000,000 with a $100,000 deductible for employee theft. Additionally, the City maintains other miscellaneous liability and property policies for certain specialized risks.

Other Insurance

The City carries third-party, commercial insurance for liability exposures not covered by the City's self-insurance program, including health insurance.

Note 12: SOLID WASTE CLOSURE AND POST-CLOSURE CARE

The City is required by state and federal laws and regulations to place a final cover on its construction and demolition debris landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and post-closure care costs will be paid near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The landfill closure and post-closure care liability was $30,531 at September 30, 2025, and represents the cumulative amount reported to date based on the use of 100% of the estimated capacity of the landfill. These amounts are based on what it would cost to perform all post-closure care. The landfill accepted the last load on October 8, 2019 and is now closed. Actual cost of post-closure care may be higher due to inflation, changes in technology, or changes in laws or regulations.

The City is required by state and federal laws and regulations to make annual contributions to an escrow account to finance closure and post-closure care. The City is in compliance with these requirements and at September 30, 2025, investments of $230,884 (fair value) were held for these purposes. These investments are reported as restricted assets in the Solid Waste Management Fund. Additionally, during the landfill's operational period, the City's solid waste contractor paid the City a host fee of a $1 per cubic yard received into the landfill or $60,000 per fiscal year, whichever is greater. Those amounts received are also reported as a restricted asset to be used for landfill closure and post-closure care. Cash restricted for landfill host fee revenue totaled $52,057 at September 30, 2025.

Note 13: COMMITMENTS AND CONTINGENCIES

Litigation

Various suits and claims arising in the ordinary course of the City's operations are pending against the City. The ultimate effect of such litigation cannot be ascertained at this time. Management has estimated these suits and claims to have an immaterial effect on the City's financial statements at September 30, 2025.

Note 13: COMMITMENTS AND CONTINGENCIES (Continued)

Asset Retirement Obligation

The City has an estimated unrecorded liability of $19,800 in governmental activities for a 1,000 gallon double-walled fiberglass underground storage tank located at the City's Fire Station #3 facility. The City has an additional estimated liability of $39,600 in enterprise activities for two 10,000 gallon double-walled fiberglass steel clad underground storage tanks located at the City's Halifax Harbor facility. The estimation and probable costs were provided by the City's external consultant. See Note 18 for details.

Note 14: TAX ABATEMENTS

The City enters into property tax abatement agreements with new or expanding businesses under the Economic Development Ad Valorem Tax Exemption Program, authorized by the City of Daytona Beach Resolution 13-313 and Florida Statues 196.1995. Under this program, the City grants property tax abatements ranging from 100% to 25% for a period from one to ten years to attract or retain businesses, which contribute to the economy of the City with new jobs and improvements to real and personal property.

The program criteria scores applicants on the number of employees, average payroll, capital investment, and additional high economic impact factors, or targeted industries. Benefitting businesses are required to file an annual report detailing their year-end investment and employment levels and verifying their new or expansion status as outlined in the Florida Statues Section 196.012.

For the fiscal year ending September 30, 2025, the City abated 2024 property taxes to six businesses at three locations totaling $275,479.

Note 15: RETIREMENT PLANS

Pension Plans

The City follows GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided Through Trusts That Meet Specified Criteria* for reporting financial statement amounts related to pensions. The City participates in the following pension plans:

Administered by:	Defined Benefit Pension Plans	Defined Contribution Pension Plans
State of Florida	• Florida Retirement System (FRS) • Retiree Health Insurance Subsidy Program (HIS)	• FRS Investment Plan
Police and Fire Pension Board	• Police and Fire Pension Plan	N/A
MissionSquare Retirement	N/A	• MissionSquare Retirement Deferred Compensation Plan

Note 15: RETIREMENT PLANS (Continued)

Pension Plans (Continued)

The City includes on its financial statements a net pension liability related to the employer's proportionate share of the net pension liabilities for the FRS, HIS and Police and Fire defined benefit pension plans.

Defined Benefit Pension Plans

Florida Retirement System (FRS) Defined Benefit Pension

Plan Description

The City participates in a defined benefit pension plan that is administered by the State of Florida, Department of Management Services, Division of Retirement. The plan provides retirement, disability or death benefits and annual cost-of-living adjustments to eligible participants. 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 plan. That report is available from the Florida Department of Management Services' website (www.dms.myflorida.com) or by mail at PO Box 9000, Tallahassee, Florida 32315-9000.

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 under Section 121.051(2)(b)(1) Florida Statutes allows participation by cities. All general full-time employees hired prior to December 31, 1995 and subsequent to May 1, 2005, participate in the plan.

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.

Note 15: RETIREMENT PLANS (Continued)

Defined Benefit Pension Plans (Continued)

Florida Retirement System (FRS) Defined Benefit Pension (Continued)

Benefits Provided (Continued)

Benefits under the HIS Program are not guaranteed and are subject to annual State legislature approval. Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by $7.50. The minimum payment is $45 and the maximum payment is $225 per month, pursuant to Section 112.363, Florida Statutes.

Contributions

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, and there are no employee contributions to the HIS program. The employer's contribution rates as of September 30, 2025 were as follows:

	FRS	HIS
Regular	11.97%	2.00%
Special Risk	37.42%	2.00%
Senior Management Service	31.18%	2.00%
Elected Officials	52.51%	2.00%
DROP Participants	20.02%	2.00%

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2025, the City reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2025, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2025. The City's proportions of the net pension liabilities were based on the City's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

		FRS		HIS
Net Pension Liability	$	23,174,044	$	11,457,351
Proportionate share:				
At current measurement date		0.0747%		0.0894%
At prior measurement date		0.0743%		0.0894%
Pension expense (benefit)	$	2,865,181	$	373,838

Note 15: RETIREMENT PLANS (Continued)

Defined Benefit Pension Plans (Continued)

Florida Retirement System (FRS) Defined Benefit Pension (Continued)

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:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,475,232	$ -	$ 68,393	$ (18,175)
Changes of assumptions	2,691,109	-	101,410	(2,771,239)
Net difference between projected and actual earnings on pension plan investments	-	(3,869,141)	-	(9,536)
Changes in proportion and differences between employer contributions and proportionate share of contributions	778,131	(935,987)	374,002	(239,436)
Employer contributions subsequent to the measurement date	1,160,352	-	201,494	-
Total	$ 7,104,824	$ (4,805,128)	$ 745,299	$ (3,038,386)

Deferred outflows of resources related to employer contributions made after the measurement date of the net pension/OPEB liability/collective net pension/OPEB liability but before the end of the employer's or governmental nonemployer contributing entity's reporting period will be recognized as a reduction of the net pension/OPEB liability or collective net pension/OPEB liability in the subsequent fiscal period rather than in the current fiscal period ending September 30, 2025. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending September 30	FRS	HIS
2026	$ 4,005,680	$ (452,828)
2027	(776,658)	(629,873)
2028	(1,230,135)	(580,261)
2029	(859,543)	(512,791)
2030	-	(318,828)
Thereafter	-	-
Total	$ 1,139,344	$ (2,494,581)

Note 15: RETIREMENT PLANS (Continued)

Defined Benefit Pension Plans (Continued)

Florida Retirement System (FRS) Defined Benefit Pension (Continued)

Actuarial Assumptions

The total pension liability for both FRS and HIS plans were measured as of June 30, 2025. The FRS liability was determined by an actuarial valuation dated July 1, 2025, and the HIS liability was determined by an actuarial valuation dated July 1, 2025. Both valuations use the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.40%	2.40%
Salary increases	3.50%	3.50%
Investment rate of return	6.70%	N/A
Discount rate	6.70%	5.20%

Mortality assumptions for both plans were based on the PUB-2010 base tables projected generationally with Scale MP-2021.

For both plans, the actuarial assumptions that determined the total pension liability as of June 30, 2025 were based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023.

The following changes in key actuarial assumptions occurred in 2025:

For HIS: The discount rate used in calculation of the pension liability increased from 3.93% to 5.20%.
The long-term expected investment rate of return assumption for the FRS Pension Plan was based on two building block components: 1) a long-term average annual inflation assumption of 2.40% and 2) an inferred real (in excess of inflation) return of 4.20%. Geometrically combining those building blocks user the formula (1 + .024) x (1 + .042) - 1 generates an expected nominal return of 6.70%. In the opinion of the FRS consulting actuary, both building block components and the overall 6.70% return assumption were determined reasonable and appropriate per Actuarial Standards of Practice. The 6.70% reported investment return assumption is the same as the investment return assumption chosen by the 2023 FRS Actuarial Assumption Conference for funding policy purposes. Each asset class assumption is based on a consistent set of underlying assumptions.

For the FRS Pension Plan, the table below summarizes the consulting actuary's assumptions based on the long-term target asset allocation. Each asset class assumption is based on a consistent set of underlying real return assumptions from the FRS consulting actuary's model combined with the FRS Actuarial Assumption Conference's 2.4% inflation assumption. The FRS consulting actuary's assumptions are not based on historical returns, but instead on a forward-looking capital market economic model.

Note 15: RETIREMENT PLANS (Continued)

Defined Benefit Pension Plans (Continued)

Florida Retirement System (FRS) Defined Benefit Pension (Continued)

Actuarial Assumptions (Continued)

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return
Cash	1.0%	3.2%	3.2%
Fixed income	29.0%	5.5%	5.4%
Global equity	45.0%	8.5%	6.9%
Real estate	12.0%	8.4%	7.1%
Private equity	11.0%	12.4%	8.8%
Strategic investments	2.0%	6.5%	6.1%
	100.0%		

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.70%. FRS' 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 HIS Plan is essentially funded on a pay-as-you go basis, the depletion date is considered to be immediate, and a municipal bond rate of 5.20% was used to determine the total pension liability for the program. The Bond Buyer General Obligation 20-Year Municipal Bond Index rate as of June 30, 2025 was used as the applicable municipal bond index.

Sensitivity Analysis

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 percent higher or 1.00 percent lower than the current discount rate.

	FRS			HIS		
	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)	1% Decrease (4.20%)	Current Discount Rate (5.20%)	1% Increase (6.20%)
Employer's proportionate share of the net pension liability	$ 45,478,704	$ 23,174,044	$ 4,474,140	$ 12,920,008	$ 11,457,351	$ 10,230,647

Note 15: RETIREMENT PLANS (Continued)

Defined Benefit Pension Plans (Continued)

Florida Retirement System (FRS) Defined Benefit Pension (Continued)

Pension Plans' Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the State's separately issued financial reports. (http://www.myfloridacfo.com/Division/AA/Reports/).

Police Officers and Firefighters Defined Benefit Pension Plan

Plan Description

The Police and Fire Pension Plan (the Plan) is a single-employer defined benefit pension plan for police officers and firefighters and is administered by the Police and Fire Pension Board, appointed by the City Commission. The Police and Fire Pension Trust Fund contains the assets of the combined police and fire defined benefit pension plan. The Plan was established in 1959 under the Code of Ordinances for the City of Daytona Beach, Florida. Subpart C Sections 1-35 and Subpart D Sections 1-28 were amended on August 6, 2014, to change the maximum period of DROP to 60 months under Ordinance No. 14-228 and allow firefighter members not yet in DROP to participate under Ordinance No. 14-227. The Plan is also governed by certain provisions of Chapters 175 and 185, Florida Statutes, Part VII, Chapter 112, Florida Statutes, and the Internal Revenue Service. To qualify for normal retirement benefits, members hired prior to August 6, 2014 must have 20 years of credited service, or at age 55 with 10 years of credited service. Members hired on or after August 6, 2014, must have 20 years of credited service or at age 55 with 10 years of credited service.

Plan Membership

Membership in the Plan consisted of the following at October 1, 2024 the most recent actuarial valuation date:

		Plan Contributions
Employer	$	10,050,347
Member		2,332,785
State		1,771,168
Buy-Back		64,594
Total Contributions	$	14,218,894

Benefits Provided

The funding methods and determination of benefits payable are provided in the various sections of the City Charter and various acts of the Florida State Legislature, which created the funds, including subsequent amendments thereto. Retirement benefits include normal retirement, death, and disability. The Plan does not provide for ad-hoc cost-of-living increases.

Note 15: RETIREMENT PLANS (Continued)

Defined Benefit Pension Plans (Continued)

Police Officers and Firefighters Defined Benefit Pension Plan (Continued)

Benefits Provided (Continued)

Police officer members who are eligible for normal retirement as of September 30, 2011, will receive retirement benefits equal to 3.38% of average final compensation for each year of credited service. Police officer members not eligible for normal retirement as of September 30, 2011, will receive retirement benefits equal to 3.00% of average final compensation for each year of credited service after September 30, 2011 and 3.38% of average final compensation for each year of credited service before September 30, 2011 up to a maximum of 90.00% of average final compensation.

Firefighters who are eligible for normal retirement as of September 18, 2012, will receive retirement benefits equal to 3.50% of average final compensation for each year of credited service. Firefighter members not eligible for normal retirement as of September 18, 2012, will receive benefits equal to 3.00% of average final compensation for each year of credited service on or after September 19, 2012 and 3.50% of average final compensation for each year of credited service before September 19, 2012, up to a maximum of 90.00% of average final compensation.

Contributions

The City Charter provides, in general, that funds are to be accumulated from employee contributions, City contributions, state appropriations and income from investments of accumulated funds. Police officers are required to contribute 10.0% of compensation and firefighters are required to contribute 9.7% of compensation. The City is required to contribute amounts necessary, on an actuarial basis, to fund the Plan's expenses. Contribution requirements to the Plan are established during the adoption of the City's annual budget. They are predicated on maintaining a level contribution to the Plan as long as the annual pension cost obligation is met or exceeded. Authority to establish and amend contribution requirements rests with the City Commission.

For the fiscal year ended September 30, 2025, total pension expense was $15,256,618, and the City recognized as revenue, total contributions to the Plan of $14,218,894 which consisted of the following:

		Plan Contributions
Employer	$	10,050,347
Member		2,332,785
State		1,771,168
Buy-Back		64,594
Total Contributions	$	14,218,894

The Police and Fire Pension Trust Fund issues a publicly available financial report, including financial statements and required supplementary information. That report contains the required disclosures of GASB Statement No. 68, *Accounting and Financial Reporting for Pension Plans.* The report may be obtained by writing to The City of Daytona Beach, Police and Fire Pension Board, PO Box 2451, Daytona Beach, Florida 32115-2451.

Note 15: RETIREMENT PLANS (Continued)

Defined Benefit Pension Plans (Continued)

Police Officers and Firefighters Defined Benefit Pension Plan (Continued)

Plan Investment Policies and Allocation of Plan Investments

The Plan's investments are managed under the direction of the Police and Fire Pension Board. All investments are reported at fair value. As of September 30, 2025, the investments of the Plan were allocated as follows:

Investment	Percent of Pension Portfolio
Domestic equities	20.65%
Fixed income	20.49%
Real estate	4.68%
Private equity	25.61%
Infrastructure	1.84%
High yeild	1.45%
International equities	25.28%
Total investments	100.00%

Money-Weighted Rate of Return

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the year ended September 30, 2025, the annual money-weighted rate of return on pension plan investments was 9.30%.

Note 15: RETIREMENT PLANS (Continued)

Defined Benefit Pension Plans (Continued)

Police Officers and Firefighters Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The City's net pension liability for the Plan was measured as of September 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The components of the Plan's net pension liability at September 30, 2025, along with the changes from the prior year were as follows:

	Total Pension Liability (a)	Pension Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at September 30, 2024	$ 301,361,668	$ 221,868,257	$ 79,493,411
Changes for the fiscal year:			
Service cost	4,084,848	-	4,084,848
Interest	22,138,369	-	22,138,369
Difference between expected and actual experience	2,854,547	-	2,854,547
Changes of assumptions	2,751,139	-	2,751,139
Changes of benefit terms	1,654,040	-	1,654,040
Contributions - employer	-	10,050,347	(10,050,347)
Contributions - member	-	2,332,785	(2,332,785)
Contributions - State	-	1,771,168	(1,771,168)
Contributions - Buy Back	64,594	64,594	-
Net investment income	-	20,755,633	(20,755,633)
Benefit payments, including refunds of member contributions	(20,536,537)	(20,536,537)	-
Administrative Expenses	-	(345,861)	345,861
Net change	13,011,000	14,092,129	(1,081,129)
Balance at September 30, 2025	$ 314,372,668	$ 235,960,386	$ 78,412,282

Note 15: RETIREMENT PLANS (Continued)

Defined Benefit Pension Plans (Continued)

Police Officers and Firefighters Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 5,417,419	$ -
Changes of Assumptions	2,063,355	-
Net difference between projected and actual earnings on pension plan investments	67,761	-
Total	$ 7,548,535	$ -

Amounts reported for the Plan as deferred outflows/(inflows) of resources will be recognized in pension expense for the fiscal year ending September 30, as follows:

Fiscal Year	Deferred Outflow/Deferred (Inflow)
2026	$ 11,424,098
2027	(660,064)
2028	(2,342,420)
2029	(873,079)
Total	$ 7,548,535

Note 15: RETIREMENT PLANS (Continued)

Defined Benefit Pension Plans (Continued)

Police Officers and Firefighters Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The City's total pension liability for the Plan was determined by an actuarial valuation as of the valuation date and calculated based on the discount rate and actuarial assumptions as follows:

Valuation date	October 1, 2024
Measurement date	September 30, 2025
Actuarial cost method	Individual Entry Age Normal
Expected long-term rate of return	7.50%
Discount rate	7.50%
Municipal bond rate	N/A
Inflation	2.50%
Salary Increases	Service based
Ad-hoc cost-of-living increase	N/A
Mortality rates:	
Healthy Active Lives	Female: PubS-2010 for Employees. Male: PubS-2010 for Employees, set forward one year.
Healthy Retiree Lives	Female: PubS-2010 for Healthy Retirees. Male: PubS-2010 for Healthy Retirees, set forward one year.
Beneficiary Lives	Female: PubG.H-2010 for Healthy Retirees. Male: PubG.H-2010 for Healthy Retirees, set back one year.
Disabled	Female: PubG.H-2010 for Disabled Retirees, set forward one year. Male: PubG.H-2010 for Disabled Retirees
Experience study	September 2, 2025

Note 15: RETIREMENT PLANS (Continued)

Defined Benefit Pension Plans (Continued)

Police Officers and Firefighters Defined Benefit Pension Plan (Continued)

Expected Long-Term Rate of Return

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

Asset Class	Target Allocation	Expected Long-Term Rate of Return
Domestic equities	23.00%	4.50%
Fixed income - core plus	22.00%	1.70%
International equities	15.00%	4.50% - 5.00%
Private equity	15.00%	6.90%
Private credit	9.00%	5.00%
Global multi-sector	5.00%	1.50%
Global real estate/REITS	3.00%	3.30%
Infrastructure	3.00%	5.10%
Bank loans	2.50%	2.40%
High yield	2.50%	2.60%
Total	100.00%	

The long-term expected rate of return is 7.50 percent.

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the Discount Rate assumed that Plan Member contribution will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Note 15: RETIREMENT PLANS (Continued)

Defined Benefit Pension Plans (Continued)

Police Officers and Firefighters Defined Benefit Pension Plan (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability, calculated using the discount rate of 7.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Plan net pension liability	$ 113,043,314	$ 78,412,282	$ 49,538,156

Florida Retirement System Defined Contribution Investment 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. Employees are required to contribute 3.00% of their salary. Required employer contributions made to the plan during the year ended September 30, 2025 totaled $1,826,457. Employee contributions totaled $45,454 during the same period.

MissionSquare Deferred Compensation Defined Contribution Investment Plan

Beginning January 1, 1996 and ending April 30, 2005, the City provided pension benefits to new general employees through a defined contribution plan administered by MissionSquare Retirement. In a defined contribution plan, benefits depend solely on amounts contributed plus investment earnings. The authority for establishing and amending the funding policy by resolution resides with the City Commission. The City's contribution for each employee vests starting in the third year with full vesting after seven (7) years. For the fiscal year ending September 30, 2025, there were a total of 20 employees participating in the plan with a covered payroll of $1,139,567. Employees do not contribute into this plan. The City contributed 12% effective July 1, 2025, of covered employees' gross wages for general employees. City contributions for the fiscal year ending September 30, 2025 totaled $145,942.

Note 15: RETIREMENT PLANS (Continued)

Pension Expense Summary

The total of the City's pension expense for the fiscal year ended September 30, 2025 is as follows:

Plan Description		Pension Expense
Defined Benefit Plans:		
FRS Pension Plan	$	2,865,181
Retiree Health Insurance Subsidy Program (HIS)		373,838
Police Officers' and Firefighters' Pension Plan		15,256,618
Total defined benefit pension expense		18,495,637
Defined Contribution Plan:		
FRS Investment Plan		1,826,457
ICMA Deferred Compensation Plan		145,942
Total defined contribution pension expense		1,972,399
Total pension expense	$	20,468,036

Note 16: OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The City's other post-employment benefits (OPEB) are presented in accordance with GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* as amended. The provisions of this pronouncement were implemented prospectively.

Plan Description

Pursuant to Section 112.0801, Florida Statutes, the City is required to permit participation in the single-employer benefit health insurance program (the Plan) for retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. Optional post-employment benefits are provided to all eligible individuals including lifetime medical, prescription, dental, and certain life insurance coverage. Eligible individuals include all regular employees of the City who retire from active service under a pension plan sponsored by the City. Under certain conditions eligible individuals also include spouses and dependent children. The Plan does not issue a publicly available financial report.

Funding Policy

The City Commission is authorized to establish benefit levels and approve the actuarial assumptions used in the determination of contribution levels. The City Commission establishes the contribution requirements of Plan members and the City. These contributions are neither mandated nor guaranteed. The retiree contributes the premium cost each month. Spouses and other dependents are also eligible for coverage, although the retiree pays the premium cost. Retirees must pay a monthly premium as determined by the insurance carrier, less any explicit subsidies that are provided by the City. The premium varies depending on whether the retiree elects single, single plus spouse, single plus dependents, or family coverage. As of May 1, 2009, the City provides an explicit subsidy for a portion of the premium charged for dependent coverage. The current explicit subsidy is $70.48 per month for a single dependent or $134.43 per month for family coverage. The ultimate implicit and

Note 16: OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Funding Policy (Continued)

explicit subsidies which are provided over time are financed directly by general assets of the City, which are invested in short-term fixed income instruments according to the City's investment policy.

The City selected an interest discount rate of 4.47% per annum and is based on the prescribed discount interest rate methodology under GASB No. 75 based on an average of two 20-year bond indices (e.g., S&P Municipal Bond 20 Year High Grade Rate Index, Fidelity GA AA 20 Years) as of September 30, 2025. There are no separate trust funds or equivalent arrangements into which the City makes contributions to fund the OPEB obligations in advance as it does for its retiree pension plans.

Plan Membership

At October 1, 2023, OPEB membership consisted of the following:

Active Members	922
Retirees (including surviving spouses)	120
Total	1,042
Active Members Eligible for Benefits	86

Actuarial Assumptions and Other Inputs

The total OPEB liability in the September 30, 2025 actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Assets	Not valued since benefit is unfunded. Assets are zero.
Expected Return on Assets	n/a
Inflation	n/a
Salary Increases	3.50% projected annual salary increase

The actuarial assumptions for fiscal year October 1, 2023 to September 30, 2025 were based on a valuation as of October 1, 2023 and projected to year end September 30, 2025. This valuation was based on census information provided in October 2023, reflected plan costs (rates) and decrement tables (assumptions) for turnover, disability and retirement based on the Florida Retirement System Pension Plan actuarial valuation report with issue date of December 1, 2022. All assumptions are the same except for the discount rate.

The mortality table used for the current valuation was the Society of Actuaries Pub-2010 Public Retirement Plans Healthy Male and Female Total Dataset Headcount-Weighted Mortality tables based on Employee and Healthy Annuitant Tables for both pre and post retirement projected with mortality improvements using the most current Society of Actuaries Mortality Improvement Scale MP-2021.

Note 16: OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Actuarial Assumptions and Other Inputs (Continued)

Valuation date .....October 1, 2023
Actuarial cost method ..... Entry Age Normal as a Level Percentage of Payroll
Discount rate 4.47%

Assumed healthcare cost trend rates:

	Year	Age Pre-65	Age Post-65
Year 1 Trend	May 1, 2025	7.0%	7.0%
Ultimate Trend	May 1, 2035 & Later	4.5%	4.5%
Grading Per Year	-	0.25%	0.25%

At September 30, 2025 the City of Daytona Beach reported a Total OPEB liability of $4,304,280. The GASB 75 information has been provided as of the year ended September 30, 2025.

	Increase (Decrease)		
Change in Net OPEB Liability	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance Recognized as of Beginning of Year (End of Prior Year)	$ 4,304,280	$ -	$ 4,304,280
Changes Recognized for Fiscal Year			
Service Cost	62,380	-	62,380
Interest	185,410	-	185,410
Changes in Assumptions	(198,773)	-	(198,773)
Benefit Payments	(312,817)	(312,817)	-
Contributions from employer	-	312,817	(312,817)
Net Changes	(263,800)	-	(263,800)
Balance Recognized as of End Year	$ 4,040,480	$ -	$ 4,040,480

The liability Increase is due to changes in the discount rate from 3.97% to 4.47% as prescribed under GASB 75, as well as changes in employee demographics (e.g., higher percentage of dependents, increase in number of actives, etc.) since the prior valuation.

Note 16: OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Sensitivity of the Total OPEB Liability

The following table represents the City's total OPEB liability calculated using the discount rate of 4.47%, 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 and one percentage point higher than the current rate.

	1% Decrease (3.47%)	Current Discount Rate (4.47%)	1% Increase (5.47%)
Total OPEB Liability	$ 4,423,864	$ 4,040,480	$ 3,712,135

The following table represents the City's total OPEB liability calculated using the health care cost trend rate of 7.00%, as well as what the City's total OPEB liability would be if it were calculated using a health care cost trend rate that is one percentage point lower, 6.00%, or one percentage point higher, 8.00%, than the current rate.

	1% Decrease (6.00%)	Trend Rate (7.00%)	1% Increase (8.00%)
Total OPEB Liability	$ 3,612,348	$ 4,040,480	$ 4,552,931

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 of Daytona Beach recognized an OPEB expense of $229,793. Deferred Inflows/Outflows of Resources reflects amounts resulting from experience gains/losses that have not been recognized in the current OPEB expense calculations, but will be potentially reflected in future years.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 512,034	$ (1,322,749)
Total	$ 512,034	$ (1,322,749)

Note 16: OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Amounts reported for OPEB as deferred outflows of resources will be recognized in pension expense for the fiscal year ending September 30, as follows:

Fiscal Year	Deferred Outflow/ Deferred (Inflow)
2026	$ (17,997)
2027	(41,555)
2028	(111,473)
2029	(151,512)
2030	(150,371)
Thereafter	(337,807)
Total	$ (810,715)

Note 17: UNION AGREEMENTS

On December 5, 1991, the Florida Public Employees Relations Commission certified the International Association of Firefighters Union Local 1162 (IAFF) as the bargaining agent to represent firefighters, driver engineers, fire lieutenants and fire mechanics. On September 21, 2023, the parties ratified a two-year successor collective bargaining agreement that will expire September 30, 2025.

On November 6, 2015, the Florida Public Employees Relations Commission certified the Coastal Florida PBA as the bargaining agent to represent full-time police officers and police sergeants. On September 21, 2023, the parties ratified a two-year successor collective bargaining agreement that will expire September 30, 2025.

On November 23, 2010, the Florida Public Employees Relations Commission certified the Florida State Lodge, Fraternal Order of Police, Inc. as the bargaining agent to represent full-time police lieutenants. On September 21, 2023, the parties ratified a two-year successor collective bargaining agreement that will expire September 30, 2025.

On April 27, 1995, the Florida Public Employees Relations Commission certified the American Federation of State, County and Municipal Employees (AFSCME) Council 79 as the bargaining agent to represent most general employees not represented by the other unions or classified as managerial, confidential, supervisory, professional, or temporary/seasonal. On September 21, 2023, the parties ratified a two-year successor collective bargaining agreement that will expire September 30, 2025.

Note 18: ASSET RETIREMENT OBLIGATIONS

Asset retirement obligations generally apply to legal obligations associated with the retirement of a tangible long-lived asset that result from the acquisition, construction, or development and the normal operation of a long-lived asset. The City assesses asset retirement obligations on a periodic basis. If a reasonable estimate of fair value can be made, the fair value of a liability for an asset retirement obligation is recognized in the period in which it is incurred or a change in estimate occurs.

The City operates a wastewater treatment plant which is regulated by the Florida Department of Environmental Protection, and requires certain cleanup and remediation activities if use of the wastewater treatment plant is discontinued. The City plans ongoing refurbishment to the plant as needed and has no plans to discontinue use of the plant. As such, the City is not able to readily estimate the fair value of the liability for discontinuing use of the plant, and has not recorded an asset retirement obligation for this asset.

The Florida Department of Environmental Protection regulates underground storage tank (UST) installation, monitoring, and closure procedures. One 1,000 gallon double-walled fiberglass underground storage tank with a spill containment bucket located at the City's Fire Station #3 facility that was installed in August 1992 with an estimated service life of 40 years. Two 10,000 gallon double-walled fiberglass steel clad underground storage tanks with an estimated service life of 40 years at the City's Halifax Harbor facility that was installed in May 2005.

The City has determined the fair value of the liability for disposal of these items is immaterial at September 30, 2025 and, accordingly, has not recorded an asset retirement obligation for this matter.

Note 19: SUBSEQUENT EVENTS

Long-Term Debt – Capital Improvement Note, Series 2025AB

On November 25, 2025, the City issued Capital Improvement Revenue Note, Series 2025A, in the amount of $20,051,000, and Taxable Capital Improvement Revenue Note, Series 2025B, in the amount of $15,039,000. Proceeds from the Series 2025A and 2025B notes will be used to finance road and sidewalk improvements, enhancements to City Island, and to complete the second phase of renovations to the Jackie Robinson Ballpark Stadium.

Payables – Minto Settlement

On February 6, 2026, the City approved a Settlement Agreement with Minto Communities, LLC in the amount of $2 million to rebate permit fees previously paid related to the development of the Latitude Margaritaville community in Daytona Beach.

Grants – Florida Department of Environmental Protection

On April 1, 2026, the City Commission approved Amendment 1 to the grant agreement with the Florida Department of Environmental Protection (FDEP) Resilient Florida Program. Amendment 1 provides an additional $5.3 million in funding to support the construction of Fire Station 1, a designated critical facility within the City's resilience infrastructure program. With this amendment, the total grant award increased to $15,303,903.

REQUIRED SUPPLEMENTARY INFORMATION

world famous

DAYTONA BEACH

City of Daytona Beach, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual – General Fund
For the Year Ended September 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance
REVENUES:				
Taxes	$ 73,672,917	$ 73,708,447	$ 74,715,541	$ 1,007,094
Licenses and permits	9,668,244	9,668,244	8,938,406	(729,838)
Intergovernmental	10,625,594	10,625,594	10,431,377	(194,217)
Charges for services	14,396,699	14,442,388	13,437,484	(1,004,904)
Fines and forfeitures	974,695	974,695	1,075,753	101,058
Special assessment/impact fees	-	-	48,125	48,125
Income (loss) on investments	7,925,145	7,925,145	2,821,448	(5,103,697)
Miscellaneous	92,350	114,600	803,563	688,963
Total revenues	117,355,644	117,459,113	112,271,697	(5,187,416)
EXPENDITURES:				
General government:				
Legislative	1,823,785	3,181,755	1,740,217	1,441,538
City Manager	4,200,033	4,171,638	2,769,343	1,402,295
City Attorney	1,841,563	1,844,632	1,827,422	17,210
Finance	3,068,392	3,076,235	3,021,818	54,417
Comprehensive Planning	1,857,414	1,862,910	1,541,400	321,510
Other General Government Services	1,162,385	1,162,385	1,126,453	35,932
Other Physical Environment	10,241,654	9,685,559	9,024,488	661,071
Public safety:				
Police	49,847,797	50,381,655	48,663,615	1,718,040
Fire	22,139,807	22,195,690	22,022,204	173,486
Transportation	9,003,853	8,736,815	7,625,922	1,110,893
Economic environment	606,989	2,183,996	1,754,099	429,897
Grants and aids	-	793,738	793,227	511
Human services	500,000	500,000	400,000	100,000
Culture and recreation	16,370,599	16,673,617	15,464,139	1,209,478
Capital outlay	1,308,501	9,846,526	12,265,325	(2,418,799)
Total expenditures	123,972,772	136,297,151	130,039,672	6,257,479
Excess (deficiency) of revenues over (under) expenditures	(6,617,128)	(18,838,038)	(17,767,975)	1,070,063
OTHER FINANCING SOURCES (USES):				
Budgetary reserves, net	806,687	13,962,161	-	(13,962,161)
Issuance of debt	-	68,000	68,000	-
Proceeds from leases	-	-	1,421,870	1,421,870
Proceeds from subscriptions	-	-	5,333,989	5,333,989
Proceeds from insurance recovery	280,850	884,726	803,436	(81,290)
Transfers in	23,558,522	23,646,647	23,418,440	(228,207)
Transfers (out)	(18,028,931)	(19,723,496)	(19,770,801)	(47,305)
Total other financing sources (uses)	6,617,128	18,838,038	11,274,934	(7,563,104)
Net change in fund balance	-	-	(6,493,041)	(6,493,041)
FUND BALANCE:				
Beginning of year	51,177,321	51,177,321	51,177,321	-
End of year	$ 51,177,321	$ 51,177,321	$ 44,684,280	$ (6,493,041)

City of Daytona Beach, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual – Redevelopment Trust Special Revenue Fund
For the Year Ended September 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance
REVENUES:				
Licenses and permits	$ 12,368	$ 12,368	$ -	$ (12,368)
Intergovernmental	5,754,687	5,665,013	5,658,564	(6,449)
Charges for services	12,753	57,847	221,331	163,484
Income on investments	-	-	643,017	643,017
Miscellaneous	-	-	9,342	9,342
Total revenues	5,779,808	5,735,228	6,532,254	797,026
EXPENDITURES:				
Current operating:				
Economic environment	4,202,653	6,014,720	3,870,206	2,144,514
Cultural and Recreation	-	52,540	-	52,540
Capital outlay	3,645,086	25,970,715	4,950,379	21,020,336
Debt service:				
Interest and fiscal charges	-	2,140	-	2,140
Total expenditures	7,847,739	32,040,115	8,820,585	23,219,530
Excess (deficiency) of revenues over (under) expenditures	(2,067,931)	(26,304,887)	(2,288,331)	24,016,556
OTHER FINANCING SOURCES (USES):				
Budgetary reserves, net	1,770	19,908,574	-	(19,908,574)
Issuance of debt	-	4,342,457	-	(4,342,457)
Proceeds from leases	-	-	329,820	329,820
Transfers in	5,319,960	5,307,655	5,317,467	9,812
Transfers (out)	(3,253,799)	(3,253,799)	(3,067,909)	185,890
Total other financing sources (uses)	2,067,931	26,304,887	2,579,378	(23,725,509)
Net change in fund balance	-	-	291,047	291,047
FUND BALANCE:				
Beginning of year	20,470,332	20,470,332	20,470,332	-
End of year	$ 20,470,332	$ 20,470,332	$ 20,761,379	$ 291,047

City of Daytona Beach, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual – Emergency Management Grants Special Revenue Fund
For the Year Ended September 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance
REVENUES:				
Intergovernmental	$ -	$ 7,353,844	$ 1,896,811	$ (5,457,033)
Total revenues	-	7,353,844	1,896,811	(5,457,033)
EXPENDITURES:				
Current operating:				
General Government	-	8,158,807	5,589,216	2,569,591
Capital outlay	-	1,309,128	130,642	1,178,486
Total expenditures	-	9,467,935	5,719,858	3,748,077
Excess (deficiency) of revenues over (under) expenditures	-	(2,114,091)	(3,823,047)	(1,708,956)
OTHER FINANCING SOURCES (USES):				
Budgetary reserves, net	-	-	-	-
Proceeds from insurance	-	1,341,966	1,341,966	-
Transfers in	-	772,125	-	(772,125)
Total other financing sources (uses)	-	2,114,091	1,341,966	(772,125)
Net change in fund balance	-	-	(2,481,081)	(2,481,081)
FUND BALANCE (DEFICIT):				
Beginning of year	(10,629,756)	(10,629,756)	(10,629,756)	-
Ending	$ (10,629,756)	$ (10,629,756)	$ (13,110,837)	$ (2,481,081)

City of Daytona Beach, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual –Grants Special Revenue Fund
For the Year Ended September 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance
REVENUES:				
Intergovernmental	$ -	$ 13,653,216	$ 2,118,475	$ (11,534,741)
Miscellaneous	-	218,094	332,696	114,602
Income on investments	-	-	11,977	11,977
Total revenues	-	13,871,310	2,463,148	(11,408,162)
EXPENDITURES:				
Current operating:				
Public safety	-	1,229,471	453,478	775,993
Transportation	-	-	-	-
Human services	-	-	-	-
Cultural and recreation	-	15,323	41,733.00	(26,410)
Capital outlay	-	12,989,425	8,146,472	4,842,953
Total expenditures	-	14,234,219	8,641,683	5,592,536
Excess (deficiency) of revenues over (under) expenditures	-	(362,909)	(6,178,535)	(5,815,626)
OTHER FINANCING SOURCES (USES):				
Budgetary reserves, net	-	362,909	-	(362,909)
Total other financing sources (uses)	-	362,909	-	(362,909)
Net change in fund balance	-	-	(6,178,535)	(6,178,535)
FUND BALANCE (DEFICIT):				
Beginning, as previously reported	-	-	-	-
Adjustments	(260,962)	(260,962)	(260,962)	-
Beginning, after adjustments	(260,962)	(260,962)	(260,962)	-
Ending	$ (260,962)	$ (260,962)	$ (6,439,497)	$ (6,178,535)

Note 1: BUDGETARY INFOMATION

Annual budgets are adopted on a basis consistent with GAAP for all governmental funds except the Capital Projects Fund, which adopts a project-length budget. The City does not budget for depreciation expense or amortization of debt related costs.

Prior to October 1, the budget is legally enacted through passage of a resolution. The City Commission, by resolution, may make supplemental appropriations in excess of those estimated for the fiscal year up to the amount of available revenues. The City Manager is authorized to transfer part or all of an unencumbered appropriation balance from one department to another within a fund. Additionally, upon written request by the City Manager, the City Commission may, by resolution, transfer part or all of any unencumbered appropriation balance from one fund to another. The level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is at the fund level.

Every appropriation, with the exception of capital expenditures and grant commitments, lapses at fiscal year-end even if they have related encumbrances. An appropriation for a capital expenditure shall continue in force until the purpose for which it has been made has been accomplished or abandoned. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at fiscal year-end, with the exception of capital expenditures and grant commitments, valid outstanding encumbrances (those for which performance under the executor contract is expected in the next fiscal year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

City of Daytona Beach, Florida
Schedule of the City's Proportionate Share of the Net Pension Liability
Florida Retirement System and Health Insurance Subsidiary Program
Last Ten Fiscal Years (In Thousands)

Florida Retirement System Pension Plan

Plan Sponsor Measurement Date June 30,	**2025**	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability	**0.0747%**	0.0743%	0.0790%	0.0774%	0.0749%	0.0672%	0.0657%	0.0639%	0.0652%	0.0650%
Proportionate share of the net pension liability	**$ 23,174**	$ 28,740	$ 31,484	$ 28,790	$ 5,661	$ 29,106	$ 22,617	$ 19,239	$ 19,280	$ 16,413
* Covered payroll	**$ 40,069**	$ 37,963	$ 30,477	$ 32,760	$ 30,905	$ 29,703	$ 27,296	$ 26,370	$ 24,762	$ 23,934
Proportionate share of the net pension liability as a percentage of covered payroll	**58%**	76%	103%	88%	18%	98%	83%	73%	78%	69%
Plan fiduciary net position as a percentage of the total pension liability	**87%**	84%	82%	83%	96%	79%	83%	84%	84%	85%

Health Insurance Subsidy Program

Plan Sponsor Measurement Date June 30,	**2025**	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability	**0.0894%**	0.0894%	0.0915%	0.0894%	0.0863%	0.0834%	0.0811%	0.0792%	0.0794%	0.0771%
Proportionate share of the net pension liability	**$ 11,457**	$ 13,415	$ 14,530	$ 9,469	$ 10,582	$ 10,183	$ 9,075	$ 8,379	$ 8,489	$ 8,989
* Covered payroll	**$ 40,069**	$ 37,963	$ 30,477	$ 30,477	$ 32,760	$ 30,905	$ 27,296	$ 26,370	$ 24,762	$ 23,934
Proportionate share of the net pension liability as a percentage of covered payroll	**29%**	35%	48%	31%	32%	33%	33%	32%	34%	38%
Plan fiduciary net position as a percentage of the total pension liability	**6%**	5%	4%	5%	4%	3%	3%	2%	2%	1%

* GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68 and No. 73* , was implemented during fiscal year 2017. Covered payroll shown includes the payroll for defined benefit plan active members, members in DROP and investment plan members.

City of Daytona Beach, Florida
Schedule of the City Contributions
Florida Retirement System and Health Insurance Subsidiary Program
Last Ten Fiscal Years (In Thousands)

Florida Retirement System Pension Plan

City Year Ended September 30,	**2025**	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	**$ 4,544**	$ 4,256	$ 3,847	$ 3,487	$ 2,953	$ 2,396	$ 2,061	$ 1,820	$ 1,697	$ 1,662
Contributions in relation to the contractually required contribution	**(4,544)**	(4,256)	(3,847)	(3,487)	(2,953)	(2,396)	(2,061)	(1,820)	(1,697)	(1,662)
Contribution deficiency (excess)	**$ -**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
* Covered payroll	**$ 40,536**	$ 38,340	$ 33,132	$ 31,572	$ 31,003	$ 29,868	$ 27,271	$ 26,319	$ 25,673	$ 24,608
Contributions as a percentage of covered payroll	**11%**	11%	12%	11%	10%	8%	8%	7%	7%	7%

Health Insurance Subsidy Program

City Year Ended September 30,	**2025**	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	**$ 808**	$ 766	$ 630	$ 567	$ 511	$ 491	$ 452	$ 429	$ 420	$ 405
Contributions in relation to the contractually required contribution	**(808)**	(766)	(630)	(567)	(511)	(491)	(452)	(429)	(420)	(405)
Contribution deficiency (excess)	**$ -**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
* Covered payroll	**$ 40,536**	$ 38,340	$ 33,132	$ 31,572	$ 31,003	$ 29,868	$ 27,271	$ 26,319	$ 25,673	$ 24,608
Contributions as a percentage of covered payroll	**2%**	2%	2%	2%	2%	2%	2%	2%	2%	2%

* GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68 and No. 73* , was implemented during fiscal year 2017. Covered payroll shown includes the payroll fo benefit plan actives, members in DROP and investment plan members.

City of Daytona Beach, Florida
Schedule of Changes in the City's Net Pension Liability and Related Ratios
Police and Fire Pension Trust Fund
Last Ten Fiscal Years (In Thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability										
Service cost	**$ 4,085**	$ 3,812	$ 3,511	$ 3,636	$ 3,349	$ 3,513	$ 3,381	$ 3,316	$ 3,105	$ 3,060
Interest	**22,138**	21,325	20,763	20,332	19,483	18,768	18,337	18,050	16,816	16,282
Changes of benefit terms	**1,654**	-	-	1,484	-	-	(30)	-	-	-
Differences between expected and actual experience	**2,855**	5,435	2,236	453	5,353	3,488	1,292	(1,580)	4,300	2,424
Changes of assumptions	**2,751**	-	-	-	-	2,481	-	-	6,834	-
Contributions - Buy Back	**65**	62	76	41	31	28	33	39	-	-
Benefit payments, including refunds of employee contributions	**(20,537)**	(19,580)	(19,209)	(17,989)	(19,341)	(17,819)	(17,026)	(15,054)	(14,573)	(14,783)
Net change in total pension liability	**13,011**	11,054	7,377	7,957	8,875	10,459	5,987	4,771	16,482	6,983
Total pension liability-beginning	**301,362**	290,308	282,931	274,974	266,099	255,640	249,653	244,882	228,400	221,417
Total pension liability-ending (a)	**$ 314,373**	$ 301,362	$ 290,308	$ 282,931	$ 274,974	$ 266,099	$ 255,640	$ 249,653	$ 244,882	$ 228,400
Plan fiduciary net position										
Contributions-employer	**$ 10,050**	$ 9,340	$ 8,926	$ 9,143	$ 8,661	$ 8,110	$ 8,021	$ 7,794	$ 6,709	$ 6,102
Contributions-member	**2,333**	2,255	2,109	1,903	1,913	1,860	1,757	1,677	1,643	1,612
Contributions-state	**1,771**	1,658	1,394	1,134	1,082	1,059	984	937	813	904
Contributions - Buy Back	**65**	62	76	41	31	28	33	39	-	-
Net investment income	**20,756**	29,060	12,646	(39,883)	43,882	24,899	7,557	13,601	15,868	11,893
Benefit payments, including refunds of employee contributions	**(20,537)**	(19,580)	(19,209)	(17,989)	(19,341)	(17,819)	(17,026)	(15,054)	(14,572)	(14,783)
Administrative expense	**(346)**	(273)	(253)	(309)	(282)	(293)	(315)	(382)	(213)	(229)
Other	**-**	-	-	-	-	-	-	1,010	(85)	47
Net change in plan fiduciary net position	**14,092**	22,522	5,689	(45,960)	35,946	17,844	1,011	9,622	10,163	5,546
Plan fiduciary net position-beginning	**221,869**	199,347	193,658	239,618	203,672	185,828	184,817	175,195	165,032	159,486
Plan fiduciary net position-ending (b)	**$ 235,961**	$ 221,869	$ 199,347	$ 193,658	$ 239,618	$ 203,672	$ 185,828	$ 184,817	$ 175,195	$ 165,032
Net pension liability-ending (a) - (b)	**$ 78,412**	$ 79,493	$ 90,961	$ 89,273	$ 35,356	$ 62,427	$ 69,812	$ 64,836	$ 69,687	$ 63,368
Plan fiduciary net position as a percentage of the total pension liability	**75%**	74%	69%	68%	87%	77%	73%	74%	72%	72%
* Covered payroll	**$ 24,653**	$ 23,349	$ 21,783	$ 19,655	$ 19,451	$ 18,764	$ 16,843	$ 16,917	$ 16,114	$ 15,578
City's net pension liability as a percentage of covered payroll	**318%**	340%	418%	454%	182%	333%	414%	383%	432%	407%

* GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68 and No. 73* , was implemented during fiscal year 2017. Covered payroll shown includes the payroll for defined benefit plan active members, members in DROP and investment plan members.

City of Daytona Beach, Florida
Schedule of the City Contributions
Police and Fire Pension Trust Fund
Last Ten Fiscal Years (In Thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	**$ 11,746**	$ 10,474	$ 10,041	$ 10,287	$ 9,740	$ 9,322	$ 8,869	$ 8,685	$ 7,522	$ 7,005
Contributions in relation to the actuarially determined contribution	**11,822**	10,997	10,320	10,278	9,743	9,169	9,005	8,732	7,522	7,005
Contribution deficiency (excess)	**$ (76)**	$ (523)	$ (279)	$ 9	$ (3)	$ 153	$ (136)	$ (47)	$ -	$ -
* Covered payroll	**$ 24,653**	$ 23,349	$ 21,783	$ 19,655	$ 19,451	$ 18,764	$ 16,843	$ 16,917	$ 16,114	$ 15,578
Contributions as a percentage of covered payroll	**48%**	47%	47%	52%	50%	49%	53%	52%	47%	45%

Notes to Schedule:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method: Entry age normal cost method.

Amortization method: New UAAL amortization bases are amortized over 15 years.

Remaining amortization period: Bases established prior to the valuation date are adjusted proportionally to match the Expected Unfunded Actuarial Accrued Liability as of the valuation date, in order to align prior year bases with the protion of the current year UAAL associated with prior year sources.

Asset valuation method: All assets are valued at market value with an adjustment to uniformly spread actuarial investment gains and losses.

Inflation: 2.50%

Investment rate of return: 7.50% net of pension plan investment expense, including inflation.

Salary increases: Service based.

Service	Rate
< 5	5.00%
5 - 9	4.50%
10 - 14	4.00%
15 - 19	3.50%
20 +	3.00%

Retirement rates: Annual retirement rates are as follows:

After First Eligibility for Normal Retirement	Police %	Fire %
0 - 1	35	20
2 - 4	20	30 - 40
5	35	50
6 - 9	50	50
10	100	100

At age 60, retirement rate is 100%

Mortality:

Healthy: Female-PubS.H-2010 (Below Median) for employees, set forward one year.
Male-PubS.H-2010 (Below Median) for employees, set forward one year.

Disabled: 80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees

* GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68 and No. 73* , was implemented during fiscal year 2017. Covered payroll shown includes the payroll for defined benefit plan active members, members in DROP and investment plan members.

City of Daytona Beach, Florida
Schedule of Changes in the City's Total Other Post-Employment Benefit Liability and Related Ratios
Last Eight Fiscal Years

Governmental Accounting Standards Board Statement No. 75. "Accounting and Financial Reporting for Post Employment Benefits Other Than Pensions" (OPEB) require supplementary information be reported in addition to that provided in the Notes to the Financial Statements. Additional years' information will be included until 10 years of information is displayed.

City Year Ended September 30,	**2025**	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability								
Service cost	**$ 62,380**	$ 66,120	$ 53,069	$ 52,678	$ 58,333	$ 56,359	$ 29,453	$ 26,485
Interest cost	**185,410**	156,454	193,109	266,247	137,178	139,543	174,342	215,674
Changes in assumptions	**(198,773)**	272,148	(57,596)	(1,697,207)	(21,485)	778,161	361,885	-
Benefit payments	**(312,817)**	(262,688)	(363,557)	(350,154)	(377,386)	(382,717)	(480,122)	(540,288)
Net change in total OPEB liability	**(263,800)**	232,034	(174,975)	(1,728,436)	(203,360)	591,346	85,558	(298,129)
Total OPEB liability - beginning	**4,304,280**	4,072,246	4,247,221	5,975,657	6,179,017	5,587,671	5,502,113	5,800,242
Total OPEB liability - ending (a)	**$ 4,040,480**	$ 4,304,280	$ 4,072,246	$ 4,247,221	$ 5,975,657	$ 6,179,017	$ 5,587,671	$ 5,502,113
Plan fiduciary net position								
Contributions - employer	**$ 312,817**	$ 262,688	$ 363,557	$ 350,154	$ 377,386	$ 382,717	$ 480,122	$ 540,288
Benefit payments	**(312,817)**	(262,688)	(363,557)	(350,154)	(377,386)	(382,717)	(480,122)	(540,288)
Net change in plan fiduciary net position	**-**	-	-	-	-	-	-	-
Plan fiduciary net position - beginning	**-**	-	-	-	-	-	-	-
Plan fiduciary net position - ending (b)	**$ -**	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total OPEB liability - ending (a) - (b)	**$ 4,040,480**	$ 4,304,280	$ 4,072,246	$ 4,247,221	$ 5,975,657	$ 6,179,017	$ 5,587,671	$ 5,502,113
Plan fiduciary net position as a percentage of total OPEB liability	**0%**	**0%**	0%	0%	0%	0%	0%	0%
Covered employee payroll	**$ 49,972,778**	$ 49,972,778	$ 45,492,696	$ 45,492,696	$ 46,129,977	$ 46,129,977	$ 41,723,453	$ 41,723,453
Total OPEB liability as a percentage of covered employee payroll	**8%**	9%	9%	9%	13%	13%	13%	13%

Changes in benefit terms: None

Changes in assumptions: Discount interest rate based on an average of three 20-year bond indices (e.g., Bond Buyer-20 Bond GO, S&P Municipal Bond 20 Year High Grade Rate Index, Fidelity GA AA 20 years) as of September 30, 2025.

The following are the discount rates used in each period:

9/30/2018	3.90%
9/30/2019	3.10%
9/30/2020	2.26%
9/30/2021	2.29%
9/30/2022	4.59%
9/30/2023	4.75%
9/30/2024	3.97%
9/30/2025	4.47%

Note: There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

COMBINING & INDIVIDUAL FUND STATEMENTS & SCHEDULES

DAYTONA BEACH

Special Revenue Funds

Community Development – This fund both administers and coordinates the development and revitalization of the City by improving housing, expanding the economic base, improving employment opportunities and providing increased recreational opportunities in economically disadvantaged neighborhoods.

Local Housing Assistance – This fund was created pursuant to section 420.9075, Florida Statutes, State Housing Initiatives Partnership (SHIP) Program and Local Housing Assistance Program. This fund provides housing assistance to economically disadvantaged families in the community.

Law Enforcement Trust – This fund was created pursuant to section 932.704, Florida Statutes, which requires revenues from forfeited or confiscated property to be recorded separately.

Federal Shared Property Forfeitures – This fund was established as a result of the Comprehensive Crime Control Act of 1984, which authorized the sharing of federal forfeiture proceeds with cooperating state and local law enforcement agencies.

Transportation 5-Cent Gas Tax – This fund accounts for the collection and use of the Volusia County Transportation 5-Cent Gas Tax established January 1, 2000. Funds are restricted for use in transportation/road and streets projects.

Permit and License – This fund was established pursuant to section 553.80, Florida Statutes, to administer the Florida Building Code and development regulations to ensure public health and safety. This fund accounts for the issuance of permits for construction, renovations, alterations, and development.

Road Impact Fees – This fund was established to ensure that impact-generating development bear a proportionate share of the cost of improvements to the City's roads.

Recreation/Parks/Culture Impact Fees – This fund was established to ensure that impact-generating development bear a proportionate share of the cost of improvements to the City's recreation, parks, and culture facilities.

Fire and Emergency Management System Impact Fees – This fund was established to ensure that impact-generating development bear a proportionate share of the cost of improvements to the City's fire and emergency management system.

Police Impact Fees – This fund was established to ensure that impact-generating development bear a proportionate share of the cost of improvements to the City's law enforcement services.

General Government Impact Fees – This fund was established to ensure that impact-generating development bear a proportionate share of the cost of improvements to the City's general government.

Special Revenue Funds (Continued)

Grants – This fund was established to provide an additional tracking mechanism for grants received. This fund does not include federal and state grants related to storm events.

Debt Service Funds

Capital Improvement Revenue Bonds – This fund accounts for the debt service activity related to the $49.075 million Capital Improvement Revenue Bonds, Series 2024 A and Capital Improvement Revenue Bonds, Series 2024 B.

General Obligation Refunding Bonds – This fund accounts for the debt service activity related to the $18.8 million General Obligation Refunding Bonds, Series 2012.

Capital Improvement Revenue Notes – This fund accounts for the debt service activity related to the Capital Improvement Revenue Note, Series 2017 for the Downtown Redevelopment Trust Fund that was used to pay off the Capital Improvement Revenue Note, Series 2009. The activity related to the Capital Improvement Revenue Note, Series 2010. The activity related to the Capital Improvement Refunding and Revenue Note, Series 2020 for the Main Street Redevelopment Trust Fund that was used to pay off the Capital Improvement Revenue Bond, Series 2011A. The activity for the Taxable Revenue Note, Series 2023 for the Midtown Redevelopment Trust Fund and the activity for the Taxable Revolving Line of Credit Note, Series 2025.

Capital Financing – This fund accounts for the debt service activity related to financed purchase agreements.

City of Daytona Beach, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2025

	Special Revenue Funds				
	Community Development	Local Housing Assistance	Law Enforcement Trust	Federal Shared Property Forfeitures	Transportation 5-Cent Gas Tax
ASSETS:					
Equity in pooled cash, cash equivalents, and investments	$ 313,151	$ 2,356,371	$ 160,554	$ 539,794	$ 354,982
Receivables(net):					
Accounts	-	-	-	-	-
Taxes	-	-	-	-	-
Intergovernmental receivable	337,788	-	-	-	133,459
Restricted equity in pooled cash, cash equivalents, and investments	-	-	-	-	-
Total assets	$ 650,939	$ 2,356,371	$ 160,554	$ 539,794	$ 488,441
LIABILITIES:					
Accounts payable and other liabilities	$ 180,727	$ 104,845	$ 5,833	$ 23,445	$ 32,217
Due to other funds	60,265	-	-	-	-
Intergovernmental payable	466	-	-	-	-
Deposits	961	-	-	-	-
Unearned revenue	-	1,846,971	-	-	-
Total liabilities	242,419	1,951,816	5,833	23,445	32,217
FUND BALANCES:					
Restricted:					
Debt covenants	-	-	-	-	-
General government	-	-	-	-	-
Public safety	-	-	154,721	516,349	-
Transportation	-	-	-	-	456,224
Economic environment	408,520	404,555	-	-	-
Cultural and recreation	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances (deficit)	408,520	404,555	154,721	516,349	456,224
Total liabilities, deferred inflows of resources, and fund balances	$ 650,939	$ 2,356,371	$ 160,554	$ 539,794	$ 488,441

City of Daytona Beach, Florida
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
September 30, 2025

	Special Revenue Funds				
	Permit and License	Road Impact Fees	Recreation/ Parks/Culture Impact Fees	Fire/EMS Impact Fees	Police Impact Fees
ASSETS:					
Equity in pooled cash, cash equivalents, and investments	$ 21,692,616	$ 6,600,386	$ 13,691,973	$ 2,897,927	$ 5,719,340
Receivables(net):					
Accounts	125,362	-	-	-	-
Taxes	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-
Restricted equity in pooled cash, cash equivalents, and investments	-	-	-	-	-
Total assets	$ 21,817,978	$ 6,600,386	$ 13,691,973	$ 2,897,927	$ 5,719,340
LIABILITIES:					
Accounts payable and other liabilities	$ 171,340	$ -	$ 1,417	$ 52,417	$ 1,417
Due to other funds	-	-	-	-	-
Intergovernmental payable	4,673	-	-	-	-
Deposits	947,013	-	-	-	-
Unearned revenue	154,602	-	-	-	-
Total liabilities	1,277,628	-	1,417	52,417	1,417
FUND BALANCES:					
Restricted:					
Debt covenants	-	-	-	-	-
General government	-	-	-	-	-
Public safety	20,540,350	-	-	2,845,510	5,717,923
Transportation	-	6,600,386	-	-	-
Economic environment	-	-	-	-	-
Cultural and recreation	-	-	13,690,556	-	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances (deficit)	20,540,350	6,600,386	13,690,556	2,845,510	5,717,923
Total liabilities, deferred inflows of resources, and fund balances	$ 21,817,978	$ 6,600,386	$ 13,691,973	$ 2,897,927	$ 5,719,340

City of Daytona Beach, Florida
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
September 30, 2025

	Special Revenue Funds		
	General Government Impact Fees	Grants (formally nonmajor)	Total Special Revenue Funds
ASSETS:			
Equity in pooled cash, cash equivalents, and investments	$ 13,792,882	$ -	$ 68,119,976
Receivables(net):			
Accounts	-	-	125,362
Taxes	-	-	-
Intergovernmental receivable	-	-	471,247
Restricted equity in pooled cash, cash equivalents, and investments	-	-	-
Total assets	$ 13,792,882	$ -	$ 68,716,585
LIABILITIES:			
Accounts payable and other liabilities	$ 1,417	$ -	$ 575,075
Due to other funds	-	-	60,265
Intergovernmental payable	-	-	5,139
Deposits	-	-	947,974
Unearned revenue	-	-	2,001,573
Total liabilities	1,417	-	3,590,026
FUND BALANCES:			
Restricted:			
Debt covenants	-	-	-
General government	13,791,465	-	13,791,465
Public safety	-	-	29,774,853
Transportation	-	-	7,056,610
Economic environment	-	-	813,075
Cultural and recreation	-	-	13,690,556
Unassigned (deficit)	-	-	-
Total fund balances (deficit)	13,791,465	-	65,126,559
Total liabilities, deferred inflows of resources, and fund balances	$ 13,792,882	$ -	$ 68,716,585

City of Daytona Beach, Florida
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
September 30, 2025

	Debt Service Funds				
	Capital Improvement Revenue Bonds	General Obligation Refunding Bonds	Capital Improvement Revenue Notes	Capital Financing	Total Debt Service Funds
ASSETS:					
Equity in pooled cash, cash equivalents, and investments	$ -	$ -	$ -	$ -	$ -
Receivables(net):					
Accounts	-	1,297	-	-	1,297
Taxes	-	7,085	-	-	7,085
Intergovernmental receivable	-	-	-	-	-
Restricted equity in pooled cash, cash equivalents, and investments	20,549	727,066	76,788	-	824,403
Total assets	$ 20,549	$ 735,448	$ 76,788	$ -	$ 832,785
LIABILITIES:					
Accounts payable and other liabilities	$ -	$ -	$ -	$ -	$ -
Due to other funds	-	-	-	-	-
Intergovernmental payable	-	-	-	-	-
Deposits	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	-	-	-	-	-
FUND BALANCES:					
Restricted:					
Debt covenants	-	735,448	76,788	-	812,236
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	-	-	-
Cultural and recreation	-	-	-	-	-
Unassigned (deficit)	20,549	-	-	-	20,549
Total fund balances (deficit)	20,549	735,448	76,788	-	832,785
Total liabilities, deferred inflows of resources, and fund balances	$ 20,549	$ 735,448	$ 76,788	$ -	$ 832,785

City of Daytona Beach, Florida
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
September 30, 2025

	Total Nonmajor Governmental Funds
ASSETS:	
Equity in pooled cash, cash equivalents, and investments	$ 68,119,976
Receivables(net):	
Accounts	126,659
Taxes	7,085
Intergovernmental receivable	471,247
Restricted equity in pooled cash, cash equivalents, and investments	824,403
Total assets	$ 69,549,370
LIABILITIES:	
Accounts payable and other liabilities	$ 575,075
Due to other funds	60,265
Intergovernmental payable	5,139
Deposits	947,974
Unearned revenue	2,001,573
Total liabilities	3,590,026
FUND BALANCES:	
Restricted:	
Debt covenants	812,236
General government	13,791,465
Public safety	29,774,853
Transportation	7,056,610
Economic environment	813,075
Cultural and recreation	13,690,556
Unassigned (deficit)	20,549
Total fund balances (deficit)	65,959,344
Total liabilities, deferred inflows of resources, and fund balances	$ 69,549,370

City of Daytona Beach, Florida
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2025

	Special Revenue Funds				
	Community Development	Local Housing Assistance	Law Enforcement Trust	Federal Shared Property Forfeitures	Transportation 5-Cent Gas Tax
REVENUES:					
Taxes	$ -	$ -	$ -	$ -	$ 833,937
Licenses and permits	-	-	-	-	-
Intergovernmental	865,184	1,187,372	-	266,771	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	176,308	-	-
Special assessments/impact fees	-	-	-	-	-
Income on investments	6,986	71,351	7,472	11,959	5,771
Miscellaneous	52,490	112,509	-	-	-
Total revenues	924,660	1,371,232	183,780	278,730	839,708
EXPENDITURES:					
Current operating:					
General government	-	-	-	-	-
Public safety	-	-	272,113	44,210	-
Transportation	-	-	-	-	286,075
Economic environment	888,445	1,188,044	-	-	-
Cultural and recreation	-	-	-	-	-
Capital outlay	-	-	55,000	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	888,445	1,188,044	327,113	44,210	286,075
Excess (deficiency) of revenues over (under) expenditures	36,215	183,188	(143,333)	234,520	553,633
OTHER FINANCING SOURCES (USES):					
Transfers in	53,372	-	-	-	-
Transfers (out)	(53,372)	-	-	-	(332,577)
Total other financing sources (uses)	-	-	-	-	(332,577)
Net change in fund balances	36,215	183,188	(143,333)	234,520	221,056
FUND BALANCES (DEFICIT):					
Beginning, as previously reported	372,305	221,367	298,054	281,829	235,168
Adjustments	-	-	-	-	-
Beginning, after adjustments	372,305	221,367	298,054	281,829	235,168
Ending	$ 408,520	$ 404,555	$ 154,721	$ 516,349	$ 456,224

City of Daytona Beach, Florida
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2025

	Special Revenue Funds				
	Permit and License	Road Impact Fees	Recreation/ Parks/Culture Impact Fees	Fire/EMS Impact Fees	Police Impact Fees
REVENUES:					
Taxes	$ -	$ -	$ -	$ -	$ -
Licenses and permits	4,582,770	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	429,057	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Special assessments/impact fees	-	489,548	1,369,007	297,391	503,002
Income on investments	622,376	170,690	349,840	50,640	146,768
Miscellaneous	171,121	-	-	-	-
Total revenues	5,805,324	660,238	1,718,847	348,031	649,770
EXPENDITURES:					
Current operating:					
General government	94,454	-	-	-	-
Public safety	7,920,692	-	-	15,156	15,156
Transportation	-	14,001	-	-	-
Economic environment	-	-	-	-	-
Cultural and recreation	-	-	15,157	-	-
Capital outlay	148,486	2,239	75,415	385,326	74
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	8,163,632	16,240	90,572	400,482	15,230
Excess (deficiency) of revenues over (under) expenditures	(2,358,308)	643,998	1,628,275	(52,451)	634,540
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	1,477,248	-
Transfers (out)	-	-	(254,266)	-	-
Total other financing sources (uses)	-	-	(254,266)	1,477,248	-
Net change in fund balances	(2,358,308)	643,998	1,374,009	1,424,797	634,540
FUND BALANCES (DEFICIT):					
Beginning, as previously reported	22,898,658	5,956,388	12,316,547	1,420,713	5,083,383
Adjustments	-	-	-	-	-
Beginning, after adjustments	22,898,658	5,956,388	12,316,547	1,420,713	5,083,383
Ending	$ 20,540,350	$ 6,600,386	$ 13,690,556	$ 2,845,510	$ 5,717,923

City of Daytona Beach, Florida
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2025

	Special Revenue Funds		
	General Government Impact Fees	Grants (formally nonmajor)	Total Special Revenue Funds
REVENUES:			
Taxes	$ -	$ -	$ 833,937
Licenses and permits	-	-	4,582,770
Intergovernmental	-	-	2,319,327
Charges for services	-	-	429,057
Fines and forfeitures	-	-	176,308
Special assessments/impact fees	880,687	-	3,539,635
Income on investments	357,965	-	1,801,818
Miscellaneous	-	-	336,120
Total revenues	1,238,652	-	14,018,972
EXPENDITURES:			
Current operating:			
General government	15,157	-	109,611
Public safety	-	-	8,267,327
Transportation	-	-	300,076
Economic environment	-	-	2,076,489
Cultural and recreation	-	-	15,157
Capital outlay	-	-	666,540
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	15,157	-	11,435,200
Excess (deficiency) of revenues over (under) expenditures	1,223,495	-	2,583,772
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	1,530,620
Transfers (out)	-	-	(640,215)
Total other financing sources (uses)	-	-	890,405
Net change in fund balances	1,223,495	-	3,474,177
FUND BALANCES (DEFICIT):			
Beginning, as previously reported	12,567,970	(260,962)	61,391,420
Adjustments	-	260,962	260,962
Beginning, after adjustments	12,567,970	-	61,652,382
Ending	$ 13,791,465	$ -	$ 65,126,559

City of Daytona Beach, Florida
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2025

	Debt Service Funds				
	Capital Improvement Revenue Bonds	General Obligation Refunding Bonds	Capital Improvement Revenue Notes	Capital Financing	Total Debt Service Funds
REVENUES:					
Taxes	$ -	$ 1,451,914	$ -	$ -	$ 1,451,914
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Special assessments/impact fees	-	-	-	-	-
Income on investments	7,866	48,880	2,471	-	59,217
Miscellaneous	-	-	-	-	-
Total revenues	7,866	1,500,794	2,471	-	1,511,131
EXPENDITURES:					
Current operating:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	-	-	-
Cultural and recreation	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	685,000	1,215,000	3,145,854	2,786,275	7,832,129
Interest and fiscal charges	2,675,945	213,213	488,197	165,476	3,542,831
Total expenditures	3,360,945	1,428,213	3,634,051	2,951,751	11,374,960
Excess (deficiency) of revenues over (under) expenditures	(3,353,079)	72,581	(3,631,580)	(2,951,751)	(9,863,829)
OTHER FINANCING SOURCES (USES):					
Transfers in	3,358,985	-	3,589,144	2,951,751	9,899,880
Transfers (out)	-	-	-	-	-
Total other financing sources (uses)	3,358,985	-	3,589,144	2,951,751	9,899,880
Net change in fund balances	5,906	72,581	(42,436)	-	36,051
FUND BALANCES (DEFICIT):					
Beginning, as previously reported	14,643	662,867	119,224	-	796,734
Adjustments	-	-	-	-	-
Beginning, after adjustments	14,643	662,867	119,224	-	796,734
Ending	$ 20,549	$ 735,448	$ 76,788	$ -	$ 832,785

City of Daytona Beach, Florida
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2025

	Total Nonmajor Governmental Funds
REVENUES:	
Taxes	$ 2,285,851
Licenses and permits	4,582,770
Intergovernmental	2,319,327
Charges for services	429,057
Fines and forfeitures	176,308
Special assessments/impact fees	3,539,635
Income on investments	1,861,035
Miscellaneous	336,120
Total revenues	15,530,103
EXPENDITURES:	
Current operating:	
General government	109,611
Public safety	8,267,327
Transportation	300,076
Economic environment	2,076,489
Cultural and recreation	15,157
Capital outlay	666,540
Debt service:	
Principal	7,832,129
Interest and fiscal charges	3,542,831
Total expenditures	22,810,160
Excess (deficiency) of revenues over (under) expenditures	(7,280,057)
OTHER FINANCING SOURCES (USES):	
Transfers in	11,430,500
Transfers (out)	(640,215)
Total other financing sources (uses)	10,790,285
Net change in fund balances	3,510,228
FUND BALANCES (DEFICIT):	
Beginning, as previously reported	62,188,154
Adjustments	260,962
Beginning, after adjustments	62,449,116
Ending	$ 65,959,344

City of Daytona Beach, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Community Development Special Revenue Fund
For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance
REVENUES:				
Intergovernmental	$ 983,326	$ 5,308,338	$ 865,184	$ (4,443,154)
Income on investments	-	877	6,986	6,109
Miscellaneous	-	52,490	52,490	-
Total revenues	983,326	5,361,705	924,660	(4,437,045)
EXPENDITURES:				
Current operating:				
Economic environment	983,326	5,495,383	888,445	4,606,938
Total expenditures	983,326	5,495,383	888,445	4,606,938
Excess (deficiency) of revenues over (under) expenditures	-	(133,678)	36,215	169,893
OTHER FINANCING SOURCES:				
Budgetary reserves, net	-	133,678	-	(133,678)
Total other financing sources	-	133,678	-	(133,678)
Net change in fund balance	-	-	36,215	36,215
FUND BALANCE:				
Beginning	372,305	372,305	372,305	-
Ending	$ 372,305	$ 372,305	$ 408,520	$ 36,215

City of Daytona Beach, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Local Housing Assistance Special Revenue Fund
For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance
REVENUES:				
Intergovernmental	$ 614,863	$ 3,029,508	$ 1,187,372	$ (1,842,136)
Income on investments	-	43,344	71,351	28,007
Miscellaneous	-	112,509	112,509	-
Total revenues	614,863	3,185,361	1,371,232	(1,814,129)
EXPENDITURES:				
Current operating:				
Economic environment	614,863	3,185,361	1,188,044	1,997,317
Total expenditures	614,863	3,185,361	1,188,044	1,997,317
Excess (deficiency) of revenues over (under) expenditures	-	-	183,188	183,188
Net change in fund balance	-	-	183,188	183,188
FUND BALANCE:				
Beginning	221,367	221,367	221,367	-
Ending	$ 221,367	$ 221,367	$ 404,555	$ 183,188

City of Daytona Beach, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Law Enforcement Trust Special Revenue Fund
For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance
REVENUES:				
Fines and forfeitures	$ -	$ 176,308	$ 176,308	$ -
Income on investments	-	5,368	7,472	2,104
Total revenues	-	181,676	183,780	2,104
EXPENDITURES:				
Current operating:				
Public safety	-	334,861	272,113	62,748
Capital outlay	-	-	55,000	(55,000)
Total expenditures	-	334,861	327,113	7,748
Excess (deficiency) of revenues over (under) expenditures	-	(153,185)	(143,333)	9,852
OTHER FINANCING SOURCES:				
Budgetary reserves, net	-	153,185	-	(153,185)
Total other financing sources	-	153,185	-	(153,185)
Net change in fund balance	-	-	(143,333)	(143,333)
FUND BALANCE:				
Beginning	298,054	298,054	298,054	-
Ending	$ 298,054	$ 298,054	$ 154,721	$ (143,333)

City of Daytona Beach, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Federal Shared Property Forfeitures Special Revenue Fund
For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance
REVENUES:				
Intergovernmental	$ -	$ 266,771	$ 266,771	$ -
Income on investments	-	6,412	11,959	5,547
Total revenues	-	273,183	278,730	5,547
EXPENDITURES:				
Current operating:				
Public safety	-	89,638	44,210	45,428
Capital outlay	-	309,850	-	309,850
Total expenditures	-	399,488	44,210	355,278
Excess (deficiency) of revenues over (under) expenditures	-	(126,305)	234,520	360,825
OTHER FINANCING SOURCES:				
Budgetary reserves, net		126,305	-	(126,305)
Total other financing sources	-	126,305	-	(126,305)
Net change in fund balance	-	-	234,520	234,520
FUND BALANCE:				
Beginning	281,829	281,829	281,829	-
Ending	$ 281,829	$ 281,829	$ 516,349	$ 234,520

City of Daytona Beach, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Transportation 5-Cent Gas Tax Special Revenue Fund
For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance
REVENUES:				
Taxes	$ 852,171	$ 852,171	$ 833,937	$ (18,234)
Income on investments	-	-	5,771	5,771
Total revenues	852,171	852,171	839,708	(12,463)
EXPENDITURES:				
Current operating:				
Transportation	-	-	286,075	(286,075)
Capital outlay	500,724	553,860	-	553,860
Total expenditures	500,724	553,860	286,075	267,785
Excess (deficiency) of revenues over (under) expenditures	351,447	298,311	553,633	255,322
OTHER FINANCING SOURCES (USES):				
Budgetary reserves, net	-	53,136	-	(53,136)
Transfers (out)	(351,447)	(351,447)	(332,577)	18,870
Total other financing sources (uses)	(351,447)	(298,311)	(332,577)	(34,266)
Net change in fund balance	-	-	221,056	221,056
FUND BALANCE:				
Beginning	235,168	235,168	235,168	-
Ending	$ 235,168	$ 235,168	$ 456,224	$ 221,056

City of Daytona Beach, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Permit and License Special Revenue Fund
For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance
REVENUES:				
Licenses and permits	$ 2,317,500	$ 2,317,500	$ 4,582,770	$ 2,265,270
Income on investments	64,742	64,742	622,376	557,634
Charges for services	250,175	250,175	429,057	178,882
Miscellaneous	-	-	171,121	171,121
Total revenues	2,632,417	2,632,417	5,805,324	3,172,907
EXPENDITURES:				
Current operating:				
General government	8,018	8,050	94,454	(86,404)
Public safety	6,157,394	6,785,777	7,920,692	(1,134,915)
Capital outlay	-	12,833,009	148,486	12,684,523
Total expenditures	6,165,412	19,626,836	8,163,632	11,463,204
Excess (deficiency) of revenues over (under) expenditures	(3,532,995)	(16,994,419)	(2,358,308)	14,636,111
OTHER FINANCING SOURCES (USES):				
Budgetary reserves, net	3,532,995	16,994,419	-	(16,994,419)
Total other financing sources (uses)	3,532,995	16,994,419	-	(16,994,419)
Net change in fund balance	-	-	(2,358,308)	(2,358,308)
FUND BALANCE:				
Beginning	22,898,658	22,898,658	22,898,658	-
Ending	$ 22,898,658	$ 22,898,658	$ 20,540,350	$ (2,358,308)

City of Daytona Beach, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Road Impact Fees Special Revenue Fund
For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance
REVENUES:				
Special assessments/impact fees	$ -	$ 486,165	$ 489,548	$ 3,383
Income on investments	-	98,567	170,690	72,123
Total revenues	-	584,732	660,238	75,506
EXPENDITURES:				
Current operating:				
Transporation	-	14,800	14,001	799
Capital outlay	-	3,402,726	2,239	3,400,487
Total expenditures	-	3,417,526	16,240	3,401,286
Excess (deficiency) of revenues over (under) expenditures	-	(2,832,794)	643,998	3,476,792
OTHER FINANCING SOURCES (USES):				
Budgetary reserves, net	-	2,832,794	-	(2,832,794)
Total other financing sources (uses)	-	2,832,794	-	(2,832,794)
Net change in fund balance	-	-	643,998	643,998
FUND BALANCE:				
Beginning	5,956,388	5,956,388	5,956,388	-
Ending	$ 5,956,388	$ 5,956,388	$ 6,600,386	$ 643,998

City of Daytona Beach, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Recreation/Parks/Culture Impact Fees Special Revenue Fund
For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance
REVENUES:				
Special assessments/impact fees	$ -	$ 1,355,319	$ 1,369,007	$ 13,688
Income on investments	-	200,946	349,840	148,894
Total revenues	-	1,556,265	1,718,847	162,582
EXPENDITURES:				
Current operating:				
Culture and recreation	-	15,032	15,157	(125)
Capital outlay	-	3,760,874	75,415	3,685,459
Total expenditures	-	3,775,906	90,572	3,685,334
Excess (deficiency) of revenues over (under) expenditures	-	(2,219,641)	1,628,275	3,847,916
OTHER FINANCING SOURCES (USES):				
Budgetary reserves, net	267,972	2,487,613	-	(2,487,613)
Transfers (out)	(267,972)	(267,972)	(254,266)	13,706
Total other financing sources (uses)	-	2,219,641	(254,266)	(2,473,907)
Net change in fund balance	-	-	1,374,009	1,374,009
FUND BALANCE:				
Beginning	12,316,547	12,316,547	12,316,547	-
Ending	$ 12,316,547	$ 12,316,547	$ 13,690,556	$ 1,374,009

City of Daytona Beach, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Fire/EMS Impact Fees Special Revenue Fund
For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance
REVENUES:				
Special assessments/impact fees	$ -	$ 295,247	$ 297,391	$ 2,144
Income on investments	-	21,929	50,640	28,711
Miscellaneous	-	352,000	-	(352,000)
Total revenues	-	669,176	348,031	(321,145)
EXPENDITURES:				
Current operating:				
Public safety	-	15,032	15,156	(124)
Capital outlay	-	847,479	385,326	462,153
Total expenditures	-	862,511	400,482	462,029
Excess (deficiency) of revenues over (under) expenditures	-	(193,335)	(52,451)	140,884
OTHER FINANCING SOURCES:				
Budgetary reserves, net	-	(1,283,913)	-	1,283,913
Transfers in	-	1,477,248	1,477,248	-
Total other financing sources	-	193,335	1,477,248	1,283,913
Net change in fund balance	-	-	1,424,797	1,424,797
FUND BALANCE:				
Beginning	1,420,713	1,420,713	1,420,713	-
Ending	$ 1,420,713	$ 1,420,713	$ 2,845,510	$ 1,424,797

City of Daytona Beach, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Police Impact Fees Special Revenue Fund
For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance
REVENUES:				
Special assessments/impact fees	$ -	$ 499,353	$ 503,002	$ 3,649
Income on investments	-	84,459	146,768	62,309
Total revenues	-	583,812	649,770	65,958
EXPENDITURES:				
Current operating:				
Public safety	-	15,031	15,156	(125)
Capital outlay	-	4,367,174	74	4,367,100
Total expenditures	-	4,382,205	15,230	4,366,975
Excess (deficiency) of revenues over (under) expenditures	-	(3,798,393)	634,540	4,432,933
OTHER FINANCING SOURCES:				
Budgetary reserves, net	-	3,798,393	-	(3,798,393)
Total other financing sources	-	3,798,393	-	(3,798,393)
Net change in fund balance	-	-	634,540	634,540
FUND BALANCE:				
Beginning	5,083,383	5,083,383	5,083,383	-
Ending	$ 5,083,383	$ 5,083,383	$ 5,717,923	$ 634,540

City of Daytona Beach, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
General Government Impact Fees Special Revenue Fund
For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance
REVENUES:				
Special assessments/impact fees	$ -	$ 874,017	$ 880,687	$ 6,670
Income on investments	-	207,381	357,965	150,584
Miscellaneous	-	1,500,000	-	(1,500,000)
Total revenues	-	2,581,398	1,238,652	(1,342,746)
EXPENDITURES:				
Current operating:				
General government	-	14,982	15,157	6,670
Capital outlay	-	11,080,193	-	11,080,193
Total expenditures	-	11,095,175	15,157	11,086,863
Excess (deficiency) of revenues over (under) expenditures	-	(8,513,777)	1,223,495	9,744,117
OTHER FINANCING SOURCES (USES):				
Budgetary reserves, net	-	8,513,777	-	(8,513,777)
Total other financing sources (uses)	-	8,513,777	-	(8,513,777)
Net change in fund balance	-	-	1,223,495	1,230,340
FUND BALANCE:				
Beginning	12,567,970	12,567,970	12,567,970	-
Ending	$ 12,567,970	$ 12,567,970	$ 13,791,465	$ 1,230,340

City of Daytona Beach, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Capital Improvement Bonds Revenue Fund
For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance
REVENUES:				
Income on investments	$ -	$ -	$ 7,866	$ 7,866
Total revenues	-	-	7,866	7,866
EXPENDITURES:				
Debt service:				
Principal	685,000	685,000	685,000	-
Interest and fiscal charges	2,599,576	2,678,571	2,675,945	2,626
Total expenditures	3,284,576	3,363,571	3,360,945	2,626
Excess (deficiency) of revenues over (under) expenditures	(3,284,576)	(3,363,571)	(3,353,079)	10,492
OTHER FINANCING SOURCES (USES):				
Transfers in	3,284,576	3,363,571	3,358,985	(4,586)
Total other financing sources (uses)	3,284,576	3,363,571	3,358,985	(4,586)
Net change in fund balance	-	-	5,906	5,906
FUND BALANCE:				
Beginning of year	14,643	14,643	14,643	-
Ending	$ 14,643	$ 14,643	$ 20,549	$ 5,906

City of Daytona Beach, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
General Obligation Refunding Bonds Debt Service Fund
For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance
REVENUES:				
Taxes	$ 1,428,456	$ 1,428,456	$ 1,451,914	$ 23,458
Income on investments	-	-	48,880	48,880
Total revenues	1,428,456	1,428,456	1,500,794	72,338
EXPENDITURES:				
Debt service:				
Principal	1,215,000	1,215,000	1,215,000	-
Interest and fiscal charges	213,213	213,213	213,213	-
Total expenditures	1,428,213	1,428,213	1,428,213	-
Excess of revenues over expenditures	243	243	72,581	72,338
OTHER FINANCING SOURCES (USES):				
Budgetary reserves, net	(243)	(243)	-	243
Total other financing sources (uses)	(243)	(243)	-	243
Net change in fund balance	-	-	72,581	72,581
FUND BALANCE:				
Beginning	662,867	662,867	662,867	-
Ending	$ 662,867	$ 662,867	$ 735,448	$ 72,581

City of Daytona Beach, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Capital Improvement Revenue Notes Debt Service Fund
For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance
REVENUES:				
Income on investments	$ -	$ -	$ 2,471	$ 2,471
Total revenues	-	-	2,471	2,471
EXPENDITURES:				
Debt service:				
Principal	3,145,854	3,145,854	3,145,854	-
Interest and fiscal charges	727,364	727,364	488,197	239,167
Total expenditures	3,873,218	3,873,218	3,634,051	239,167
Excess (deficiency) of revenues over (under) expenditures	(3,873,218)	(3,873,218)	(3,631,580)	241,638
OTHER FINANCING SOURCES (USES):				
Transfers in	3,873,218	3,873,218	3,589,144	(284,074)
Total other financing sources (uses)	3,873,218	3,873,218	3,589,144	(284,074)
Net change in fund balance	-	-	(42,436)	(42,436)
FUND BALANCE:				
Beginning	119,224	119,224	119,224	-
Ending	$ 119,224	$ 119,224	$ 76,788	$ (42,436)

City of Daytona Beach, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Capital Financing Debt Service Fund
For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance
EXPENDITURES:				
Debt service:				
Principal	$ 1,383,117	$ 1,383,117	$ 2,786,275	$ (1,403,158)
Interest and fiscal charges	124,622	124,622	165,476	(40,854)
Total expenditures	1,507,739	1,507,739	2,951,751	(1,444,012)
Excess (deficiency) of revenues over (under) expenditures	(1,507,739)	(1,507,739)	(2,951,751)	(1,444,012)
OTHER FINANCING SOURCES (USES):				
Transfers in	1,507,739	1,507,739	2,951,751	1,444,012
Total other financing sources (uses)	1,507,739	1,507,739	2,951,751	1,444,012
Net change in fund balance	-	-	-	-
FUND BALANCE:				
Beginning	-	-	-	-
Ending	$ -	$ -	$ -	$ -



THIS PAGE IS INTENTIONALLY LEFT BLANK

Halifax Harbor – This fund accounts for the operations of a 550-slip municipal marina and a 39,791 square foot commercial plaza complex.

Daytona Beach Pier – This fund accounts for the pier, which is a historical structure that extends approximately 700 feet into the Atlantic Ocean and provides accessibility to fishing and other outdoor activities. Amenities include public parking lots as well as a Splash Park. A portion of the structure is currently occupied by a national chain restaurant, Joe's Crab Shack.

City of Daytona Beach, Florida
Combining Statement of Net Position
Nonmajor Enterprise Funds
September 30, 2025

	Halifax Harbor	Daytona Beach Pier	Total Nonmajor Enterprise Funds
ASSETS:			
Current assets:			
Equity in pooled cash, cash equivalents, and investments	$ 1,720,987	$ 622,929	$ 2,343,916
Accrued Interest Receivable	1,087	937	2,024
Lease Receivable	763,625	546,791	1,310,416
Inventory	59,624	-	59,624
Prepaids	18,692	133,113	151,805
Total current assets	2,564,015	1,303,770	3,867,785
Noncurrent assets:			
Restricted equity in pooled cash, cash equivalents, and investments	442,555	-	442,555
Capital assets:			
Non-depreciable	38,603	196,128	234,731
Depreciable (net)	3,035,959	2,955,889	5,991,848
Right-to-use leased assets (net)	-	51,147	51,147
Total noncurrent assets	3,517,117	3,203,164	6,720,281
Total assets	6,081,132	4,506,934	10,588,066
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred amount on refunding	30,914	-	30,914
Deferred amount on other post-employment benefits	642	295	937
Deferred amount for pensions	110,048	(6,494)	103,554
Total deferred outflows of resources	141,604	(6,199)	135,405
LIABILITIES:			
Current liabilities:			
Accounts payable and other liabilities	149,010	32,503	181,513
Intergovernmental payable	5,350	2,915	8,265
Contracts payable	-	333	333
Unearned revenues	55,503	-	55,503
Compensated absences	5,888	3,495	9,383
Other post-employment benefits	996	-	996
Lease liability	-	43,565	43,565
Notes payable	637,000	-	637,000
Payable from restricted assets:			
Accrued interest	39,589	86	39,675
Deposits	141,965	-	141,965
Total current liabilities	1,035,301	82,897	1,118,198
Noncurrent liabilities:			
Compensated absences	52,992	31,462	84,454
Other post-employment benefits	2,367	103	2,470
Net pension liability	329,943	38,202	368,145
Lease liability	-	11,019	11,019
Notes payable	2,047,000	-	2,047,000
Total noncurrent liabilities	2,432,302	80,786	2,513,088
Total liabilities	3,467,603	163,683	3,631,286
DEFERRED INFLOWS OF RESOURCES:			
Deferred amount on other post-employment benefits	1,925	2,774	4,699
Deferred amount for pensions	65,120	27,273	92,393
Deferred amounts for leases	733,077	528,025	1,261,102
Total deferred inflows of resources	800,122	558,072	1,358,194
NET POSITION:			
Net investment in capital assets	421,476	3,148,247	3,569,723
Restricted:			
Debt covenants	402,966	-	402,966
Unrestricted	1,130,569	630,733	1,761,302
Total net position	$ 1,955,011	$ 3,778,980	$ 5,733,991

City of Daytona Beach, Florida
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
For the Fiscal Year Ended September 30, 2025

	Halifax Harbor	Daytona Beach Pier	Total Nonmajor Enterprise Funds
OPERATING REVENUES:			
Charges for services	$ 3,883,546	$ 717,673	$ 4,601,219
Lease revenue	271,472	301,728	573,200
Other receipts	(4,898)	360	(4,538)
Total operating revenues	4,150,120	1,019,761	5,169,881
OPERATING EXPENSES:			
Personnel services	172,778	193,337	366,115
Contractual services	2,902,299	570,473	3,472,772
Materials and supplies	702,378	30,552	732,930
Depreciation	216,403	257,637	474,040
Amortization	-	40,918	40,918
Total operating expenses	3,993,858	1,092,917	5,086,775
Operating income (loss)	156,262	(73,156)	83,106
NONOPERATING REVENUES (EXPENSES):			
Income on investments	68,546	21,384	89,930
Interest expense	(106,857)	(562)	(107,419)
Total nonoperating revenues (expenses)	(38,311)	20,822	(17,489)
Income (loss) before transfers	117,951	(52,334)	65,617
Transfers (out)	-	(104,055)	(104,055)
Change in net position	117,951	(156,389)	(38,438)
NET POSITION:			
Beginning	1,837,060	3,935,369	5,772,429
Ending	$ 1,955,011	$ 3,778,980	$ 5,733,991

City of Daytona Beach, Florida
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended September 30, 2025

	Halifax Harbor	Daytona Beach Pier	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers	$ 4,114,277	$ 1,022,598	$ 5,136,875
Other receipts	(4,898)	360	(4,538)
Payments to suppliers	(3,609,879)	(587,298)	(4,197,177)
Payments to employees	(216,228)	(208,137)	(424,365)
Net cash provided by (used for) operating activities	283,272	227,523	510,795
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfer (to) other funds	-	(104,055)	(104,055)
Net cash provided by (used for) noncapital financing activities	-	(104,055)	(104,055)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Principal payments on bonds, loans and notes	(616,000)	-	(616,000)
Principal payments on lease liability	-	(41,996)	(41,996)
Interest payments on bonds, loans, notes and leases	(106,859)	(532)	(107,391)
Acquisition and construction of capital assets	(9,562)	(36,869)	(46,431)
Net cash (used for) capital and related financing activities	(732,421)	(79,397)	(811,818)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	68,546	21,017	89,563
Net cash provided by investing activities	68,546	21,017	89,563
Net increase (decrease) in cash and cash equivalents	(380,603)	65,088	(315,515)
EQUITY IN POOLED CASH, CASH EQUIVALENTS, AND INVESTMENTS:			
Beginning	2,544,145	557,841	3,101,986
Ending	$ 2,163,542	$ 622,929	$ 2,786,471
Classified as:			
Unrestricted	$ 1,720,987	$ 622,929	$ 2,343,916
Restricted	442,555	-	442,555
Total	$ 2,163,542	$ 622,929	$ 2,786,471

City of Daytona Beach, Florida
Combining Statement of Cash Flows (Continued)
Nonmajor Enterprise Funds
For the Fiscal Year Ended September 30, 2025

	Halifax Harbor	Daytona Beach Pier	Total Nonmajor Enterprise Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:			
Operating income (loss)	$ 156,262	$ (73,156)	$ 83,106
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and amortization	216,403	298,555	514,958
(Increase) decrease in:			
Lease receivable	(161,546)	304,925	143,379
Inventories	749	-	749
Prepaids	(321)	5,027	4,706
Deferred outflow amount for pensions	18,232	9,898	28,130
Deferred outflow amount for OPEB	212	318	530
Increase (decrease) in:			
Accounts payable and other liabilities	(3,453)	16,105	12,652
Contracts payable	-	(7,630)	(7,630)
Intergovernmental payable	(10,624)	225	(10,399)
Unearned revenues	(42,051)	-	(42,051)
Deposits	8,447	-	8,447
Compensated absences	(28,018)	(7,132)	(35,150)
Other post-employment benefits	(880)	-	(880)
Net pension liability	(52,665)	(28,590)	(81,255)
Deferred inflow amount for leases	162,856	(301,728)	(138,872)
Deferred inflow amount for OPEB	30	44	74
Deferred inflow amount for pensions	19,639	10,662	30,301
Total adjustments	127,010	300,679	427,689
Net cash provided by (used for) operating activities	$ 283,272	$ 227,523	$ 510,795
Noncash capital and related financing activities:			
Amortization of deferred amount on refunding	$ 10,026	$ -	$ 10,026

THIS PAGE IS INTENTIONALLY LEFT BLANK

Fleet Maintenance – This fund provides service to City vehicles and related equipment through a maintenance and repair program that maximizes the number of vehicles available for the user departments with a minimum amount of downtime.

Employment Services – This fund provides service to all departments through administration of the provisions of City policy as it pertains to personnel recruiting, testing, certification, records, compensation, classification, and evaluation.

Property Maintenance – This fund provides service to all departments through maintenance and repair of City property, buildings, and related equipment.

Information Technology – This fund provides all communication, network and information technology systems services for all departments.

Consolidated Insurance – This fund provides a means to control financial loss to the City arising from insurance catastrophes by either purchasing insurance, transferring the risk of loss to others, self-insuring or any combination thereof.

City of Daytona Beach, Florida
Combining Statement of Net Position
Internal Service Funds
September 30, 2025

	Fleet Maintenance	Employment Services	Property Maintenance	Information Technology
ASSETS:				
Current assets:				
Equity in pooled cash, cash equivalents, and investments	$ 368,243	$ 811,174	$ 748,138	$ 2,051,433
Inventory	94,654	-	-	-
Prepaids	-	-	-	-
Total current assets	462,897	811,174	748,138	2,051,433
Noncurrent assets:				
Capital assets:				
Non-depreciable	-	-	-	29,650
Depreciable (net)	-	-	162,291	596,658
Right to use lease asset (net)	-	-	-	281,194
Right to use subscription asset (net)	-	-	-	446,226
Total noncurrent assets	-	-	162,291	1,353,728
Total assets	462,897	811,174	910,429	3,405,161
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred amount for other post-employment benefits	2,181	4,603	9,698	11,891
Deferred amount for pensions	68,962	304,861	201,166	281,754
Total deferred outflows of resources	71,143	309,464	210,864	293,645
LIABILITIES:				
Current liabilities:				
Accounts payable and other liabilities	173,986	22,060	144,451	440,132
Intergovernmental payable	666	1,283	2,241	5,727
Insurance claims payable	-	-	-	-
Lease liability	-	-	-	79,742
Subscription liability	-	-	-	260,778
Compensated absences	6,885	19,860	16,129	44,747
Other post-employment benefits	1,642	2,540	5,877	7,874
Total current liabilities	183,179	45,743	168,698	839,000
Noncurrent liabilities:				
Insurance claims payable	-	-	-	-
Compensated absences	61,963	178,735	145,154	402,730
Lease liability	-	-	-	204,290
Subscription liability	-	-	-	109,049
Other post-employment benefits	41,000	29,648	50,431	45,444
Net pension liability	253,177	1,132,309	734,240	1,341,907
Total noncurrent liabilities	356,140	1,340,692	929,825	2,103,420
Total liabilities	539,319	1,386,435	1,098,523	2,942,420
DEFERRED INFLOWS OF RESOURCES:				
Deferred amount for other post-employment benefits	5,674	9,943	23,083	38,147
Deferred amount for pensions	58,762	203,576	192,552	313,550
Total deferred inflows of resources	64,436	213,519	215,635	351,697
NET POSITION (DEFICIT):				
Net investment in capital assets	-	-	162,293	699,866
Unrestricted	(69,715)	(479,316)	(355,158)	(295,177)
Total net position (deficit)	$ (69,715)	$ (479,316)	$ (192,865)	$ 404,689

City of Daytona Beach, Florida
Combining Statement of Net Position (Continued)
Internal Service Funds
September 30, 2025

	Consolidated Insurance	Totals
ASSETS:		
Current assets:		
Equity in pooled cash, cash equivalents, and investments	$ 14,250,212	$ 18,229,200
Inventory	-	94,654
Prepaids	478,791	478,791
Total current assets	14,729,003	18,802,645
Noncurrent assets:		
Capital assets:		
Non-depreciable	-	29,650
Depreciable (net)	8,596	767,545
Right to use lease asset (net)	-	281,194
Right to use subscription asset (net)	-	446,226
Total noncurrent assets	8,596	1,524,615
Total assets	14,737,599	20,327,260
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred amount for other post-employment benefits	5,165	33,538
Deferred amount for pensions	181,711	1,038,454
Total deferred outflows of resources	186,876	1,071,992
LIABILITIES:		
Current liabilities:		
Accounts payable and other liabilities	1,150,360	1,930,989
Intergovernmental payable	1,638	11,555
Insurance claims payable	2,419,000	2,419,000
Lease liability	-	79,742
Subscription liability	-	260,778
Compensated absences	11,548	99,169
Other post-employment benefits	2,699	20,632
Total current liabilities	3,585,245	4,821,865
Noncurrent liabilities:		
Insurance claims payable	9,152,000	9,152,000
Compensated absences	103,935	892,517
Lease liability	-	204,290
Subscription liability	-	109,049
Other post-employment benefits	42,799	209,322
Net pension liability	780,697	4,242,330
Total noncurrent liabilities	10,079,431	14,809,508
Total liabilities	13,664,676	19,631,373
DEFERRED INFLOWS OF RESOURCES:		
Deferred amount for other post-employment benefits	12,386	89,233
Deferred amount for pensions	133,029	901,469
Total deferred inflows of resources	145,415	990,702
NET POSITION (DEFICIT):		
Net investment in capital assets	8,597	870,756
Unrestricted	1,105,787	(93,579)
Total net position	$ 1,114,384	$ 777,177

City of Daytona Beach, Florida
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Fiscal Year Ended September 30, 2025

	Fleet Maintenance	Employment Services	Property Maintenance	Information Technology
OPERATING REVENUES:				
Charges for services	$ 3,255,222	$ 1,064,562	$ 2,762,390	$ 7,345,445
Other receipts	439	-	1,328	-
Total operating revenues	3,255,661	1,064,562	2,763,718	7,345,445
OPERATING EXPENSES:				
Personnel services	463,292	906,194	1,543,592	2,684,306
Contractual services	1,084,419	136,569	733,542	2,651,980
Materials and supplies	1,698,443	12,243	89,318	759,814
Depreciation	-	-	39,012	59,415
Amortization	-	-	-	646,695
Total operating expenses	3,246,154	1,055,006	2,405,464	6,802,210
Operating income (loss)	9,507	9,556	358,254	543,235
NONOPERATING REVENUE:				
Income on investments	7,069	18,323	16,790	41,901
Interest expense	-	-	-	(32,545)
Gain (loss) on disposal of capital assets	6,146	-	-	(8,235)
Total other financing sources	13,215	18,323	16,790	1,121
Change in net position	22,722	27,879	375,044	544,356
NET POSITION (DEFICIT):				
Beginning	(92,437)	(507,195)	(567,909)	(139,667)
Ending	$ (69,715)	$ (479,316)	$ (192,865)	$ 404,689

City of Daytona Beach, Florida
Combining Statement of Revenues, Expenses, and Changes in Net Position (Continued)
Internal Service Funds
For the Fiscal Year Ended September 30, 2025

	Consolidated Insurance	Totals
OPERATING REVENUES:		
Charges for services	$ 9,999,722	$ 24,427,341
Other receipts	11,821	13,588
Total operating revenues	10,011,543	24,440,929
OPERATING EXPENSES:		
Personnel services	1,002,172	6,599,556
Contractual services	7,052,937	11,659,447
Materials and supplies	54,844	2,614,662
Depreciation	2,387	100,814
Amortization	-	646,695
Total operating expenses	8,112,340	21,621,174
Operating income (loss)	1,899,203	2,819,755
NONOPERATING REVENUE:		
Income on investments	324,077	408,160
Interest expense	-	(32,545)
Gain (loss) on disposal of capital assets	-	(2,089)
Total other financing sources	324,077	373,526
Change in net position	2,223,280	3,193,281
NET POSITION (DEFICIT):		
Beginning	(1,108,896)	(2,416,104)
Ending	$ 1,114,384	$ 777,177

City of Daytona Beach, Florida
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended September 30, 2025

	Fleet Maintenance	Employment Services	Property Maintenance	Information Technology
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	$ 3,255,222	$ 1,064,562	$ 2,762,390	$ 7,345,445
Other receipts	439	-	1,328	-
Payments to suppliers	(2,758,536)	(147,991)	(735,619)	(3,312,691)
Payments to employees	(498,935)	(951,100)	(1,601,600)	(2,771,330)
Net cash provided by (used by) operating activities	(1,810)	(34,529)	426,499	1,261,424
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from sale of capital assets	6,146	-	-	-
Acquisition and construction of capital assets	-	-	(60,505)	7,564
Interest paid on capital-related debt	-	-	-	(32,545)
Principal payments on lease liability	-	-	-	(69,620)
Principal payments on subscription liability	-	-	-	(569,731)
Net cash provided by (used for) capital and related financing activities	6,146	-	(60,505)	(664,332)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	7,069	18,323	16,790	41,901
Net cash provided by investing activities	7,069	18,323	16,790	41,901
Net increase (decrease) in equity in pooled cash, cash equivalents, and investments	11,405	(16,206)	382,784	638,993
EQUITY IN POOLED CASH, CASH EQUIVALENTS, AND INVESTMENTS:				
Beginning	356,838	827,380	365,354	1,412,440
Ending	$ 368,243	$ 811,174	$ 748,138	$ 2,051,433

City of Daytona Beach, Florida
Combining Statement of Cash Flows (Continued)
Internal Service Funds
For the Fiscal Year Ended September 30, 2025

	Consolidated Insurance	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	$ 9,999,722	$ 24,427,341
Other receipts	11,821	13,588
Payments to suppliers	(7,165,686)	(14,120,523)
Payments to employees	(1,030,404)	(6,853,369)
Net cash provided by (used by) operating activities	1,815,453	3,467,037
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from sale of capital assets	-	6,146
Acquisition and construction of capital assets	-	(52,941)
Interest paid on capital-related debt	-	(32,545)
Principal payments on lease liability	-	(69,620)
Principal payments on subscription liability	-	(569,731)
Net cash provided by (used for) capital and related financing activities	-	(718,691)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	324,077	408,160
Net cash provided by investing activities	324,077	408,160
Net increase (decrease) in equity in pooled cash, cash equivalents, and investments	2,139,530	3,156,506
EQUITY IN POOLED CASH, CASH EQUIVALENTS, AND INVESTMENTS:		
Beginning	12,110,682	15,072,694
Ending	$ 14,250,212	$ 18,229,200

City of Daytona Beach, Florida
Combining Statement of Cash Flows (Continued)
Internal Service Funds
For the Fiscal Year Ended September 30, 2025

	Fleet Maintenance	Employment Services	Property Maintenance	Information Technology
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	$ 9,507	$ 9,556	$ 358,254	$ 543,235
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	-	-	39,012	706,110
(Increase) decrease in:				
Inventory	3,613	-	-	-
Prepaids	-	-	-	-
Deferred amount for pensions	18,494	58,110	66,157	111,739
Deferred amount for OPEB	873	1,350	3,125	4,186
Increase (decrease) in:				
Accounts payable and other liabilities	20,626	786	86,930	97,187
Intergovernmental payable	87	35	311	1,916
Insurance claims payable	-	-	-	-
Compensated absences	(20,183)	(401)	(2,696)	5,828
Other post-employment benefits	(1,450)	(2,243)	(5,190)	(6,953)
Net pension liability	(53,419)	(162,511)	(191,100)	(322,765)
Deferred amount for pensions	19,922	60,602	71,265	120,363
Deferred amount for OPEB	120	187	431	578
Total adjustments	(11,317)	(44,085)	68,245	718,189
Net cash provided by (used in) operating activities	$ (1,810)	$ (34,529)	$ 426,499	$ 1,261,424
Noncash capital and related financing activities:				
Construction-in-progress costs abandoned	$ -	$ -	$ -	$ 69,761
Issuance of debt	$ -	$ -	$ -	$ 305,095

City of Daytona Beach, Florida
Combining Statement of Cash Flows (Continued)
Internal Service Funds
For the Fiscal Year Ended September 30, 2025

	Consolidated Insurance	Totals
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income (loss)	$ 1,899,203	$ 2,819,755
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	2,387	747,509
(Increase) decrease in:		
Inventory	-	3,613
Prepaids	(53,837)	(53,837)
Deferred amount for pensions	37,767	292,267
Deferred amount for OPEB	1,436	10,970
Increase (decrease) in:		
Accounts payable and other liabilities	231,720	437,249
Intergovernmental payable	212	2,561
Insurance claims payable	(236,000)	(236,000)
Compensated absences	3,161	(14,291)
Other post-employment benefits	(2,384)	(18,220)
Net pension liability	(109,092)	(838,887)
Deferred amount for pensions	40,682	312,834
Deferred amount for OPEB	198	1,514
Total adjustments	(83,750)	647,282
Net cash provided by (used by) operating activities	$ 1,815,453	$ 3,467,037
Noncash capital and related financing activities:		
Construction-in-progress costs abandoned	$ -	$ 69,761
Issuance of debt	$ -	$ 305,095

THIS PAGE IS INTENTIONALLY LEFT BLANK

The Downtown Development Authority (DDA) – This fund accounts for the promotion and the development of the City's designated downtown area and does not provide service entirely to the City.

First Step Shelter, Inc. – First Step Shelter, Inc. is a not-for-profit Florida corporation and is organized exclusively for charitable purposes as defined by 501(c)(3) of the Internal Revenue Code. First Step Shelter, Inc. has a purpose to develop, manage, and operate the shelter program, a homeless assistance service program located in Volusia County. The program includes a homeless shelter located within the City of Daytona Beach municipal boundaries and does not provide service entirely to the City.

City of Daytona Beach, Florida
Combining Statement of Net Position
Discretely Presented Component Units
September 30, 2025

	Downtown Development Authority	First Step Shelter, Inc.	Total Component Units
ASSETS:			
Equity in pooled cash, cash equivalents, and investments	$ 67,122	$ 2,085,295	$ 2,152,417
Accounts receivable (net)	964	98,049	99,013
Deposits	-	19,145	19,145
Prepaids	-	4,461	4,461
Depreciable assets, net of depreciation	-	34,073	34,073
Total assets	68,086	2,241,023	2,309,109
LIABILITIES:			
Accounts payable and other liabilities	4,151	52,208	56,359
Compensated absences	-	25,000	25,000
Total liabilities	4,151	77,208	81,359
NET POSITION:			
Net investment in capital assets	-	34,073	34,073
Restricted:			
Human services	-	2,129,742	2,129,742
Unrestricted	63,935	-	63,935
Total net position	$ 63,935	$ 2,163,815	$ 2,227,750

City of Daytona Beach, Florida
Combining Statement of Activities
Discretely Presented Component Units
For the Fiscal Year Ended September 30, 2025

	Downtown Development Authority	First Step Shelter, Inc.	Total Component Units
OPERATING REVENUES:			
Taxes	$ 240,291	$ -	$ 240,291
Operating grants and contributions	130,541	1,988,634	2,119,175
Income on investments	5,241	67,109	72,350
Total operating revenues	376,073	2,055,743	2,431,816
OPERATING EXPENSES:			
Current operating:			
Downtown development	380,650	-	380,650
Human services	-	1,819,940	1,819,940
Total operating expenses	380,650	1,819,940	2,200,590
Change in net position	(4,577)	235,803	231,226
NET POSITION:			
Beginning	68,512	1,928,012	1,996,524
Ending	$ 63,935	$ 2,163,815	$ 2,227,750

City of Daytona Beach, Florida
Combining Schedule of Deposits and Withdrawals
Redevelopment Trust Funds
For the Fiscal Year Ended September 30, 2025

	Downtown Redevelopment Trust Fund	Main Street Redevelopment Trust Fund	Ballough Road Redevelopment Trust Fund	Midtown Redevelopment Trust Fund	South Atlantic Redevelopment Trust Fund	Total
DEPOSITS:						
Tax increment revenues:						
Daytona Beach	$ 1,222,141	$ 3,100,215	$ 140,341	$ 602,085	$ 252,685	$ 5,317,467
Volusia County	659,651	1,673,282	75,749	324,973	136,386	2,870,041
Halifax Hospital	150,634	382,116	17,298	74,210	31,145	655,403
East Volusia Mosquito Control	33,944	86,103	3,898	16,722	7,018	147,685
Ponce DeLeon Inlet and Port Authority	14,262	36,177	1,638	7,026	2,949	62,052
Volusia ECHO	41,218	104,557	4,733	20,306	8,522	179,336
Volusia Forever	41,218	104,557	4,733	20,306	8,522	179,336
Volusia Public Safety Fund	329,628	836,148	37,852	162,390	68,152	1,434,170
Downtown Development Authority	130,541	-	-	-	-	130,541
Charges for services	-	135,847	-	85,484	-	221,331
Licenses and permits	-	-	-	-	-	-
Income on investments	65,432	382,544	57,176	86,394	51,471	643,017
Miscellaneous	-	6,044	-	3,298	-	9,342
Proceeds from leases	329,820	-	-	-	-	329,820
Total deposits	3,018,489	6,847,590	343,418	1,403,194	566,850	12,179,541
WITHDRAWALS:						
Current operating:						
Personnel services	136,885	279,269	164,141	157,988	4,769	743,052
Professional services	1,750	18,343	10,510	85,066	7,581	123,250
Contractual services	1,921,379	478,340	62,231	471,167	40,862	2,973,979
Materials and supplies	6,577	7,777	327	15,244	-	29,925
Capital outlay	568,780	2,868,371	-	1,249,295	263,933	4,950,379
Transfers to debt service funds	237,831	2,508,905	-	321,173	-	3,067,909
Total withdrawals	2,873,202	6,161,005	237,209	2,299,933	317,145	11,888,494
Excess (deficiency) of deposits over (under) withdrawals	145,287	686,585	106,209	(896,739)	249,705	291,047
FUND BALANCE:						
Beginning	1,877,158	11,823,323	1,984,569	3,163,212	1,622,070	20,470,332
Ending	$ 2,022,445	$ 12,509,908	$ 2,090,778	$ 2,266,473	$ 1,871,775	$ 20,761,379

STATISTICAL SECTION

DAYTONA BEACH

Statistical Section

Summary of Statistical Tables

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

Contents **Page**

Financial trends *– These tables contain trend information to help the reader understand how the City's financial performance has changed over time.*

Table 1 – Net Position by Component 183
Table 2 – Changes in Net Position 184
Table 3 – Fund Balances of Governmental Funds 186
Table 4 – Changes in Fund Balances of Governmental Funds 187

Revenue Capacity *– These tables contain information to help the reader assess the City's most significant local revenue sources which are property tax revenues and water and sewer revenues.*

Table 5 – Assessed Value and Estimated Actual Value of Taxable Property 188
Table 6 – Property Tax Rates – Direct and Overlapping Governments 189
Table 7 – Principal Property Taxpayers 190
Table 8 – Property Tax Levies and Collections 191
Table 9 – Water Produced and Consumed and Wastewater Treated 192
Table 10 – Water and Sewer Rates 193
Table 11 – Ten Largest Water and Sewer Customers 194

Debt Capacity *– These tables 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.*

Table 12 – Ratios of Outstanding Debt by Type 195
Table 13 – Ratios of General Bonded Debt Outstanding 196
Table 14 – Governmental Activities Debt – Direct and Overlapping 197
Table 15 – Legal Debt Margin 198
Table 16 – Pledged Revenue Coverage 199

Demographic and Economic Information *– These tables offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.*

Table 17 – Demographic and Economic Statistics 200
Table 18 – Principal Employers 201

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

Table 19 – Full Time Equivalent City Government Employees by Function/Program 202
Table 20 – Operating Indicators by Function 203
Table 21 – Capital Asset Statistics by Function/Program 204
Table 22 – Other Post-Employment Benefits (OPEB) Schedule of Statistical Information 205

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

Table 1

The City of Daytona Beach, Florida
Net Position by Component
Last Ten Fiscal Years

	Post GASB Statement No. 68									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental activities:										
Net investment in capital assets	$ 122,831,466	$ 110,533,663	$ 97,806,426	$ 87,826,793	$ 80,650,660	$ 75,684,936	$ 94,042,068	$ 91,978,293	$ 85,932,944	$ 82,226,618
Restricted	86,700,174	82,904,805	70,023,679	63,432,616	50,096,156	39,171,020	33,982,717	33,229,359	24,875,002	21,189,958
Unrestricted (deficit)	(64,187,784)	(63,828,973)	(56,432,613)	(45,011,799)	(46,244,595)	(57,037,781)	(76,626,642)	(88,559,437)	(83,228,150)	(76,089,200)
Total governmental activities net position	$ 145,343,856	$ 129,609,495	$ 111,397,492	$ 106,247,610	$ 84,502,221	$ 57,818,175	$ 51,398,143	$ 36,648,215	$ 27,579,796	$ 27,327,376
Business-type activities:										
Net investment in capital assets	$ 97,369,473	$ 86,703,441	$ 70,880,694	$ 60,387,438	$ 52,868,672	$ 54,938,452	$ 38,072,559	$ 40,503,469	$ 33,859,945	$ 29,678,041
Restricted	77,069,092	73,457,534	66,552,114	59,666,199	51,039,643	38,023,320	41,238,440	34,734,738	28,742,079	26,571,106
Unrestricted	66,826,623	49,435,457	40,608,036	37,226,761	34,811,571	30,931,308	33,360,202	26,839,369	22,325,643	15,249,976
Total business-type activities net position	$ 241,265,188	$ 209,596,432	$ 178,040,844	$ 157,280,398	$ 138,719,886	$ 123,893,080	$ 112,671,201	$ 102,077,576	$ 84,927,667	$ 71,499,123
Primary government:										
Net investment in capital assets	$ 220,200,939	$ 197,237,104	$ 168,687,120	$ 148,214,231	$ 133,519,332	$ 130,623,388	$ 132,114,627	$ 132,481,762	$ 119,792,889	$ 111,904,659
Restricted	163,769,266	156,362,339	136,575,793	123,098,815	101,135,799	77,194,340	75,221,157	67,964,097	53,617,081	47,761,064
Unrestricted (deficit)	2,638,839	(14,393,516)	(15,824,577)	(7,785,038)	(11,433,024)	(26,106,473)	(43,266,440)	(61,720,068)	(60,902,507)	(60,839,224)
Total primary government net position	$ 386,609,044	$ 339,205,927	$ 289,438,336	$ 263,528,008	$ 223,222,107	$ 181,711,255	$ 164,069,344	$ 138,725,791	$ 112,507,463	$ 98,826,499

Table 2

The City of Daytona Beach, Florida
Changes of Net Position
Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Expenses:										
Governmental activities:										
General government	$ 30,823,116	$ 29,089,605	$ 33,295,990	$ 20,310,253	$ 18,530,978	$ 20,700,101	$ 15,152,044	$ 14,919,468	$ 10,013,302	$ 10,732,698
Public safety	84,770,895	78,330,034	74,740,759	69,639,548	49,816,836	55,222,208	56,319,605	53,040,030	51,744,571	47,700,225
Physical environment	-	-	-	-	-	875,087	1,089,956	3,383,357	6,009,372	-
Transportation	13,438,991	13,223,362	13,922,477	12,875,107	8,598,799	13,904,629	13,516,573	11,486,429	12,406,637	9,529,914
Economic environment	8,768,842	5,369,947	8,502,462	4,766,191	6,656,054	2,904,699	3,714,034	3,807,287	3,556,658	3,793,466
Human services	425,326	829,927	825,263	807,741	661,205	804,993	2,529	508,592	1,753,902	540,138
Cultural and recreation	18,497,164	17,876,780	17,503,451	15,097,820	12,309,313	13,338,815	5,364,082	4,580,589	4,761,424	4,311,464
Interest and fiscal charges	3,571,246	1,557,585	884,471	1,053,303	1,708,540	1,610,615	1,725,803	1,827,042	1,911,609	2,040,448
Total governmental activities expenses	160,295,580	146,277,240	149,674,873	124,549,963	98,281,725	109,361,147	96,884,626	93,552,794	92,157,475	78,648,353
Business-type activities:										
Water and sewer system	56,023,520	51,798,858	53,795,476	50,782,056	44,358,123	43,346,808	41,629,642	38,859,366	36,469,225	35,655,867
Solid waste management	13,743,568	13,121,632	13,214,098	12,288,926	10,675,469	10,467,111	9,923,620	9,507,986	9,198,135	8,594,048
Storm water improvement	6,327,367	6,111,779	6,454,682	6,253,307	5,604,742	5,333,481	6,272,899	4,348,012	5,284,463	4,948,927
Halifax Harbor	4,039,205	3,799,986	3,602,829	3,492,935	3,315,451	2,926,017	3,004,463	2,920,282	2,948,461	2,784,161
Cultural services	-	-	-	-	-	-	3,543,121	4,517,646	3,471,843	3,592,082
Municipal Golf Course	-	-	-	-	-	-	1,986,735	1,942,714	1,822,116	1,782,413
Florida Tennis Center	-	-	-	-	-	-	599,536	596,688	546,838	580,029
Municipal Stadium/Jackie Robinson Ballpark	-	-	-	-	-	-	175,748	350,857	364,654	486,014
Daytona Beach Pier	1,087,109	1,109,059	1,024,509	1,340,557	975,289	1,948,461	711,578	741,394	666,490	467,409
Total business-type activities expenses	81,220,769	75,941,314	78,091,594	74,157,781	64,929,074	64,021,878	67,847,342	63,784,945	60,772,225	58,890,950
Total primary government expenses	$ 241,516,349	$ 222,218,554	$ 227,766,467	$ 198,707,744	$ 163,210,799	$ 173,383,025	$ 164,731,968	$ 157,337,739	$ 152,929,700	$ 137,539,303
Program revenues:										
Governmental activities:										
Fees, fines, and charges for services:										
General government	$ 8,620,263	$ 13,700,515	$ 11,982,553	$ 13,697,582	$ 10,292,360	$ 7,591,361	$ 9,425,057	$ 7,602,600	$ 6,871,891	$ 7,818,031
Public safety	3,937,083	4,819,998	4,074,650	5,564,100	3,580,885	3,344,059	3,239,244	2,330,228	1,779,440	2,617,272
Transportation	558,105	1,097,714	952,750	1,518,121	743,205	701,615	783,637	629,049	442,249	820,460
Economic environment	482,984	493,446	672,765	741,154	492,691	528,952	650,860	1,021,559	777,830	682,020
Cultural and recreation	10,823,154	13,215,274	11,597,871	10,413,745	6,630,888	7,470,397	1,946,551	1,458,389	560,834	1,190,826
Operating grants and contributions	9,754,753	2,905,850	3,937,336	15,316,655	10,530,401	6,385,834	3,023,525	7,318,578	4,670,880	3,331,026
Capital grants and contributions	8,019,146	33,052	313,484	1,726,787	772,259	1,137,268	1,945,826	4,522,339	1,425,262	2,210,454
Total governmental activities program revenues	42,195,488	36,265,849	33,531,409	48,978,144	33,042,689	27,159,486	21,014,700	24,882,742	16,528,386	18,670,089

Table 2 (Continued)

The City of Daytona Beach, Florida
Changes of Net Position
Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Business-type activities:										
Fees, fines, and charges for services:										
Water and sewer system	$ 74,453,053	$ 72,436,353	$ 70,771,646	$ 62,342,598	$ 58,685,085	$ 54,472,595	$ 53,770,654	$ 51,015,207	$ 47,971,798	$ 47,699,578
Solid waste management	27,888,508	26,050,188	24,646,960	21,920,159	20,350,950	19,327,220	18,407,518	17,153,480	16,098,643	15,408,144
Storm water improvement	19,994,048	17,970,115	17,248,912	15,305,246	14,034,155	13,400,621	12,721,833	11,972,680	11,397,638	10,909,801
Halifax Harbor	4,155,018	4,221,601	4,166,275	4,075,604	3,685,374	3,403,976	3,566,904	3,610,082	3,481,716	2,791,735
Cultural services	-	-	-	-	-	-	3,531,723	3,515,051	2,853,193	2,894,245
Municipal Golf Course	-	-	-	-	-	-	1,519,859	1,468,945	1,368,576	1,626,009
Florida Tennis Center	-	-	-	-	-	-	454,101	399,868	435,979	479,957
Municipal Stadium/Jackie Robinson Ballpark	-	-	-	-	-	-	283,869	255,439	351,006	423,883
Daytona Beach Pier	1,019,401	1,077,735	1,024,363	1,022,369	785,005	594,116	979,207	986,184	804,898	969,817
Operating grants and contributions	-	-	-	-	-	-	98,781	65,763	72,854	151,475
Capital grants and contributions	3,893,006	11,941,957	7,852,817	11,443,782	6,841,468	6,459,983	7,162,086	7,281,354	5,088,138	3,394,010
Total business-type activities program revenues	131,403,034	133,697,949	125,710,973	116,109,758	104,382,037	97,658,511	102,496,535	97,724,053	89,924,439	86,748,654
Total primary government program revenue	$ 173,598,522	$ 169,963,798	$ 159,242,382	$ 165,087,902	$ 137,424,726	$ 124,817,997	$ 123,511,235	$ 122,606,795	$ 106,452,825	$ 105,418,743
Net (expense)/revenue:										
Governmental activities	$ (118,100,092)	$ (110,011,391)	$ (116,143,464)	$ (75,571,819)	$ (65,239,036)	$ (82,201,661)	$ (75,869,926)	$ (68,670,052)	$ (75,629,089)	$ (59,978,264)
Business-type activities	50,182,265	57,756,635	47,619,379	41,951,977	39,452,963	33,636,633	34,649,193	33,939,108	29,152,214	27,857,704
Total primary government net expense	$ (67,917,827)	$ (52,254,756)	$ (68,524,085)	$ (33,619,842)	$ (25,786,073)	$ (48,565,028)	$ (41,220,733)	$ (34,730,944)	$ (46,476,875)	$ (32,120,560)
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Property taxes	$ 55,889,766	$ 46,065,662	$ 39,661,044	$ 34,999,413	$ 32,467,888	$ 31,460,044	$ 30,359,003	$ 28,214,204	$ 26,873,734	$ 25,642,518
Gas taxes	1,966,736	2,035,990	1,870,152	1,882,705	1,964,513	1,782,150	1,991,925	1,952,241	1,925,285	1,866,300
Public service taxes	16,345,346	15,421,115	14,568,751	12,995,813	12,061,254	11,561,162	11,768,805	11,547,176	10,889,630	10,761,889
Sales taxes	5,236,649	5,125,464	5,199,916	4,927,098	4,366,650	3,723,080	3,809,242	3,759,786	3,539,341	3,392,288
Franchise taxes	8,918,802	8,496,719	8,496,276	7,708,997	6,486,956	6,049,136	6,470,703	6,301,472	6,112,377	5,992,635
Tax increment taxes	5,528,023	5,069,209	4,570,838	4,067,092	3,721,725	3,381,051	3,212,092	3,068,042	2,974,533	2,677,785
Other taxes	1,838,704	1,625,574	1,393,607	1,134,302	1,081,810	1,058,682	991,258	937,925	813,175	903,455
Intergovernmental revenues not restricted to specific programs	4,039,259	5,258,300	5,628,782	5,484,349	3,484,479	2,645,381	2,787,678	2,685,849	2,684,011	2,392,717
Investment earnings	7,087,610	7,099,105	4,014,122	(2,402,077)	63,560	2,188,981	2,767,495	843,607	404,539	347,629
Miscellaneous	3,565,118	1,701,556	3,233,391	1,806,949	969,525	1,709,696	1,104,048	1,239,546	2,485,416	1,042,203
Transfers	23,418,440	30,324,700	32,656,467	24,712,567	25,254,722	25,163,049	25,357,605	17,673,153	17,179,468	18,003,566
Total governmental activities	133,834,453	128,223,394	121,293,346	97,317,208	91,923,082	90,722,412	90,619,854	78,223,001	75,881,509	73,022,985
Business-type activities:										
Income on investments	3,919,167	3,977,204	5,115,231	694,102	500,292	535,839	790,992	620,629	517,045	522,150
Miscellaneous	985,764	146,449	682,303	627,000	128,273	111,737	511,045	407,550	938,753	811,592
Transfers	(23,418,440)	(30,324,700)	(32,656,467)	(24,712,567)	(25,254,722)	(25,163,049)	(25,357,605)	(17,673,153)	(17,179,468)	(18,003,566)
Total business-type activities	(18,513,509)	(26,201,047)	(26,858,933)	(23,391,465)	(24,626,157)	(24,515,473)	(24,055,568)	(16,644,974)	(15,723,670)	(16,669,824)
Total primary government	$ 115,320,944	$ 102,022,347	$ 94,434,413	$ 73,925,743	$ 67,296,925	$ 66,206,939	$ 66,564,286	$ 61,578,027	$ 60,157,839	$ 56,353,161
Changes in net position:										
Governmental activities	$ 15,734,361	$ 18,212,003	$ 5,149,882	$ 21,745,389	$ 26,684,046	$ 8,520,751	$ 14,749,928	$ 9,552,949	$ 252,420	$ 13,044,721
Business-type activities	31,668,756	31,555,588	20,760,446	18,560,512	14,826,806	9,121,160	10,593,625	17,294,134	13,428,544	11,187,880
Total primary government	$ 47,403,117	$ 49,767,591	$ 25,910,328	$ 40,305,901	$ 41,510,852	$ 17,641,911	$ 25,343,553	$ 26,847,083	$ 13,680,964	$ 24,232,601

Table 3

The City of Daytona Beach, Florida
Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Post GASB Statement No. 54									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Fund:										
Non-spendable	$ 984,291	$ 791,742	$ 704,990	$ 527,183	$ 430,033	$ 419,152	$ 232,962	$ 385,002	$ 370,690	$ 380,664
Restricted	-	-	-	-	-	792,530	267,489	258,549	331,932	333,837
Assigned	6,921,966	12,800,492	22,000,388	31,310,271	18,670,465	8,995,225	10,552,163	5,299,295	6,425,723	3,631,728
Unassigned	36,778,023	37,585,087	22,179,088	12,291,705	11,140,039	14,922,178	15,947,589	18,264,876	15,882,777	17,163,335
Total General Fund	$ 44,684,280	$ 51,177,321	$ 44,884,466	$ 44,129,159	$ 30,240,537	$ 25,129,085	$ 27,000,203	$ 24,207,722	$ 23,011,122	$ 21,509,564
All other governmental funds:										
Non-spendable	$ -	$ -	$ 520	$ 1,560	$ -	$ -	$ -	$ -	$ 1,890	$ -
Restricted	86,700,174	82,904,805	70,023,679	63,432,616	50,096,156	38,615,220	33,715,228	26,145,891	19,273,086	20,856,121
Assigned	35,606,213	55,668,880	6,323,871	8,677,535	12,654,058	12,298,998	7,894,628	3,308,374	3,370,578	2,852,396
Unassigned	(19,529,785)	(10,876,075)	(7,151,680)	-	-	7,050	(1,595,581)	(2,881,458)	-	-
Total all other governmental funds	$ 102,776,602	$ 127,697,610	$ 69,196,390	$ 72,111,711	$ 62,750,214	$ 50,921,268	$ 40,014,275	$ 26,572,807	$ 22,645,554	$ 23,708,517

Table 4

The City of Daytona Beach, Florida
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues:										
Taxes	$ 77,001,392	$ 66,118,495	$ 58,503,614	$ 52,090,381	$ 48,481,076	$ 46,905,969	$ 46,253,839	$ 43,630,484	$ 41,564,174	$ 40,260,693
Licenses and permits	13,521,176	16,722,089	15,713,697	15,152,390	12,106,135	9,237,468	10,969,624	10,291,638	9,708,904	10,012,489
Intergovernmental	22,424,554	18,186,476	18,729,076	28,428,468	22,169,029	16,633,410	14,795,706	21,104,002	15,200,810	13,763,263
Charges for services	14,087,872	15,439,259	13,509,776	11,269,075	8,089,139	9,352,802	4,828,974	3,700,798	3,362,026	3,427,994
Fines and forfeitures	1,252,061	1,211,152	984,389	1,399,741	818,052	467,320	501,464	519,410	566,132	608,225
Special assessments/impact fees	3,587,760	7,652,411	6,470,883	10,546,495	5,986,443	5,424,765	4,727,595	3,589,073	1,845,907	3,927,091
Income on investments	6,722,652	6,708,467	3,661,877	(2,442,733)	42,537	2,152,329	2,697,121	807,543	392,496	345,865
Miscellaneous	1,481,721	1,997,605	2,951,256	2,954,349	1,917,268	2,407,868	1,282,767	1,354,897	2,570,959	1,355,568
Total revenues	140,079,188	134,035,954	120,524,568	119,398,166	99,609,679	92,581,931	86,057,090	84,997,845	75,211,408	73,701,188
Expenditures:										
General government	27,381,154	24,920,055	27,935,388	17,616,579	15,922,113	15,270,898	9,321,023	8,979,888	8,411,216	7,227,613
Public safety	79,446,617	71,521,066	64,808,268	59,826,828	57,082,444	51,923,552	49,539,412	48,806,814	45,781,802	43,241,035
Physical Environment	-	-	-	-	-	875,087	1,089,956	3,383,357	6,009,372	-
Transportation	12,469,888	11,882,395	11,806,177	12,767,516	8,121,329	12,680,815	12,414,769	10,799,849	13,039,409	9,130,762
Economic environment	7,700,794	5,562,892	6,568,410	4,481,314	6,718,403	2,723,049	3,472,648	3,690,743	3,414,541	3,750,935
Grants and Aids	793,227	688,666	671,964	-	-	-	-	-	-	-
Human services	425,326	829,927	825,263	807,741	661,205	804,993	2,529	508,592	502,824	540,138
Culture and recreation	15,674,552	15,608,707	14,816,526	13,824,400	10,563,500	10,907,483	5,089,870	4,503,719	4,577,417	4,239,352
Capital outlay	48,944,240	17,907,089	20,425,404	9,765,067	6,990,973	11,127,350	9,235,728	12,364,652	5,634,660	6,735,494
Debt service:										
Principal	7,832,129	6,503,114	6,329,781	4,927,938	6,517,161	3,789,786	3,697,742	3,539,121	3,484,692	3,277,409
Interest and fiscal charges	3,542,831	1,352,494	946,437	951,572	1,505,852	1,586,296	1,682,401	1,777,971	1,886,092	1,976,958
Total expenditures	204,210,758	156,776,405	155,133,618	124,968,955	114,082,980	111,689,309	95,546,078	98,354,706	92,742,025	80,119,696
Excess (deficiency) of revenue over (under) expenditures	(64,131,570)	(22,740,451)	(34,609,050)	(5,570,789)	(14,473,301)	(19,107,378)	(9,488,988)	(13,356,861)	(17,530,617)	(6,418,508)
Other financing sources (uses):										
Issuance of debt	7,153,679	53,143,987	325,095	3,957,735	25,245,198	354,030	-	2,018,000	789,743	838,116
Issuance of debt premiums	-	3,818,895	-	-	-	-	-	-	-	-
Payments to escrow agent	-	-	-	-	(19,190,000)	-	-	(1,555,899)	-	-
Insurance recoveries	2,145,402	246,944	1,719,344	150,606	103,779	216,050	149,486	345,460	-	-
Transfers in	48,374,613	101,244,060	49,357,909	49,340,500	40,217,379	44,734,200	49,805,849	25,995,996	28,785,986	26,320,096
Transfers (out)	(24,956,173)	(70,919,360)	(16,668,618)	(24,627,933)	(14,962,657)	(18,611,033)	(24,232,398)	(8,322,843)	(11,606,517)	(8,316,530)
Total other financing sources (uses)	32,717,521	87,534,526	34,733,730	28,820,908	31,413,699	26,693,247	25,722,937	18,480,714	17,969,212	18,841,682
Net change in fund balances	$ (31,414,049)	$ 64,794,075	$ 124,680	$ 23,250,119	$ 16,940,398	$ 7,585,869	$ 16,233,949	$ 5,123,853	$ 438,595	$ 12,423,174
Debt service expenditures as a percentage of noncapital expenditures	7.3%	5.7%	5.4%	5.1%	7.5%	5.3%	6.2%	6.2%	6.2%	7.2%

The City of Daytona Beach, Florida
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Table 5

Fiscal Year Ended September 30 [2]	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Institutional Property	Governmental Property	Vacant Land and Other	Tangible Personal Property	Total Market Value	Less: Tax-Exempt Property	Total Taxable Assessed Value[1]	Total Direct Tax Rate[1]
2025	$ 7,345,635,229	$ 3,551,270,209	$ 386,435,150	$ 158,538,671	$ 659,831,922	$ 1,811,858,653	$ 551,225,993	$ 1,068,714,537	$ 15,533,510,364	$ 6,045,302,520	$ 9,488,207,844	6.08740 %
2024	6,548,399,924	3,403,210,077	356,689,084	129,350,708	608,941,512	1,660,346,577	556,167,221	1,027,499,612	14,290,604,715	5,797,779,608	8,492,825,107	5.60490
2023	5,468,761,504	2,806,282,167	319,039,756	140,891,572	523,692,289	1,506,292,014	432,970,635	977,593,212	12,175,523,149	4,901,433,527	7,274,089,622	5.63380
2022	4,192,275,849	2,303,566,925	289,206,786	75,672,937	464,029,954	1,384,890,921	379,025,370	853,498,854	9,942,167,596	3,695,528,542	6,246,639,054	5.76940
2021	3,814,518,764	2,203,615,411	278,969,977	75,958,933	463,737,829	1,370,353,633	351,974,464	896,072,246	9,455,201,257	3,665,069,243	5,790,132,014	5.78430
2020	3,466,584,985	1,948,000,150	248,702,954	71,448,333	423,486,643	1,273,961,178	390,526,533	861,735,621	8,684,446,397	3,392,015,295	5,292,431,102	6.13580
2019	3,094,397,365	1,726,539,311	208,834,454	89,806,679	410,777,310	1,249,821,245	344,670,088	813,998,023	7,938,844,475	3,171,379,056	4,767,465,419	6.50900
2018	2,847,927,888	1,539,831,183	195,143,658	100,992,354	387,094,766	1,178,695,335	313,652,939	760,774,093	7,324,112,216	2,991,759,480	4,332,352,736	6.67220
2017	2,596,125,201	1,378,479,280	184,421,089	91,432,567	331,803,822	909,117,062	299,990,588	703,732,608	6,495,102,217	2,550,553,384	3,944,548,833	7.00960
2016	2,413,494,445	1,228,060,547	141,460,473	87,098,528	240,766,991	837,643,412	355,694,675	640,478,030	5,944,697,101	2,332,361,988	3,612,335,113	7.33340

Source: Volusia County, Florida, Property Appraiser.

Notes: [1] Property in The City of Daytona Beach is reassessed each year by the Volusia County Property Appraiser. Property is assessed at actual value. Tax rates are per $1,000 of assessed value.

[2] All property valuations for the specified fiscal year ends are obtained from the previous year's tax roll (i.e. all FY 2024-25 data was obtained from the 2024 calendar year tax roll)

The City of Daytona Beach, Florida
Property Tax Rates – Direct and Overlapping Governments
Last Ten Fiscal Years

Table 6

	City of Daytona Beach			Overlapping Rates														
				Volusia County						Volusia County School District				Special Districts				
Fiscal Year[1]	Operating	Debt Service	Total City	Operating	Debt Service	Total County	St. Johns River Water Management District	Florida Inland Navigation District	Hospital District	School District Required	School District Discretionary	School District Debt Service	Total School District	Daytona Beach Downtown Development Authority	Ponce DeLeon Inlet and Port Authority	Mosquito Control District	Total Special Districts	Total Direct and Overlapping Rates
2025	5.93000	0.15740	6.08740	5.18920	0.40000	5.58920	0.17930	0.02880	0.73090	4.53700	0.74800	-	5.28500	1.00000	0.06920	0.16470	1.23390	19.13450
2024	5.43000	0.17490	5.60490	5.27080	0.40000	5.67080	0.17930	0.02880	0.78780	4.66100	0.74800	-	5.40900	1.00000	0.06920	0.17810	1.24730	18.92790
2023	5.43000	0.20380	5.63380	5.31340	0.40000	5.71340	0.19740	0.03200	0.86060	4.73400	0.74800	-	5.48200	1.00000	0.07600	0.17810	1.25410	19.17330
2022	5.53000	0.23940	5.76940	5.89860	0.40000	6.29860	0.21890	0.03200	0.95290	5.05400	0.74800	-	5.80200	1.00000	0.08450	0.17810	1.26260	20.33640
2021	5.53000	0.25430	5.78430	5.96740	0.18350	6.15090	0.22870	0.03200	0.98790	5.15900	0.74800	-	5.90700	1.00000	0.08800	0.17810	1.26610	20.35690
2020	5.85870	0.27710	6.13580	6.14200	0.40000	6.54200	0.24140	0.03200	0.35460	5.33300	0.74800	-	6.08100	1.00000	0.09290	0.18800	1.28090	20.66770
2019	6.20000	0.30900	6.50900	6.24640	0.40000	6.64640	0.25620	0.03200	0.35460	5.53300	0.74800	-	6.28100	1.00000	0.09290	0.18800	1.28090	21.36010
2018	6.33330	0.33890	6.67220	6.65200	0.40000	7.05200	0.27240	0.03200	0.37810	5.77200	0.74800	-	6.52000	1.00000	0.09290	0.18800	1.28090	22.20760
2017	6.63670	0.37290	7.00960	6.65200	0.40000	7.05200	0.28850	0.03200	0.75610	6.10000	0.74800	-	6.84800	1.00000	0.09290	0.18800	1.28090	23.26710
2016	6.92200	0.41140	7.33340	6.87090	0.40000	7.27090	0.30230	0.03200	0.95500	6.44900	0.74800	-	7.19700	1.00000	0.09290	0.18800	1.28090	24.37150

Source: Volusia County Property Appraiser's website.

Notes: Tax millage rates are per $1,000 of assessed value.

[1]All property valuations for the specified fiscal year ends are obtained from the previous year's tax roll (i.e. all FY 2024-25 data was obtained from the 2024 calendar year tax roll).

Table 7

The City of Daytona Beach, Florida
Principal Property Taxpayers
Last Ten Fiscal Years

Taxpayer	Type of Business	September 30, 2025 (2025 Tax Roll) Assessed Taxable Value	Rank	Percent to Total Assessed Value	September 30, 2016 (2016 Tax Roll) Assessed Taxable Value	Rank	Percent to Total Assessed Value
Florida Power & Light Company	Electric Utility	$ 212,671,336	1	2.03%	$ 88,898,444	3	2.59%
International Speedway Corporation	Electric Utility	169,964,141	2	1.62%	102,491,218	1	2.99%
Ocean Walk I & II Condominium Associatior	Condominium	127,171,745	3	1.21%	93,948,266	2	2.74%
Daytona Beach Owner LP	Accomodations	82,441,101	4	0.79%			
Protogroup South Tower LLC	Condominium	68,468,168	5	0.65%			
Tomoka Town Center Phase 1 LLC	Regional Shopping Center	66,877,126	6	0.64%			
KCS Icebox DAB 1 LLC	Warehouse	64,695,506	7	0.62%			
Brown & Brown Realty Co	Diversified Insurance Agency	57,146,363	8	0.55%			
Trader Joes East Inc	Warehouse	54,535,791	9	0.52%	50,890,143	5	1.48%
CCC-Daytona Beach LLC	Housing	54,450,030	10	0.52%			
Volusia Mall, LLC	Regional Shopping Centers				78,635,310	4	2.29%
M-Elena Holding LLC	Regional Shopping Centers				46,296,084	6	1.35%
DK Gateway Andros LLC	Regional Shopping Centers				22,975,396	7	0.67%
G&I VII Bellair Plaza LLC	Regional Shopping Centers				21,034,830	8	0.61%
Bellsouth Telecommunication, Inc	Telephone				19,792,735	9	0.58%
Bray & Gillespie Delaware III	Timeshare Investments				18,487,092	10	0.54%
Total		$ 958,421,307		9.15%	$ 543,449,518		15.84%

Source: Volusia County Property Appraiser.

Table 8

The City of Daytona Beach, Florida
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended September 30,	Taxes Levied For Year	Collected to End of Tax Year		Delinquent Collections	Total Collected	
		Amount	Percent of Levy		Amount	Percent of Levy
2025	$ 56,265,073	$ 52,477,610	93.27%	$ 1,960,661	$ 54,438,271	96.75%
2024	46,108,837	42,898,881	93.04%	1,697,503	44,596,384	96.72%
2023	39,498,307	36,920,283	93.47%	1,301,125	38,221,408	96.77%
2022	34,543,914	32,536,163	94.19%	1,020,070	33,556,233	97.14%
2021	32,019,430	29,977,209	93.62%	1,079,857	31,057,066	96.99%
2020	31,006,766	28,823,728	92.96%	1,151,217	29,974,945	96.67%
2019	29,558,286	27,781,826	93.99%	769,262	28,551,088	96.59%
2018	27,438,090	25,707,921	93.69%	1,059,840	26,767,761	97.56%
2017	26,178,787	24,496,495	93.57%	934,488	25,430,983	97.14%
2016	25,004,584	23,240,711	92.95%	962,038	24,202,749	96.79%

Source: Volusia County, Florida Tax Collector and the City of Daytona Beach Finance Department.

Note: Tax collections are stated net of early payment discounts ranging from 1% to 4% based on the date of taxpayer payments. Actual tax collections received in each fiscal year are from the prior year's tax levy (i.e. FY 2024-2025 collections are from the 2024 tax levy).

Table 9

The City of Daytona Beach, Florida
Water Produced and Consumed and Wastewater Treated
Last Ten Fiscal Years

Fiscal Year Ended September, 30	Gallons of Water Produced	Gallons of Water Billed	Gallons of Water Known Unbilled*	Gallons of Water Unaccounted	Percent of Water Unaccounted	Gallons of Wastewater Treated	Total Direct Rate [1]			
							Water		Sewer	
							Base Rate	Usage Rate	Base Rate	Usage Rate
2025	5,046	4,648	308	90	1.78%	5,118	$ 10.39	$ 5.92	$ 10.18	$ 9.95
2024	4,824	4,550	266	8	0.16%	5,026	9.99	5.69	9.78	9.56
2023	4,755	4,268	323	165	3.47%	4,314	9.46	5.39	9.26	9.05
2022	4,651	4,220	458	-	0.00%	4,340	9.07	5.17	8.87	8.66
2021	4,664	3,907	501	256	5.49%	4,337	12.07	5.91	4.73	10.18
2020	4,600	3,810	484	306	6.65%	3,923	11.73	5.75	4.60	9.90
2019	4,498	3,817	191	490	10.89%	4,106	11.36	5.57	4.46	9.59
2018	4,354	3,724	108	522	11.99%	4,751	10.98	5.39	4.31	9.27
2017	4,461	3,818	304	339	7.60%	4,037	10.63	5.22	4.18	8.98
2016	4,317	3,846	89	382	8.85%	3,869	10.23	5.02	4.02	8.64

Source: The City of Daytona Beach Finance and Utilities Departments
* Situations that are know as unbilled include hydrant flushing and water main breaks.

Note: Gallons are presented in millions

[1] Assumes typical single family residence located within City limits

The City of Daytona Beach, Florida
Water and Sewer Rates
Last Ten Fiscal Years

Table 10

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Water Service										
Single Family Resident Accounts (All Zones):										
Base Fee (All Meter Sizes)	$ 10.39	$ 9.99	$ 9.46	$ 9.07						
Water Consumption: per 1,000 Gallons)										
0 - 7,000 Gallons	$ 5.92	$ 5.69	$ 5.39	$ 5.17						
7,001 - 14,000 Gallons	$ 7.42	$ 7.13	$ 6.75	$ 6.47						
14,001 Gallons and Above	$ 9.24	$ 8.88	$ 8.41	$ 8.06						
Multi Family Resident Accounts (All Zones):										
Base Fee (per Dwelling Unit)	$ 8.32	$ 8.00	$ 7.57	$ 7.26						
Water Consumption: per 1,000 per Dwelling Unit)										
0 - 6,001 Gallons	$ 5.92	$ 5.69	$ 5.39	$ 5.17						
6,001 - 12,000 Gallons	$ 7.42	$ 7.13	$ 6.75	$ 6.47						
12,001 Gallons and Above	$ 9.24	$ 8.88	$ 8.41	$ 8.06						
Commercial / Non-Residential:										
Base Fee (Per Potable Service Line Size)										
By Meter Size										
3/4"	$ 10.39	$ 9.99	$ 9.46	$ 9.07						
1"	$ 17.39	$ 16.71	$ 15.81	$ 15.15						
1.5"	$ 34.71	$ 33.35	$ 31.56	$ 30.23						
2"	$ 55.55	$ 53.37	$ 50.50	$ 48.38						
3"	$ 104.26	$ 100.16	$ 94.76	$ 90.77						
4"	$ 173.81	$ 166.97	$ 157.97	$ 151.32						
6"	$ 347.54	$ 333.86	$ 315.86	$ 302.55						
8"	$ 556.11	$ 534.21	$ 505.41	$ 484.11						
10"	$ 799.48	$ 768.00	$ 726.59	$ 695.97						
Water Consumption (per 1,000 Gallons)										
0 Gallons and Above	$ 6.42	$ 6.17	$ 5.84	$ 5.60						
Wastewater Service										
Single Family Resident Accounts (All Zones):										
Base Fee (All Meter Sizes)	$ 10.18	$ 9.78	$ 9.26	$ 8.87						
Wastewater Usage: per 1,000 Gallons)										
0 Gallons and Above	$ 9.95	$ 9.56	$ 9.05	$ 8.67						
Multi Family Resident Accounts (All Zones):										
Base Fee (per Dwelling Unit)	$ 8.14	$ 7.82	$ 7.40	$ 7.09						
Wastewater Usage: per 1,000 per Dwelling Unit)										
0 Gallons and Above	$ 9.95	$ 9.56	$ 9.05	$ 8.67						
Commercial / Non-Residential:										
Base Fee (Per Potable Service Line Size)										
By Meter Size										
3/4"	$ 10.18	$ 9.78	$ 9.26	$ 8.87						
1"	$ 16.99	$ 16.33	$ 15.45	$ 14.80						
1.5"	$ 33.90	$ 32.57	$ 30.82	$ 29.53						
2"	$ 54.28	$ 52.15	$ 49.34	$ 47.27						
3"	$ 101.86	$ 97.85	$ 92.58	$ 88.68						
4"	$ 169.78	$ 163.10	$ 154.31	$ 147.81						
6"	$ 339.49	$ 326.12	$ 308.54	$ 295.54						
8"	$ 543.22	$ 521.83	$ 493.69	$ 472.89						
10"	$ 780.95	$ 750.20	$ 709.75	$ 679.84						
Wastewater Consumption (per 1,000 Gallons)										
0 Gallons and Above	$ 10.92	$ 10.49	$ 9.93	$ 9.52						
Water Rates prior to 10/1/2021:										
Base Rate (meter size):										
3/4" to 2"					$ 12.07	$ 11.73	$ 11.36	$ 10.98	$ 10.63	$ 10.23
3"-10"					$ 16.12	$ 15.67	$ 15.17	$ 14.66	$ 14.20	$ 13.66
Usage rate (per 1,000 gallons)					$ 5.91	$ 5.75	$ 5.57	$ 5.39	$ 5.22	$ 5.02
Sewer Rates prior to 10/1/2021:										
Base rate					$ 4.73	$ 4.60	$ 4.46	$ 4.31	$ 4.18	$ 4.02
Usage rate (per 1,000 gallons)					$ 10.18	$ 9.90	$ 9.59	$ 9.27	$ 8.98	$ 8.64

Source: City of Daytona Beach Finance Department

Notes: Increases in water and sewer rates must be approved by the City Commission. City Code provides for an annual automatic rate increase based on the change in the Consumer Price Index from July 1 of the preceding calendar year through June 30 of the present calendar year times the existing rates.

[1] A new rate structure took effect on 10/1/2021. It created three classes of customers (Single family, Multi family and Commercial), eliminated the 1,000 gallon minimum usage bill, and eliminated the three billing zones. Prior to the change to the new rate structure, the three billing zones were as follows. ZONE 0 = Inside City limits = Billed at 100% of rates shown in above table. ZONE 1 = Outside City limits mainland = Billed at 125% of rates shown in above table. ZONE 2 = Outside City limits South Peninsula = Billed at 133% of rates shown in above table.

The City of Daytona Beach, Florida
Ten Largest Water and Sewer Customers
Last Ten Fiscal Years

Table 11

Customer	Customer Type	September 30, 2025 Amount	September 30, 2025 Percent of Total Revenue	September 30, 2025 Rank	September 30, 2016 Amount	September 30, 2016 Percent of Total Revenue	September 30, 2016 Rank
City of South Daytona	Bulk	$ 2,746,403	3.69%	1	$ 1,809,427	3.80%	2
Embry-Riddle Aeronautical University	Educational Institution	1,794,586	2.41%	2	892,581	1.87%	8
Halifax Medical Center	Hospital	1,610,594	2.17%	3	1,968,453	4.13%	1
City of Daytona Beach	Government	1,475,558	1.98%	4	1,133,749	2.38%	5
Florida Department of Corrections	Government	1,446,408	1.94%	5	1,635,355	3.43%	3
Florida Hospital Memorial Medical Center	Hospital	1,349,325	1.81%	9	995,872	2.09%	6
Daytona International Speedway	Sports/Entertainment	1,155,892	1.55%	6	719,297	1.51%	9
B Braun Medical, Inc.	Industrial	1,044,712	1.40%	8			
Hilton/Daytona Beach Owner OP CO, LLC	Timeshare Investments	1,038,041	1.40%	7	987,404	2.07%	7
County of Volusia	Government	866,019	1.16%	10	1,231,869	2.58%	4
Ocean Walk Condominium Association	Timeshare Investments				712,394	1.49%	10
Total		$ 14,527,538	19.51%		$ 12,086,401	25.35%	

Source: The City of Daytona Beach Utility Billing and Finance Departments.

The City of Daytona Beach, Florida
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Table 12

Fiscal Year Ended September 30,	Governmental Activities						Business-Type						Total Outstanding Debt	Percent of Personal Income	Per Capita	Personal Income	Population
	General Obligation Bonds	Capital Revenue Bonds	Notes and Financed Purchases	Lease Liabilities [1]	Subscription Liabilities [2]	Total	Capital Revenue Bonds	Water, Sewer & Stormwater Bonds	Notes and Financed Purchases	State Revolving Fund Loans	Lease Liabilities [1]	Subscription Liabilities [2]	Total					
2025	$ 5,343,759	$ 52,200,175	$ 19,577,357	$ 1,891,472	$ 4,794,214	$ 83,806,977	-	-	$ 27,209,000	$118,030,628	$ 147,776	$ 508,419	$145,895,823	$229,702,800	2.58 %	2,606	$ 59,259	88,144
2024	6,572,511	52,893,895	24,038,324	567,066	805,301	84,877,097	-	-	31,465,000	105,106,217	193,492	599,736	137,364,445	222,241,542	2.58	2,618	57,280	84,891
2023	7,761,263	-	24,717,363	558,885	1,522,700	34,560,211	-	-	35,625,000	83,897,308	237,624	469,084	120,229,016	154,789,227	3.54	1,912	54,768	80,940
2022	8,920,015	-	29,044,305	764,803	-	38,729,123	-	26,396,496	17,324,000	74,108,566	280,217	-	118,109,279	156,838,402	3.41	2,020	53,559	77,633
2021	10,030,182	-	28,140,955	-	-	38,171,137	-	29,588,456	20,292,000	74,619,910	-	-	124,500,366	162,671,503	2.90	2,195	47,194	74,113
2020	11,118,766	21,591,273	6,804,818	-	-	39,514,857	-	32,652,409	23,196,000	60,639,367	-	-	116,487,776	156,002,633	2.87	2,221	44,762	70,235
2019	12,182,518	23,108,876	7,944,609	-	-	43,236,003	90,630	35,583,983	25,931,000	46,038,508	-	-	107,644,121	150,880,124	2.85	2,240	43,028	67,351
2018	13,226,270	24,629,459	9,099,758	-	-	46,955,487	139,024	38,481,196	28,512,000	26,468,773	-	-	93,600,993	140,556,480	2.93	2,121	41,132	66,267
2017	14,245,023	26,112,827	9,696,686	-	-	50,054,536	190,163	43,168,111	25,185,681	26,426,079	-	-	94,970,034	145,024,570	2.70	2,212	39,086	65,569
2016	15,243,775	27,650,619	9,877,341	-	-	52,771,735	322,294	47,712,571	23,033,263	24,055,524	-	-	95,123,652	147,895,387	2.58	2,291	38,197	64,569

Sources: The City of Daytona Beach Finance Department.
Per Capita Income - Bureau of Economic Analysis (BEA).
Population - Bureau of Economic and Business Research, University of Florida, for 2018-2024. All other periods estimated by Volusia County.

Note: Details concerning the City's outstanding debt can be found in the notes to the financial statements.
Principal amounts are stated net of unamortized premiums, discounts, and deferred amounts on refunding.
Personal income and population data can be found in TABLE 17.

[1] GASB Statement No. 87, *Leases,* was implemented in fiscal year 2022 and applied prospectively.

[2] GASB Statement No. 96, *Subscription-Based Information Technology Arrangements,* was implemented in fiscal year 2023 and applied prospectively.

The City of Daytona Beach, Florida
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Table 13

Fiscal Year Ended September 30,	Governmental Activities: General Obligation Bonds [1]	Less: Amount Available in Debt Service Fund [2]	Total	Percentage of Net Assessed Taxable Property Value [3]	Debt Per Capita	Population	Taxable Value
2025	$ 5,343,759	$ 735,448	$ 4,608,311	0.05%	$ 52	88,144	$ 9,488,207,844
2024	6,572,511	662,867	5,909,644	0.07%	70	84,891	8,492,825,107
2023	7,761,263	594,835	7,166,428	0.10%	89	80,940	7,274,089,622
2022	8,920,015	539,757	8,380,258	0.13%	108	77,633	6,246,639,054
2021	10,030,182	502,512	9,527,670	0.16%	129	74,113	5,790,132,014
2020	11,118,466	476,043	10,642,423	0.20%	152	70,235	5,292,431,102
2019	12,182,518	449,163	11,733,355	0.25%	174	67,351	4,767,465,419
2018	13,226,270	405,124	12,821,146	0.30%	193	66,267	4,332,352,736
2017	14,245,023	370,408	13,874,615	0.35%	212	65,569	3,944,548,833
2016	15,243,775	341,255	14,902,520	0.41%	231	64,569	3,612,335,113

Sources: The City of Daytona Beach Finance Department.

Notes: Details concerning the City's outstanding debt can be found in the notes to the financial statements.

[1] Net of original issuance premium and discount.

[2] Amount restricted for debt service payments.

[3] See TABLE 5 for property value data.

Table 14

The City of Daytona Beach, Florida
Governmental Activities Debt – Direct and Overlapping
Last Ten Fiscal Years

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable[1]	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
County of Volusia, Florida:			
General obligation bonds	$ -	15.5784%	$ -
Other debt:			
District School Board of Volusia County, Florida:			
State school bonds	-	15.5784	-
Sales tax revenue bonds	18,935,000	15.5784	2,949,770
Certificates of participation	212,881,000	15.5784	33,163,454
County of Volusia, Florida:			
Revenue bonds	36,290,000	15.5784	5,653,401
Notes payable	18,186,020	15.5784	2,833,091
Total overlapping debt			44,599,716
City direct debt			83,806,977
Total direct and overlapping debt			$ 128,406,693

Sources: Assessed valuation data used to estimate applicable percentages provided by Volusia County, Florida, Property Appraiser.
Debt outstanding data provided by each governmental unit.

Notes: [1] The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the County's taxable assessed value that is within the City of Daytona Beach's boundaries and dividing it by the County's total taxable assessed value.

The City of Daytona Beach, Florida
Legal Debt Margin
Last Ten Fiscal Years

Table 15

The Constitution of the State of Florida, Section 200.181, Florida Statutes, and The City of Daytona Beach, Florida have set no legal debt limit.

Table 16

The City of Daytona Beach, Florida
Pledged Revenue Coverage
Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Capital revenue bonds:										
Tax increment revenues	$10,174,410	$12,747,606	$ 5,175,699	$ 4,362,776	$ 4,428,757	$ 4,353,673	$ 4,328,539	$ 4,140,778	$ 4,109,486	$ 3,687,123
Less: operating expenses	3,652,100	4,272,689	4,443,817	782,656	407,517	304,869	391,517	662,523	695,998	870,030
Net revenue available for debt service	$ 6,522,310	$ 8,474,917	$ 731,882	$ 3,580,120	$ 4,021,240	$ 4,048,804	$ 3,937,022	$ 3,478,255	$ 3,413,488	$ 2,817,093
Debt service payments:										
Principal	$ 3,145,854	$ 3,068,471	$ 2,080,000	$ 2,035,000	$ 1,875,000	$ 1,510,000	$ 1,465,000	$ 1,425,000	$ 1,380,000	$ 1,340,000
Interest	373,051	501,480	427,570	472,835	377,257	1,001,428	1,047,931	1,091,281	1,133,356	1,174,156
Total debt service payments	$ 3,518,905	$ 3,569,951	$ 2,507,570	$ 2,507,835	$ 2,252,257	$ 2,511,428	$ 2,512,931	$ 2,516,281	$ 2,513,356	$ 2,514,156
Coverage (times)	1.85	2.37	0.29	1.43	1.79	1.61	1.57	1.38	1.36	1.12
Water and sewer bonds:										
Charges for services and other	$75,939,765	$72,293,028	$69,685,776	$62,770,397	$ 58,787,889	$54,616,311	$53,996,763	$51,257,183	$ 48,164,299	$ 47,946,679
Less: operating expenses	45,656,481	40,916,141	38,059,617	37,936,581	31,839,588	32,701,637	30,619,760	28,465,197	26,057,153	25,345,604
Net revenue available for debt service	$30,283,284	$31,376,887	$31,626,159	$24,833,816	$ 26,948,301	$21,914,674	$23,377,003	$22,791,986	$ 22,107,146	$ 22,601,075
Debt service payments:										
Principal	$ 3,225,000	$ 3,170,000	$ 3,055,000	$ 2,865,000	$ 2,695,000	$ 2,525,000	$ 2,460,000	$ 4,240,000	$ 4,075,000	$ 3,920,000
Interest	735,935	848,447	1,077,275	1,225,275	1,364,275	1,494,775	1,607,100	1,741,100	1,907,400	2,067,300
Total debt service payments	$ 3,960,935	$ 4,018,447	$ 4,132,275	$ 4,090,275	$ 4,059,275	$ 4,019,775	$ 4,067,100	$ 5,981,100	$ 5,982,400	$ 5,987,300
Coverage (times)	7.65	7.81	7.65	6.07	6.64	5.45	5.75	3.81	3.70	3.77

Source: The City of Daytona Beach Finance Department.

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
Operating expenses do not include interest, depreciation, or amortization expenses.

Table 17

The City of Daytona Beach, Florida
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year Ended September 30,	Population[1]	Personal Income[2]	Per Capita Personal Income[3]	Median Household Income[4]	Median HUD Rate[5]	Area Unemployment Rate[6]
2025	88,144	$5,223,325,296	$ 59,259	$ 52,058	$ 84,100	5.0 %
2024	84,891	4,862,556,480	57,280	50,130	82,800	4.1
2023	82,485	4,517,538,480	54,768	47,608	78,700	3.4
2022	77,633	4,157,945,847	53,559	42,392	73,300	2.8
2021	74,113	3,497,688,922	47,194	38,686	65,400	4.0
2020	70,235	3,143,859,070	44,762	35,893	64,900	6.3
2019	67,351	2,897,978,828	43,028	33,128	59,100	3.2
2018	66,267	2,725,694,244	41,132	32,932	55,100	3.5
2017	65,569	2,562,829,934	39,086	30,137	54,300	4.1
2016	64,569	2,466,342,093	38,197	29,587	51,400	5.2

Sources: [1] Bureau of Economic and Business Research, University of Florida, for 2018- 2025.
All other periods estimated by Volusia County.

[2] Amount computed from population and per capita personal income statistics.

[3] US Bureau of Economic Analysis. Amounts indicated are for Deltona-Daytona Beach-Ormond Beach MSA, Florida.

[4] FL Research & Economic Info Database (FREIDA) for 2014-2019. United States Census Bureau used for 2020-2025.
Amounts indicated are for Deltona-Daytona Beach-Ormond Beach, FL Metro Area.

[5] US Department of Housing and Urban Development, HUD User data set.

[6] US Bureau of Labor Statistics Data. Amounts indicated are for Deltona-Daytona Beach - Ormond Beach MSA, Florida.

Table 18

The City of Daytona Beach, Florida
Principal Employers
Last Ten Fiscal Years

Employer[1]	September 30, 2025 Total Employees	Rank	Percent to Total City Employment		September 30, 2016 Total Employees	Rank	Percent to Total City Employment	
[1] Volusia County School District	8,552	1	2.77	%	7,385	1	2.58	%
AdventHealth Systems	7,198	2	2.33					
[1] Halifax Hospital System	4,811	3	1.56		4,294	2	1.50	
Publix Supermarkets Inc	4,007	4	1.30		3,241	4	1.13	
Walmart Associates, Inc	3,570	5	1.16					
Amazon	3,500	6	1.14					
[1] Volusia County, Florida	2,864	7	0.93		3,333	3	1.17	
State of Florida	2,773	8	0.90		2,758	5	0.97	
Embry-Riddle Aeronautical University	1,992	9	0.65		1,660	7	0.58	
Stetson University	1,446	10	0.47					
Daytona State College	996		0.32		1,300	9	0.46	
The City of Daytona Beach, Florida								
Florida Hospital Memorial Medical Center					2,150	6	0.75	
Nascar, Inc					1,500	8	0.53	
SMA Behavioral Health Services					889	10	0.31	
Total	41,709		13.53	%	28,510		9.98	%
[2] Estimated civilian labor force	308,278				285,687			

Sources: Volusia County Department of Economic Development.
The City of Daytona Beach Human Resources Department.

Notes: [1] Employee numbers reported represent total employees in Volusia County. Individual employee counts by city are not compiled or reported by the employers, and include employees who reside in other government jurisdictions within the Volusia County area.
[2] Source for 2025 estimate: US Bureau of Labor Statistics.
Source for 2016 estimate: 2016 ACFR

Table 19

The City of Daytona Beach, Florida
Full Time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General government:										
Legislative	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Management/government relations	15.7	14.7	15.7	15.7	16.8	16.8	16.8	15.0	13.0	14.5
Legal	9.6	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	9.0
Human resources	8.0	8.0	8.0	8.0	8.0	8.0	8.0	7.0	7.0	7.0
Risk management	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Development services	42.1	40.8	45.9	42.9	43.0	43.0	41.0	36.0	33.0	34.0
Redevelopment services	35.5	35.6	30.1	4.1	-	-	-	-	-	-
City clerk	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Information technology	22.3	22.3	23.3	20.8	19.8	19.8	19.3	18.3	18.3	17.3
Finance	34.8	34.8	32.8	32.3	37.3	37.3	37.8	36.8	36.8	35.8
Police:										
Chief of Police	7.0	7.0	8.0	9.0	13.0	13.0	15.0	12.0	11.0	11.0
Operations	208.0	209.0	197.0	206.0	207.0	207.0	207.0	185.0	186.0	187.0
Support bureau	95.0	88.0	87.0	100.0	97.0	97.0	94.0	89.0	88.0	89.0
COPS Grant	2.0	2.0	1.0	-	-	-	-	10.0	10.0	10.0
Fire:										
Administration	16.5	14.0	15.0	15.0	12.0	12.0	12.0	10.0	9.0	9.0
Operations	109.0	106.6	106.0	99.0	101.0	101.0	101.0	99.0	100.0	100.0
Public works:										
Administration	0.7	0.7	1.2	1.0	1.0	1.0	1.0	2.0	2.0	2.0
Engineering	24.5	24.5	27.5	25.5	26.5	26.5	26.5	24.5	23.5	19.8
Maintenance and other	93.2	92.2	89.3	81.0	88.5	88.5	90.5	91.5	89.0	89.5
Culture and recreation:										
Municipal Golf Course	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Florida Tennis Center	5.1	5.1	5.1	5.1	3.6	3.6	3.6	3.5	3.5	3.5
Halifax Harbor	1.2	1.2	1.2	1.2	1.1	1.1	1.0	1.0	1.8	1.0
Cultural & Community Events	3.0	3.0	3.0	3.0	3.0	3.0	5.0	5.0	13.0	13.0
Peabody Auditorium - Operations	7.1	7.0	7.0	7.0	7.0	7.0	7.0	7.0	10.0	10.0
Recreation	53.0	54.0	54.0	48.0	30.5	30.5	29.5	33.0	28.5	28.5
Solid waste services	3.7	3.7	3.3	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Water and wastewater services	190.3	188.0	184.7	183.0	168.0	168.0	168.0	162.0	152.3	153.6
Total	1,011.3	996.2	980.1	944.0	920.5	920.5	920.5	884.1	872.0	871.0

Source: The City of Daytona Beach Human Resources Department.

Note: Part-time and seasonal employees for all departments are assumed to be 0.5 full time equivalents for all reporting categories. Reorganization in FY 2014-15 required reclassification of Halifax Marina, Cultural and Community Events and Peabody which were

Table 20

The City of Daytona Beach, Florida
Operating Indicators by Function
Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Police:										
Physical arrests	5,875	6,369	5,589	6,320	7,214	7,697	9,183	8,762	8,475	7,924
Parking violations	870	428	372	336	181	422	539	792	636	541
Traffic violations	10,666	1,747	1,494	2,120	5,203	7,197	9,315	11,613	11,515	16,058
Fire:										
Emergency responses	23,718	21,674	20,522	20,689	20,789	18,081	18,410	21,838	22,055	21,443
Non-fire/EMS	6,318	14,024	15,613	14,161	16,085	15,686	15,100	17,388	18,406	16,446
*Inspections by engine companies	2,310	-	-	406	123	82	685	932	1,680	2,016
*Inspections by fire inspectors	183	350	322	528	603	660	1,015	993	987	1,012
Solid waste:										
Refuse collected (tons per day)	226	225	216	217	207	208	211	209	223	201
Yard trash (tons per day)	24	24	20	20	17	19	23	22	23	23
Recyclables collected (tons per day)	6	6	5	5	5	5	5	6	5	5
Public works:										
Street construction (miles)	2.1	-	-	1.5	-	0.5	-	1.2	-	0.9
**Street resurfacing (miles)	14.8	14.4	19.0	25.0	4.3	-	1.5	2.2	5.2	3.2
Potholes repaired	44	65	60	100	158	1,722	1,248	1,017	830	931
Building development:										
Residential/single family permits issued	2,613	3,031	3,313	1,340	1,361	830	519	454	408	412
Commercial/multi-family permits issued	661	707	458	277	297	325	262	250	336	404
Miscellaneous permits issued	4,511	4,937	4,943	7,217	6,525	5,957	6,577	4,881	5,774	3,644
Water:										
New connections	807	1,600	1,033	1,001	1,069	692	419	402	180	188
Water main breaks	376	603	213	65	94	404	90	291	595	264
Average daily consumption (MGD)	14.1	13.6	13.0	12.8	12.8	12.9	12.4	11.9	12.5	11.8
Peak daily consumption (MGD)	15.8	14.6	13.9	13.5	13.8	16.8	16.3	12.6	15.2	13.7
Sewer:										
Average daily treatment (MGD)	8.3	8.4	8.1	12.2	12.3	11.3	11.3	13.0	11.1	11.2
Utilities system:										
Number of customers	32,926	32,607	31,292	30,002	29,107	28,818	27,643	27,157	26,825	24,584

Source: Various City of Daytona Beach Departments.

*Due to COVID the Inspection Program was temporarily suspended for a majority of FY 20. For FY 21 Inspection Operations by both engine companies and Fire Inspectors were impacted by the on-going effects of the COVID-19 pandemic.
**No Budget for Street Resurfacing allocated in FY 20.

Table 21

The City of Daytona Beach, Florida
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General government:										
Area (square miles)	68	68	68	68	68	68	68	68	68	68
Police:										
Stations	5	5	7	3	3	3	1	1	1	1
Patrol units (marked cars)	198	219	211	182	305	186	166	166	170	163
Fire:										
Fire stations	7	7	7	7	7	7	7	7	7	7
Solid waste:										
Collection trucks	25	25	24	24	17	19	18	18	12	12
Public works:										
Paved streets (miles)	251	249.2	242.2	242.2	305.0	305.5	305.0	305.0	302.9	302.9
Unpaved streets (miles)	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.2	0.2
Streetlights	6,268	6,200	6,200	6,200	8,373	8,373	8,373	8,367	8,324	8,324
Traffic signals	154	148	149	148	140	145	136	136	136	136
Parks and recreation:										
Area (acres)	858	858	858	858	858	858	858	858	858	858
Swimming pools	3	3	3	3	2	2	2	2	2	2
Tennis courts	7	7	10	16	38	38	38	38	36	36
Pickleball courts	4	4	-	-	-	-	-	-	-	-
Playgrounds	13	13	14	14	24	24	24	24	23	24
Recreation (community) centers	6	6	6	6	19	19	19	19	19	19
Shuffleboard/lawn bowling courts	0	0	0	0	4	4	4	4	5	5
Auditorium/Bandshell	1	1	1	1	4	4	4	4	4	4
Soccer/football fields	4	3	3	3	7	7	7	7	7	7
Baseball/softball diamonds	7	7	7	7	13	13	13	13	13	13
Basketball courts	17	17	21	21	26	26	26	26	26	26
18 hole golf courses	1	1	1	1	2	2	2	2	2	2
Marina boat slips	550	550	550	550	550	550	550	550	550	550
Boat ramps	8	8	8	8	18	18	18	18	18	18
Parks and picnic areas	32	32	32	32	38	38	38	38	38	38
Water:										
Water mains (miles)	528	523	518	510	504	496	498	587	700	700
Fire hydrants	3438	3382	3344	3309	3,232	2,666	2,529	3,018	2,897	2,884
Production capacity (MGD)	24	24	24	24	24	24	24	24	24	24
Sewer:										
Sanitary sewers (miles)	309	306	304	429	297	294	402	396	615	615
Storm sewers (miles)	136	133	129	130	127	125	124	113	203	203
Treatment capacity (MGD)	28	28	28	28	28	28	28	28	28	28

Source: Various City of Daytona Beach Departments.

Notes: The Utilities Department has spent the last year refining the GIS mapping of our utility lines. The totals in the table above reflect City maintained water, sewer and stormwater mains located within the public right-of-way and/or easements. These numbers do not include service lines and laterals to private property up to the City's water meter and clean-out; however, the City is responsible for maintenance of these lines. In previous years an approximation of the service lines and laterals were included in the total miles of pipeline which is why the 2018 totals have decreased.

The City of Daytona Beach, Florida
Other Post-Employment Benefits (OPEB)
Schedule of Statistical Information
Table 22 **September 30, 2025**

	Number of Participants Included
Current retirees:	
Under age 65	48
Over age 65	72
Total current retirees	120
Active employees:	
Active employees not yet fully eligible for benefits	836
Active employees fully eligible for benefits	86
Total active employees	922
Total number of participants	1042

Average age of active employees: 44.2

Age and service distribution for active employees:

	Years of Service								
Age	0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35+	Total Number of Active Employees
Under 25	48	1	-	-	-	-	-	-	49
25-29	68	27	-	-	-	-	-	-	95
30-34	59	39	9	-	-	-	-	-	107
35-39	47	29	19	13	1	-	-	-	109
40-44	36	20	16	24	8	-	-	-	104
45-49	42	21	9	18	18	3	-	-	111
50-54	41	24	7	12	18	6	2	-	110
55-59	42	20	8	16	10	6	6	1	109
60-64	29	17	9	7	11	6	4	1	84
65+	9	13	4	9	3	3	1	2	44
Total	421	211	81	99	69	24	13	4	922

Based on December 12, 2025 OPEB actuarial valuation report.



THIS PAGE IS INTENTIONALLY LEFT BLANK

COMPLIANCE SECTION

world famous

DAYTONA BEACH

The City of Daytona Beach, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended September 30, 2025

Federal Agency Pass-through Entity Federal Program	Assistance Listing No.	Grant Number/ Pass Through Entity Identifying Number	Expenditures	Transfers to Subrecipients
FEDERAL AWARDS:				
US Department of Housing and Urban Development				
Direct Programs:				
CDBG - Entitlement Grants Cluster				
Community Development Block Grants	14.218	B-15-MC-12-0004	$ 139	$ -
Community Development Block Grants	14.218	B-19-MC-12-0004	18,486	-
Community Development Block Grants	14.218	B-21-MC-12-0004	4,113	-
Community Development Block Grants	14.218	B-22-MC-12-0004	196,158	-
Community Development Block Grants	14.218	B-24-MC-12-0004	567,691	44,387
Total CDBG - Entitlement Grants Cluster			786,587	44,387
HOME Investment Partnerships Program	14.239	M-18-MC-12-0203	21,139	-
HOME Investment Partnerships Program	14.239	M-24-MC-12-0203	64,693	-
Total HOME Investment Partnerships Program			85,832	-
Total US Department of Housing and Urban Development			872,419	44,387
US Department of Justice				
Direct Programs:				
Edward Byrne Memorial Justice Assistance Grant Program:				
Justice Assistance Grant Program	16.738	15PBJA-22-GG-02299-JAGX	6,036	-
Justice Assistance Grant Program	16.738	15PBJA-24-GG-05130-JAGX	15,000	-
Total Edward Byrne Memorial Justice Assistance Grant Program			21,036	-
Equitable Sharing Program	16.922	n/a	44,210	-
Indirect Programs:				
Passed Through Florida Office of the Attorney General:				
Crime Victim Assistance Programs:				
Victims of Crime Act - Victims Assistance Program	16.575	VOCA-C-2024-City of Daytona Beach Police Dep-00168	66,715	-
Total US Department of Justice			131,961	-
US Department of Transportation				
Indirect Programs:				
Highway Planning and Construction				
Passed through Florida Department of Transportation:				
Highway Planning and Construction -Beville Road Trail	20.205	439037-1-58/68-01	7,239	-
Highway Planning and Construction - Safe Routes to Schools	20.205	443394-1-38-01	9,864	-
Total Highway Planning and Construction			17,103	-
Total US Department of Transportation			17,103	-

(Continued)

The City of Daytona Beach, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
(Continued)
For the Fiscal Year Ended September 30, 2025

Federal Agency Pass-through Entity Federal Program	Assistance Listing No.	Grant Number/ Pass Through Entity Identifying Number	Expenditures	Transfers to Subrecipients
US Department of Health and Human Services				
Indirect Programs:				
Pass through State of Florida Department of Children and Families				
Children's Justice Grants to States	93.643	Children's Justice Grants to States	12,732	-
Total US Department of Health and Human Services			12,732	-
US Department of Homeland Security - Federal Emergency Mangement Agency				
Direct Programs:				
Assistance to Firefighters Grant	97.044	EMW-2023-FG-04022	61,713	-
Indirect Programs:				
Passed through Florida Division of Emergency Management:				
Disaster Grants - Public Assistance (Hurricane Dorian)	97.036	19-PA-00-06-74-01-152	(7,242)	-
Disaster Grants - Public Assistance (Hurricane Ian)	97.036	PA-B3-06-74-01-312	4,139,925	-
Disaster Grants - Public Assistance (Hurricane Milton)	97.036	PA-DR-06-74-01-166	1,357,200	-
Total Disater Grants -Public Assistance			5,489,883	
Hazard Mitigation Grant	97.039	H1162	200,000	-
Total US Department of Homeland Security			5,751,596	-
US Environmental Protection Agency				
Indirect Programs:				
Clean Water State Revolving Funds				
Passed through Florida Department of Environmental Protection:				
Capitalization Grants for Clean Water State Revolving Funds:				
Influent Pump and Headworks	66.458	WW6409A0/4C-02D38022-0	13,840,253	-
Lift Station #34 Replacement	66.458	WW6409B0/4C-02D38023-0	2,398,313	-
Total Clean Water State Revolving Funds			16,238,566	-
Drinking Water State Revolving Funds				
Passed through Florida Department of Environmental Protection:				
Capitalization Grants for Drinking Water State Revolving Funds:				
Heineman Water Tank	66.468	DW640990/FS98452220-0	693,569	-
Lead Service Lines Replacement	66.468	LS6409C0/4L-02D68123-0	151,217	-
Total Drinking Water State Revolving Funds			844,786	-
Total US Environmental Protection Agency			17,083,352	-
Total Expenditures of Federal Awards			**$ 23,869,163**	**$ 44,387**

(Continued)

The City of Daytona Beach, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
For the Fiscal Year Ended September 30, 2025

State Agency Pass-through Entity State Project	CSFA No.	Grant Number/ Pass Through Entity Identifying Number	Expenditures	Transfers to Subrecipients
STATE FINANCIAL ASSISTANCE:				
Florida Housing Finance Corporation				
Direct Programs:				
State Housing Initiatives Partnership Program (SHIP)	40.901	FS 420.9073	$ 1,126,372	$ -
State Housing Initiatives Partnership Program (SHIP)	40.901	DR Disaster Fund	61,000	-
Total Florida Housing Finance Corporation			1,187,372	-
Florida Department of Law Enforcement				
Direct Programs:				
FDLE Drone Replament Program	71.092	3X071	349,999	-
State Financial Assistance for Fentanyl Eradication (S.A.F.E) in Florida - OneDaytona Icebreaker	71.122	OPB-23-TEMP	11,293	-
State Financial Assistance for Fentanyl Eradication (S.A.F.E) in Florida - The Landing	71.122	OPB-23c-TEMP	5,000	-
State Financial Assistance for Fentanyl Eradication (S.A.F.E) in Florida - Icebreaker 2	71.122	OPB-23b-TEMP	15,212	-
Total State Financial Assistance for Fentanyl Eradication (S.A.F.E) in Florida			31,505	
Total Florida Department of Law Enforcement			381,504	-
State of Florida - Department of State Division of Historical Reources				
Historic Preservation Grant - Black Heritage Trail Interpretivie Signage	45.031	25.h.sm.300.072	26,410	-
Total State of Florida - Department of State Division of Historical Reources			26,410	-
Florida Department of Environmental Protection				
Direct Program				
Division of Water Restoration Assistance- Hurricane Stormwater and Wastewater Assistance:				
Butts Pond Stormwater Pump Station Improvements	37.114	HA022	6,752	-
Lift Station No. 7 Repairs and Upgrades	37.114	HA023	66,635	-
Lift Station No. 8 Repairs and Upgrades	37.114	HA024	40,884	-
Lift Station No. 67 Repairs and Upgrades	37.114	HA026	103,150	-
Lift Station No. 68 Repairs and Upgrades	37.114	HA027	103,150	-
Lift Station No. 113 Generator Replacement	37.114	HA014	46,165	-
Total Division of Water Restoration Assistance- Hurricane Stormwater and Wastewater Assistance			366,736	-
Resilient Florida Program				
City of Daytona Beach Fire Station Relocation and Hardening	37.098	25SRP29	6,713,290	-
Total Florida Department of Environmental Protection			7,080,026	-
Total Expenditures of State Financial Assistance			**$ 8,675,312**	**$ -**

The City of Daytona Beach, Florida
Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance
September 30, 2025

BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and state financial assistance (the "Schedule") includes the federal award activity and state award activity of the City of Daytona Beach, Florida, under programs of the federal government and state government for the year ended September 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Section 215.97, Florida Statutes. Because the Schedule presents only a selected portion of the operations of the City of Daytona Beach, Florida, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Daytona Beach, Florida.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

B. SUBRECIPIENTS

The City of Daytona Beach, Florida provided federal awards to subrecipients in the amount of $44,387 for the fiscal year ended September 30, 2025.

C. INDIRECT COST RATE

The City of Daytona Beach, Florida has elected not to use the de minimis indirect cost rate allowed under the Uniform Guidance.

D. NONCASH AWARDS

The City of Daytona Beach, Florida received no noncash awards in the fiscal year ended September 30, 2025.

CARR, RIGGS & INGRAM, L.L.C.

Carr, Riggs & Ingram, L.L.C.
7506 Lynx Way
Suite 201
Melbourne, FL 32940

321.255.0088
386.336.4189 (fax)
CRIadv.com

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

Honorable Mayor and Members of the City Commission
City of Daytona Beach, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Daytona Beach, Florida, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City of Daytona Beach, Florida's basic financial statements, and have issued our report thereon dated May 21, 2026. Our report includes a reference to other auditors who audited the financial statements of the Police and Fire Pension Trust Fund and of First Step Shelter, Inc. (discretely presented component units), as described in our report on the City of Daytona Beach, Florida's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Daytona Beach, Florida'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 our opinions on the effectiveness of the City of Daytona Beach, Florida's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Daytona Beach, Florida's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Daytona Beach, Florida's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida
May 21, 2026

CARR, RIGGS & INGRAM, L.L.C.

Carr, Riggs & Ingram, L.L.C.
7506 Lynx Way
Suite 201
Melbourne, FL 32940

321.255.0088
386.336.4189 (fax)
CRIadv.com

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT; REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE; CHAPTER 10.550, RULES OF THE FLORIDA AUDITOR GENERAL

Honorable Mayor and Members of the City Commission
City of Daytona Beach, Florida

Report on Compliance for Each Major Federal Programs

Opinion on Each Major Federal Program and state project

We have audited the City of Daytona Beach, Florida's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and *Florida Compliance Supplement* that could have a direct and material effect on each of the City of Daytona Beach, Florida's major federal programs and state projects for the year ended September 30, 2025. The City of Daytona Beach, Florida's major federal programs and 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 of Daytona Beach, Florida 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 federal programs and state projects for the year ended September 30, 2025.

Basis for Opinion on Each Major Federal Program and 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, *Rules of the Florida Auditor General*. Our responsibilities under those standards and the Uniform Guidance and Chapter 10.550, *Rules of the Florida 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 of Daytona Beach, Florida and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of the City of Daytona Beach, Florida's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirement referred to above and for the design, implementation, and maintenance of effective internal control or grant agreements applicable to the City of Daytona Beach, Florida's federal programs and state projects.

Auditor's Responsibility for the Audit Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Daytona Beach, Florida's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance and Chapter 10.550, *Rules of the Florida Auditor General*, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Daytona Beach, Florida's compliance with the requirements of each major federal program and state project as a whole.

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

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

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Daytona Beach, Florida'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 of Daytona Beach, Florida's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Florida Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of the City of Daytona Beach, Florida's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a

federal program or 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 noncompliance with a type of compliance requirement of a federal program and state project will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-001 to be a material weakness.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-002 to be a significant deficiency.

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

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

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

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida
May 21, 2026

Section I–Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None noted
Noncompliance material to the financial statements noted?	No

Federal Awards and State Projects

Internal control over major federal programs and state projects:	
• Material weakness(es) identified?	Yes
• Significant deficiency(ies) identified?	Yes
Type of auditor's report issued on compliance for major federal programs and state projects:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Part 200.516(a) of OMB Compliance Supplement and/or Chapter 10.557, Rules of the Auditor General?	Yes

Identification of major federal programs:

Federal ALN	Federal Program or Cluster
66.458	Clean Water State Revolving Funds Cluster
97.036	Disaster Grants – Public Assistance

State CSFA Number	State Program
37.098	Resilient Florida Program
40.901	State Housing Initiatives Partnership Program

Dollar threshold used to distinguish between type A and B programs and projects were $1,000,000 for each major federal program and $750,000 for each major state project.

Auditee qualified as low-risk auditee under 2 CFR 200.520?	No

Section II–Financial Statement Findings

No matters were reported.

Section III–Federal Award Findings and Questioned Costs

2025-001 GRANT REPORTING

U.S. Department of Homeland Security
ALN 97.036 – Disaster Grants – Public Assistance
Contract No. PA-B3-06-74-01-312 and PA-DR-06-74-01-166
Passed through the Florida Division of Emergency Management
2025 Funding

Criteria: 2 CFR 200.303 requires non-federal entities to establish and maintain effective internal controls. Reports and reimbursement requests should be subject to independent review for the full fiscal year to verify completeness, validity and timeliness of submission. The grant agreement requires quarterly progress reports to be filed with the pass-through entity, Florida Division of Emergency Management.

Condition: Review of quarterly reports and reimbursement requests were not documented by the City before submittal.

Cause of condition: The department at the City that is responsible for managing the grant does not have a process in place to document their review of quarterly reports and reimbursement requests submitted to the Florida Division of Emergency Management.

Potential effect of condition: Reports submitted to the Florida Division of Emergency Management may be incomplete, include errors, or be submitted late.

Perspective: The department of the City that manages the grant did not have a documented process in place for the review and approval of quarterly reports and reimbursement requests prior to submittal to the grantor.

Questioned costs: None noted. Reported finding is a deficiency in internal control.

Recommendation: The City should develop procedures to ensure documented management review of all reporting prior to submission to grantors.

Management's Response: The City updated its control process to ensure that reports prepared are reviewed by City staff or management prior to being submitted to grantor.

Section IV–State Project Findings and Questioned Costs

2025-002 Eligibility

Florida Housing Finance Corporation
CSFA 40.901 – State Housing Initiatives Partnership Program
Contract No. FS 420.9073 (2023 Funding)

Criteria: Chapter 10.550 of the Rules of the Florida Auditor General requires entities to establish and maintain effective internal controls. Applications for the City's programs should include documented reviews to verify completeness, validity and accuracy of individual's eligibility to the City's programs.

Condition: The City approved applications for individuals which did not meet the requirements of the program outlined by the City's eligibility requirements.

Cause of condition: The City reviewed the applications for eligibility but did not properly ensure the applicant meets all eligibility requirements outlined in the agreement with the individual applicant and by the City's individual program details.

Potential effect of condition: Approved applicants which do not meet the requirements of the City's program may lead to questioned costs.

Perspective: The City had independent review of the applications; however, the City did not ensure the applicant met all eligibility requirements as outlined in the assistance program prior to approving to the applicant for assistance. No questioned costs were identified as the applicant met the requirements under the Local Housing Assistance Plan but did not meet the additional eligibility requirements outlined in the individual assistance program. Two (2) deviations were identified within the sample of fourteen (14), whereas the sample was not statistically valid.

Questioned costs: None noted. Reported finding is a deficiency in internal control.

Recommendation: The City should review the applications for the individual assistance programs by the City and ensure the applicant is eligible for all criteria as outlined by the City's assistance program.

Management's Response: Management acknowledged the oversight and has implemented remedial measures to address the audit finding and mitigate the risk of recurrence. Program requirements and corresponding documentation have been updated to reflect the changes.

Section V- Prior Findings and Questioned Costs for Federal Awards

2024-001 Grant Reporting	Status: Cleared
2024-002 Grant Reporting	Status: Cleared
2024-003 Sale of Surplus Materials	Status: Cleared
2024-004 Compensated Absences	Status: Cleared
2024-005 Leases	Status: Cleared



THIS PAGE IS INTENTIONALLY LEFT BLANK

CARR, RIGGS & INGRAM, L.L.C.

Carr, Riggs & Ingram, L.L.C.
7506 Lynx Way
Suite 201
Melbourne, FL 32940

321.255.0088
386.336.4189 (fax)
CRIadv.com

Independent Auditor's Management Letter

Honorable Mayor and Members of the City Commission
The City of Daytona Beach, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Daytona Beach, Florida (the "City") as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated May 21, 2026.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards;* Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an Examination Conducted in Accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Florida Auditor General*. Disclosures in those reports and schedule, which are dated May 21, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. The status of corrective actions to address the findings and recommendations made in the preceding financial audit are as follows:

Finding No.	Description	Status	2025 No.	2024 No.	2023 No.
2024-001	Grant Reporting	Cleared	N/A		
2024-002	Grant Reporting	Cleared	N/A		
2024-003	Recognition of Sale of Surplus Materials	Cleared	N/A		
2024-004	Compensated Absences	Cleared	N/A		
2024-005	Leases	Cleared	N/A		
2024-006	Unexpended Balance – Building Permits	Repeated	2025-003	2024-006	2023-005
2024-007	Accrued Revenue from Maintenance Agreement	Cleared	N/A		
2024-008	Recognition of Unavailable Revenue	Cleared	N/A		

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. The legal authority of the City of Daytona Beach, Florida and its component unit are disclosed in the footnotes.

Financial Condition and Management

Section 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 of Daytona Beach, Florida 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 of Daytona Beach, Florida 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 of Daytona Beach, Florida. It is management's responsibility to monitor the City of Daytona Beach, Florida'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 had the following recommendations:

2025-003 UNEXPENDED BALANCE – BUILDING PERMITS (Improvement Point)

Criteria: Section 553.80(7)(a) of Florida Statutes has been updated to limit the amount of unexpended building permit funds carried forward to future fiscal years to no more than the City's average operating budget for enforcing the Florida Building Code for the previous four (4) fiscal years. A local government must use any funds in excess of this limitation to rebate or reduce fees.

Condition: The City's unexpended building permit funds at September 30, 2025 exceeded the City's average operating budget for enforcing the Florida Building Code for the previous four (4) fiscal years by $5,068,843.

Cause of condition: Prior to July 1, 2019, there was no provision in the Florida Statutes limiting the amount of carryforward of unexpended building permit funds. In prior fiscal years, the annual revenue derived from building permit fees exceeded anticipated amounts.

Potential effect of condition: The City has excess unexpended balances at September 30, 2025.

Recommendation: We recommend the City complete the action items presented to the Joint Legislative Audit Committee and recommendations presented to the City by the State Auditor, implementing and developing a fair methodology to calculate rebates to reduce the unexpended building code balances in order to comply with Section 553.80(7) of the Florida Statutes.

Management's Response: Management acknowledges the comment. The City continues to monitor projects through consultation with City Commission and the City's legal counsel to bring the City's unexpended balance into compliance with Florida Statutes.

Special District Component Unit

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.

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, the City did not operate a PACE program pursuant to Section 163.081 or Section 163.082, Florida Statutes, within the City's geographical boundaries during the fiscal year under audit.

Specific Information (UNAUDITED)

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, *Rules of the Auditor General*, the Downtown Development Authority reported the schedule below. This information has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, *Rules of the Auditor General*, the Downtown Development Authority reported:

a. The total number of District employees compensated in the last pay period of the District's fiscal year as **None**

b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year as **None**

c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency **$0**

d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency **$0**

e. Each construction project with a total cost of at least $65,000 approved by the District that is scheduled to begin after October 1 of the fiscal year being reported, together with the total expenditures for such projects. **None**

f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes:

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
OPERATING REVENUES:				
Taxes	$ 237,024	$ 237,024	$ 240,291	$ 3,267
Operating grants and contributions	147,291	147,291	130,541	(16,750)
Income on investments	-	-	5,241	5,241
Miscellaneous	-	-	-	-
Appropriation	7,484	7,484	-	(7,484)
Total operating revenues	391,799	391,799	376,073	(15,726)
OPERATING EXPENSES:				
Current operating:				
Downtown development	391,799	391,799	380,650	11,149
Total operating expenses	391,799	391,799	380,650	11,149
Change in net position	-	-	(4,577)	(4,577)
NET POSITION:				
Beginning	68,512	68,512	68,512	-
Ending	$ 68,512	$ 68,512	$ 63,935	$ (4,577)

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)8, *Rules of the Auditor General*, the Downtown Development Authority reported:

a. The millage rate or rates imposed by the District. **1.0 mils**

b. The total amount of ad valorem taxes collected by or on behalf of the District. **$240,291**

c. The total amount of outstanding bonds issued by the District and the terms of such bonds as: **None**

a. The rate or rates of non-ad valorem special assessments imposed by the District as **None**

b. The total amount of special assessments collected by or on behalf of the District as **None**

c. The total amount of outstanding bonds issued by the District and the terms of such bonds as: **None**

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, fraud, waste, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we have not noted any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal

and other granting agencies, the members of the City Commission and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida
May 21, 2026



THIS PAGE IS INTENTIONALLY LEFT BLANK

CARR, RIGGS & INGRAM, L.L.C.

Carr, Riggs & Ingram, L.L.C.
7506 Lynx Way
Suite 201
Melbourne, FL 32940

321.255.0088
386.336.4189 (fax)
CRIadv.com

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES

Honorable Mayor and City Commissioners
City of Daytona Beach, Florida

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

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City of Daytona Beach, Florida complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City of Daytona Beach, Florida complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including as assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence 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 examination engagement.

Our examination does not provide a legal determination on the City of Daytona Beach, Florida's compliance with the specified requirements.

In our opinion, the City of Daytona Beach, Florida complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2025.

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

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida
May 21, 2026

CORRECTIVE ACTION PLAN

world famous

DAYTONA BEACH



THIS PAGE IS INTENTIONALLY LEFT BLANK

OFFICE OF THE CITY MANAGER
City of Daytona Beach
301 S. Ridgewood Avenue
Daytona Beach, FL 32114
(386) 671-8010

CORRECTIVE ACTION PLAN

May 21, 2026

The City of Daytona Beach, Florida respectfully submits the following corrective action plan for the year ended September 30, 2025.

Name and address of independent public accounting firm:
Carr, Riggs & Ingram, L.L.C.
7506 Lynx Way, Suite 201
Melbourne, Florida 32940

Audit Period: Fiscal Year October 1, 2024 – September 30, 2025

The finding from the Schedule of Findings and Questioned Costs is discussed below. The finding number corresponds to the number assigned in the schedule.

Section III–Federal Award Findings and Questioned Costs

2025-001 GRANT REPORTING

U.S. Department of Homeland Security
ALN 97.036 – Disaster Grants – Public Assistance
Contract No. PA-B3-06-74-01-312 and PA-DR-06-74-01-166
Passed through the Florida Division of Emergency Management
2025 Funding

Criteria: 2 CFR 200.303 requires non-federal entities to establish and maintain effective internal controls. Reports and reimbursement requests should be subject to independent review for the full fiscal year to verify completeness, validity and timeliness of submission. The grant agreement requires quarterly progress reports to be filed with the pass-through entity, Florida Division of Emergency Management.

Condition: Review of quarterly reports and reimbursement requests were not documented by the City before submittal.

Cause of condition: The department at the City that is responsible for managing the grant does not have a process in place to document their review of quarterly reports and reimbursement requests submitted to the Florida Division of Emergency Management.

Potential effect of condition: Reports submitted to the Florida Division of Emergency Management may be incomplete, include errors, or be submitted late.

Perspective: The department of the City that manages the grant did not have a documented process in place for the review and approval of quarterly reports and reimbursement requests prior to submittal to the grantor.

Questioned costs: None noted. Reported finding is a deficiency in internal control.

Recommendation: The City should develop procedures to ensure documented management review of all reporting prior to submission to grantors.

Management's Response: *The City updated its control process to ensure that reports prepared are reviewed by City staff or management prior to being submitted to grantor.*

Responsible Parties: David Waller, Public Works Director, Natalia Eckroth, CFO and Christine Aiken, Assistant Finance Director.

Anticipated Completion: March 31, 2026.

Section IV–State Project Findings and Questioned Costs

2025-002 Eligibility

Florida Housing Finance Corporation
CSFA 40.901 – State Housing Initiatives Partnership Program
Contract No. FS 420.9073 (2023 Funding)

Criteria: Chapter 10.550 of the Rules of the Florida Auditor General requires entities to establish and maintain effective internal controls. Applications for the City's programs should include documented reviews to verify completeness, validity and accuracy of individual's eligibility to the City's programs.

Condition: The City approved applications for individuals which did not meet the requirements of the program outlined by the City's eligibility requirements.

Cause of condition: The City reviewed the applications for eligibility but did not properly ensure the applicant meets all eligibility requirements outlined in the agreement with the individual applicant and by the City's individual program details.

Potential effect of condition: Approved applicants which do not meet the requirements of the City's program may lead to questioned costs.

Perspective: The City had independent review of the applications; however, the City did not ensure the applicant met all eligibility requirements as outlined in the assistance program prior to approving to the applicant for assistance. No questioned costs were identified as the applicant met the

requirements under the Local Housing Assistance Plan but did not meet the additional eligibility requirements outlined in the individual assistance program. Two (2) deviations were identified within the sample of fourteen (14), whereas the sample was not statistically valid.

Questioned costs: None noted. Reported finding is a deficiency in internal control.

Recommendation: The City should review the applications for the individual assistance programs by the City and ensure the applicant is eligible for all criteria as outlined by the City's assistance program.

Management's Response: Management acknowledged the oversight and has implemented remedial measures to address the audit finding and mitigate the risk of recurrence. Program requirements and corresponding documentation have been updated to reflect the changes.

Responsible Parties: Ken Thomas, Redevelopment Director, LaShondra Robinson, Community Development & Housing Administrator, Natalia Eckroth, CFO and Christine Aiken, Assistant Finance Director.

Anticipated Completion Date: May 12, 2026.

ANNUAL COMPREHENSIVE
(FINANCIAL REPORT)

FISCAL YEAR ENDED SEPTEMBER 30, 2025

world famous
DAYTONA
BEACH