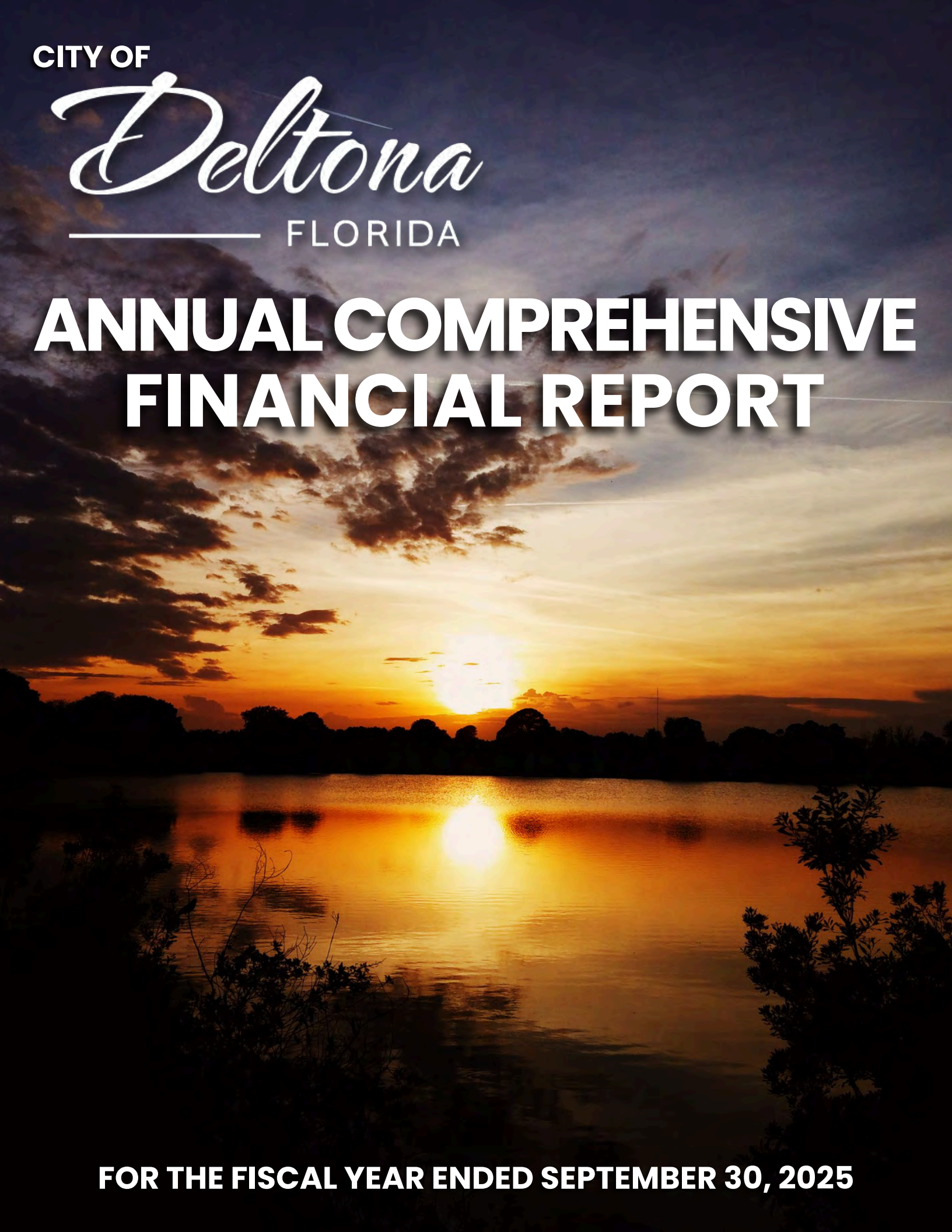

CITY OF
Deltona
FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Photo Provided by:  Jason Bogacz, City Clerk's Office

# *City of Deltona, Florida*

*Deltona: A City on the Move*

# Annual Comprehensive Financial Report

For the year ended
September 30, 2025

Prepared By:
Finance Department

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**ANNUAL COMPREHENSIVE FINANCIAL REPORT**
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

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City of Deltona

April 30, 2026

To the Honorable Mayor and
Members of the City Commission and
Citizens of the City of Deltona,
Florida

Ladies and Gentlemen:

State law and local Charter require that every general-purpose local government publish a set of audited financial statements annually. This report is published to fulfill that requirement for the year ended September 30, 2025. The Annual Comprehensive Financial Report of the City of Deltona, for the Fiscal Year ended September 30, 2025, is hereby submitted pursuant to the City Charter, Florida Statutes, and Chapter 10.550, Rules of the Auditor General of the State of Florida.

Management assumes full responsibility for the reliability and completeness of the information contained in this report. This responsibility is based on a comprehensive framework of internal controls established for this purpose. The cost of internal control should not exceed the anticipated benefits; therefore, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatements.

To the best of our knowledge and belief, the enclosed information is accurate in all material respects and reported in a manner designed to present fairly the financial position and results of operations of the City of Deltona, Florida (the "City").

Purvis, Gray, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Deltona's financial statements for the year ended September 30, 2025. The independent auditors' report is located at the front of the Financial Section of this report.

Management's Discussion and Analysis (MD&A) immediately follow the Independent Auditor's Report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

### *City History*

The City of Deltona, Florida is in the southwest corner of Volusia County, in the eastern central part of the Florida Peninsula. The City is situated along the Interstate 4 corridor approximately 25 miles northeast of Orlando and approximately 25 miles southwest of Daytona Beach. As of 2025, the City occupies 46 square miles. The City started as a planned community by the Deltona Corporation in 1962 and was incorporated on December 31, 1995. The unhurried lifestyle, combined with its location, has made the City an ideal choice for living the affordable Florida lifestyle. In general, the population of the City is becoming younger and more diversified in ethnicity.

The first inhabitants of southwest Volusia County were Nomadic Timucuans who found fish and fresh water plentiful in the area. After Florida became a state in 1845, steamboats began to make regular trips up the St. Johns River to Lake Monroe.

Visitors and residents poured into Florida and a community grew up on the shores of Lake Monroe at the steamboat landing. Named Enterprise, the little town soon boasted a schoolhouse, built in 1863, and two churches.

About the same time, Baron Frederick DeBary, a New York agent for Mumm's Champagne, arrived in the area. Baron DeBary bought several hundred acres near Enterprise to use as a hunting and fishing preserve. In 1871 Baron DeBary built a winter home where he entertained such notables as Presidents Grant and Cleveland, as well as members of Europe's royalty. Baron DeBary died in 1898 at the age of 83.

Southwest Volusia remained quiet from the turn of the century until 1962 when the Mackle Brothers – Elliott, Robert and Frank, Jr. - bought 17,203 acres, filed a planned unit development plan for a community of 35,143 lots and named the area Deltona. The community was based on the idea of a retirement community for Northern workers. Construction started almost immediately and the first Deltonans took up residence in April of 1963. By the end of 1963, Deltona had a population of 180 people comprised of 78 families. The initial concept of a retirement community quickly morphed into a bedroom community, housing the workforce of the Metro Orlando Area.



In 1970, the U.S. Census recorded 4,868 inhabitants. By 1980 Deltona's population was 15,710. The growth of the community continued at the amazing rate of about 130 new families per month to reach more than 52,000 people in 1991, culminating in a population of 93,677 as of the U.S. Census in 2020.

After two failed attempts, one in 1987 and one in 1990, the residents of the unincorporated Deltona community voted to incorporate as the City of Deltona in 1995. A seven-member Commission was elected, and the Deltona Fire District was dissolved, replaced by fire protection services provided by the new City.

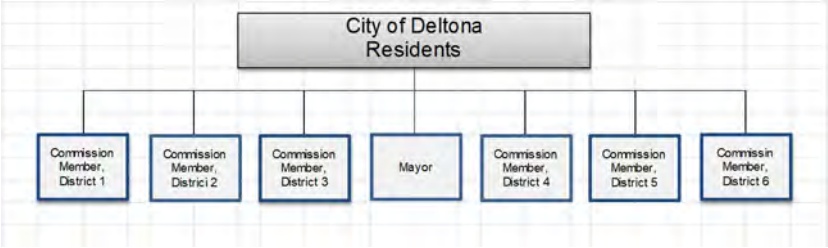
On November 7, 2003, the City realized its long-term goal of owning its own utility. The City purchased the Deltona water and wastewater system from Florida Water Services, acquiring all its assets and adding many new employees to operate the new utility.

### *Profile of the Government*

The City of Deltona operates under a Commission-Manager form of government consisting of a seven-member Commission. Residents elect, through non-partisan elections, a Mayor who represents the City at large, and six Commissioners who each represent a specific district of the City.

Each member of the City Commission, including the Mayor, serves a four (4)-year term. Neither the Mayor nor any other Commission member may serve more than two consecutive four (4)-year terms in the same position.

The City Charter, as well as State and local laws and regulations, set forth the rights and obligations of the City and its government. The Commission is responsible for the establishment and adoption of City policy and appointing a City Manager and City Attorney. The City Manager serves as the Chief Executive Officer of the City, responsible for the execution of City policies and oversight of the City's day-to-day operations.




The City now employs approximately 389 people who provide a full range of services including fire/rescue protection, solid waste management, stormwater management, water and sewer service, construction and maintenance of road and street facilities, planning and development services, recreational and cultural activities, and general administrative services. The City contracts with the Volusia County Sheriff's Department via an interlocal agreement for law enforcement services in the City.

The financial statements in this report include the funds of all the activities under the jurisdiction of the City Commission. The financial reporting entity includes all the funds of the primary government (i.e., the City of Deltona, Florida as legally defined). Component units are legally separate entities for which a city is financially accountable. Currently, no entities outside the primary government meet the definition of a component unit of the City and so none are presented in this report.

The annual budget is the foundation for the City's planning and control of its finances. All City departments must submit annual budget requests to the City Manager. These requests are the starting point for developing the proposed budget. The City Manager presents the proposed budget to the City Commission for review in July through September of each year. The City Commission is required by law to hold public hearings on the proposed budget and to adopt a final budget no later than September 30th of each year, the close of the City's fiscal year. The adopted budget is presented by funds and department. The level of budgetary control (i.e., the level at which expenditure cannot legally exceed the appropriated amount) is at the fund level, except for major capital projects budgeted in the Capital Projects funds, which are controlled at the project level. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriate annual budget has been adopted.

### *Local Economy and Economic Development*

The City's population is estimated at 98,792 for 2025 per the Bureau of Economic and Business Research, an increase of about 0.49% over the prior year. Deltona's population has increased every year since 2011; as the number of residents grows, so does commercial interest.

### *Building Activity*

Deltona continues to grow and prosper. In Fiscal year 2024, the City permitted construction projects valued at over $245 million (7,626 building permits) and $153.9 million in Fiscal Year 2025 (6,810 building permits)

### *Streets and Roads*

Deltona's increased population growth has necessitated many road and traffic projects, such as:

- Annual repaving and maintenance of City roads and sidewalks.
- Beautification of green spaces in City medians and interchanges.
- Intersection improvements citywide.
- The City is collaborating with consultants to advance the existing ADA transition plan, identify deficiencies, and provide recommendations.

### *Parks and Recreation*

Deltona takes great pride in its outstanding recreational facilities available to residents. The 2024/2025 fiscal year included the following improvements:

- Replaced two original restrooms at the Dewey Boster Sports Complex.
- Replaced and upgraded 23-year-old wooden pavilion with steel frame/metal roof and 20-year-old wooden fence with aluminum picket fence at Tom Hoffman Park.
- Replaced and upgraded 25-year-old wooden fence with aluminum picket fence at Vann Park.

These improvements were funded primarily through the City's capital planning process.

### *Public Safety*

Efforts to enhance the quality of services to residents, while improving safety and operational efficiency for first responders included the following initiatives:

- Ongoing Assessment of Response Capabilities: The department continues to evaluate and strengthen its response capabilities, with particular focus on improving the municipal patient transport program with Emergency Medical Services (EMS) and identifying strategies to reduce emergency response times across both Fire and EMS divisions.
- Cancer Risk Reduction and Workplace Safety: The department remains committed to minimizing exposure to carcinogens and ensuring safe working conditions. This is achieved through comprehensive training, the use of appropriate personal protective equipment (PPE), clearly established policies and procedures, and continuous investment in safe and reliable apparatus and equipment.
- Comprehensive Training Across All Disciplines: Training remains a top priority in all mission areas, including EMS, Fire Suppression, Water Rescue, Special Operations, and other specialized response functions to ensure personnel maintain the highest level of readiness.
- Focus on Mental Health and Wellness: Recognizing the importance of mental health, the department continues to pursue additional training opportunities and expand access to resources that support the emotional and psychological well-being of our employees.

- Fleet Modernization and Specialty Units: The department has planned and ordered replacement specialty vehicles, including a Special Operations truck, support trailer, and marine unit. Additionally, the entire brush attach fleet has been ordered, which will include a multi-task high-water rescue unit. The two new brush vehicles are anticipated to be delivered and placed in service by mid-2026.

### *Utility System*

Deltona Water, the City's water and wastewater utility, operates as an entity separate from general City activities. Its principal revenues come from user charges for water and wastewater services. The following projects are in various stages of progress:

- Continuing upgrade of the Utility's Supervisory Control and Data Acquisition (SCADA) system.
- Ongoing enhancement of the antiquated water and sewer pipelines that affect public health and cause service interruptions, as well as having an impact on fire protection.
- The Upper Floridan Aquifer Recharge Well represents a project focused on providing the necessary reclaimed effluent disposal as required by the Florida Department of Environmental Protection (FDEP) and the St. Johns Water Management District (SJWMD). this initiative is intended to meet the demands for wet weather effluent disposal while also enabling an Alternative Water Supply to alleviate the conditions outlined in the Consumptive Use Permit.
- A project is almost complete for "smart" water meter replacement to enhance accuracy and give early warning of excess usage; and
- Increased the amount of infrastructure replaced through renewal and replacement.

The greatest challenge facing the utility, by far, is developing a water supply and source strategy in connection with a capital plan that will enable the City to meet upcoming regulatory requirements. This process is ongoing.

### *The Center at Deltona*

The Center, open to the public since December 2017, serves Deltona's seniors and hosts special events. Throughout the 2024/2025 fiscal year The Center

- Continued executing the signature events of Community Job Fairs, Daddy-Daughter Dances, Movie Nights, etc.
- Completed improvements to The Center at Deltona website to draw more attention to the facility and provide more ongoing information to the community.
- Developed and improved the marketing calendar and schedule to facilitate better planning and availability of the Center.
- The Council on Aging's daytime senior activities program includes providing meals and activities to seniors.

### *Financial Outlook and Challenges*

The City's conservative approach to budgeting and spending has resulted in a healthy fund balance. The Commission has also set aside reserves designed to keep the City prepared for both emergencies and grant funding opportunities. As of September 30, 2025, these were:

- Natural Disaster Reserve - $10.5 million
- Operating Reserve - $11.1 million

- Economic Development - $525,600
- Grant Match - $378,500
- Capital / Vehicle Outlay - $17.3 million
- Economic Emergency - $12 million

Fitch Ratings upgraded the 2021 Utility Refunding Bond rating at AA-, and S&P raised its rating to AA-.

Although Deltona enjoys brisk population growth, promising commercial interest, and increasing property values, it is a challenge to maintain quality service delivery to more people, especially with lean staffing, tight budgets, and limited revenue diversity. Property taxes, with statutory caps on both millage and underlying property values, remain the City's largest revenue source.

The City's utility, Deltona Water, faces even greater challenges as it prepares for a changing regulatory landscape while implementing new technology to improve its services.

The City continually seeks opportunities to diversify revenue and enhance financial stability. Examples include:

- The Community development Block Grant (CDBG) offered through the U.S. Department of Housing and Urban Development (HUD).
- The State Housing Initiatives Partnership (SHIP) through the State of Florida that funds home repair, down payment assistance and homeless prevention through rent and utility payment assistance; and low-interest State Revolving Fund (SRF) loans through the Florida Department of Environmental Protection to finance water projects.
- Obtain funding through the FEMA Hazard Mitigation Grant Program (HMGP) to support the financing of two significant projects: the elevation of Catalina Boulevard and Elkcam Boulevard roads.
- Pursue the SAFER grant to ensure sufficient protection against fire related hazards.
- Regular evaluation of existing charges for services (e.g., building permits and inspections, park facilities) for adequacy.
- Continued monitoring and enforcement of franchise fees for commercial solid waste haulers.

### *Awards and acknowledgements*

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial reporting to the City of Deltona, Florida, in recognition of its Annual Comprehensive Financial Report for the fiscal year ending September 30, 2024. The City has been honored with this prestigious award annually since FY 1999/2000.

To be awarded a Certificate of Achievement, a governmental entity is required to produce an Annual Comprehensive Financial Report that is both clearly presented and well-structured, meeting the standards of generally accepted accounting principles as well as relevant legal obligations. Each Certificate remains valid for a duration of one year.

The staff is confident that this year's Annual Comprehensive Financial Report has been prepared in accordance with the requirements of the Certificate of Achievement Program and plans to submit it to the GFOA for consideration for another Certificate.

Letter of Transmittal

The City has received the GFOA's Distinguished Budget Presentation Award for its Annual Budget for the fiscal year ending September 30, 2025. To qualify for the Distinguished Budget Presentation Award, a budget document must be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

Preparation of this report would not have been possible without the dedicated services of the entire staff of the Finance Department. We wish to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. The Mayor and Commission should also be commended for their unfailing support for the highest standards of professionalism in the management of the City of Deltona's finances.

Respectfully submitted,



Dale “Doc” Dougherty
City Manager



Jonathan C. McKinney
Finance Director

Government Finance Officers Association

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

**City of Deltona**
**Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morrill

Executive Director/CEO

## ORGANIZATIONAL CHART
**As of September 30, 2025**

***Citizens of Deltona***

Various Appointed Boards & Committees

**Elected Officials**
Santiago Avila Jr., Mayor
Davison Heriot, District 1, Vice Mayor
Maritza Avila-Vazquez, District 3
Stephen Colwell, District 5
Emma Santiago, District 2
Dori Howington, District 4
Christopher Nabicht, District 6

**City Attorney**
Contract Services
TG Law LLC.
Gemma Torcivia
Zackery Good

**City Clerk**
Joyce Reftery, CMC, City Clerk

**City Manager**
Dale "Doc" Dougherty

**Deputy City Manager**
Robin R. Hayes

**Fire**
William "Bush" Swisher,
Interim Fire Chief
- *Operations/Combat*
- *Emergency Management Administration*
- *Fire Emergency Operation*

**Law Enforcement**
Captain Eric Power,
District Commander
*Contracted Service with Volusia Sheriff's Office*

**Public Works**
Glenn Whitcomb, Director
- *Engineering*
- *Field Operations*
- *Fleet Maintenance*
- *Stormwater*
- *Solid Waste Management*
- *Traffic Operations*
- *W/WW Operations*
- *Facility Maintenance*
- *Transportation*

**Parks and Recreation**
Mark Manning, Director
- *Parks Maintenance*
- *LEC/Amphitheatre Scheduling*
- *Community Special Events*
- *Recreation Programs*
- *Youth Sports/Summer Camp Programs*

**The Center at Deltona**
Christopher Hallett,
Facility Administrator



**Information Technology**
Robert Cordero, Director

**Finance**
Jonathan McKinney, Director
- *Accounting/Payroll*
- *Budget & Operational Services*
- *Fiscal Services*
- *Purchasing*
- *Utility Customer Service/Billing*

**Human Resources**
Pamela Wu, Director
- *Human Resources*
- *Risk Management*
- *Workers Compensation*

**Planning and Development**
Jordan Smith, Director
- *Economic Development*
- *Short Range Planning*
- *Long Range Planning*
- *Community Development*
- *SHIP/CDBG*

**Building and Inspections**
Chad Tate, Building Official
- *Inspections Services*
- *Construction Services*

**Code Compliance**
Danny Ron, Code Compliance Manager
- *Code Compliance Services*
- *Animal Control services*

**Elected Officials**
**As of September 30, 2025**



Santiago Avila, Jr.
Mayor



Davison Heriot
Vice Mayor
District 1



Emma Santiago
District 2



Maritza Avila-Vazquez
District 3



Dori Howington
District 4



Stephen Colwell
District 5



Chris Nabicht
District 6

## OTHER OFFICIALS

**As of Issuance Date**

City Manager ----------Dale "Doc" Dougherty

Deputy City Manager----------Robin R. Hayes

Public Works Director----------Glenn Whitcomb

City Attorney ----------Gemma Torcivia

Information Technology Director----------Robert Cordero

City Clerk ----------Joyce Raftery

Finance Director ----------Jonathan C. McKinney

Human Resources Director ----------Pamela Wu

Planning and Development Services Director ----------Jordan Smith

Fire Chief (Interim) ----------William "Bush" Swisher

Parks & Recreation Director ----------Mark Manning

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PURVIS GRAY

**INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and City Commissioners
City of Deltona
Deltona, Florida

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Deltona, 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 listed in the table of contents.

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

***Basis for Opinions***

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

***Responsibilities of Management for the Financial Statements***

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

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

Honorable Mayor and City Commissioners
City of Deltona
Deltona, Florida

**INDEPENDENT AUDITOR'S REPORT**

***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 aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, major fund budgetary comparison information, schedule of changes in other postemployment benefit liability and related ratios, the schedules of changes in the employer's net position liability and related ratios, the schedule of employer contributions and schedule of investments returns, and schedule of proportionate share of net pension liability, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an

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

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual non-major fund financial statements, non-major fund budgetary comparison schedules and schedule of expenditures of federal awards and state projects, 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 non-major fund financial statements, non-major fund budgetary comparison schedules and the schedule of expenditures of federal awards and state projects are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards,* we have also issued our report dated April 30, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial

Honorable Mayor and City Commissioners
City of Deltona
Deltona, Florida

**INDEPENDENT AUDITOR'S REPORT**

reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Purvis Gray

April 30, 2026
Ocala, Florida

# Management's Discussion and Analysis

As management of the City of Deltona (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2025 (FY2025). We encourage readers to consider this analysis in conjunction with additional information that has been provided in the letter of transmittal, which can be found on pages i-vii, and the City's financial statements and accompanying notes on pages 23 - 136.

## The Economy

According to the Florida Office of Economic and Demographic Research, the growth rates show improvement in the current year, a somewhat surprising result in an environment of persistent inflation and tight financial conditions. The state's GDP dipped to near zero (0.4%) in Fiscal Year 2019-20, bounced back to 4.5% in fiscal year 2020-21, and surged to 8.3% in fiscal year 2021-22, exceeding the prior peak growth rate of 6.6% in fiscal year 2004-05. The state's economy expanded by a still robust 4.9% in fiscal year 2022-23; 3.7% in fiscal year 2023-24, and 2.9% in fiscal year 2024-25. In the near-term, the City expects continued deceleration to more typical rates (1.9% and 2.0% over the next two fiscal years). Beginning in fiscal year 2028-29, the economy will stabilize at its now characteristic 2.1% to 2.2.% per year.

The City of Deltona property values have been trending up in recent years; the City Commission voted for a millage rate of 7.00 for FY2025, a reduction of 4.76% from the 7.35 rate in FY2024. The City continues to use conservative revenue estimates and routinely monitors actual results, and may amend the budget, if needed, with Commission approval. To date, there has been no indication that the City's major revenue sources will fall significantly short of budget in FY2026.

## Deltona Village

Deltona Village is a new mixed-use development located near the recently opened Amazon distribution center. The development is approved for retail, restaurants, hotels, medical and entertainment. Deltona strives to increase its commercial presence, amid a heavily residential community, to provide work opportunities for residents, as well as shopping and dining options. In April 2023, 26.57 acres were approved to be added to the 140 acres within the Deltona Village tract. This area will be a retail center to attract shoppers from neighboring cities and workers from Amazon. A Starbucks has been completed and a Panda Express restaurant is under construction. There is 2.5 million square feet of commercial space under development.

## American Rescue Plan Act

On March 11, 2021, the American Rescue Plan Act was signed into law, and established the Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Funds (SLFRF) program. This program is intended to provide support to local governments in responding to the economic and public health impacts of COVID-19 and in their efforts to contain impacts on their communities, residents, and businesses. The City was awarded $13.9 million. The City received $6.9 million in May 2021. The second allocation was received in FY2022. The funds are being used for a water meter replacement project. The new meter system will achieve substantial impacts and benefits for customers and utilities, including

reduced costs for metering and billing, more customer control over consumption and improved billing accuracy and leak detection. As of September 30, 2025, the meter project is substantially complete. The entire project should be completed by spring of 2026.

**Fitch Ratings**

For 2025, Fitch Ratings have affirmed the Transportation and Capital Improvement Revenue Bond rating at AA. Also, Fitch Ratings have affirmed AA- and S&P have raised their rating to AA- for the 2021 Utility Refunding Bond.

The ratings received by both Fitch Ratings and S&P reflect the city's high fundamental financial flexibility given our robust reserve levels and significant expenditure flexibility. The City also benefits from a low long-term liability burden and a high independent legal ability to raise revenues

**Financial Highlights**

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of FY2025 by $323,094,802 (net position). Of this amount, $145,103,722 is unrestricted net position.

- The City's total net position changed by $28,923,723. Of the change, $19,423,113 was attributed to governmental activities and $9,500,610 to business-type activities.

- At September 30, 2025, the City's governmental funds reported combined ending fund balances $143,582,277, a change of $4,038,848 in comparison with the prior year. The amount of unassigned governmental fund balance was $35,545,395 as of September 30, 2025.

- At September 30, 2025, the general fund balance was $88,387,164, of this amount $35,545,395 was unassigned.

**Overview of the Financial Statements**

The City's basic financial statements are comprised of (1) government-wide financial statements; (2) fund financial statements; and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

***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 the City's assets, liabilities, deferred outflows, and deferred inflows with the difference between these items reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* shows how the City's net position changed during the most recent fiscal year. All events that affect net position are reported as they occur, regardless of the timing of related cash flows. As a result, some revenues and expenses reported in this

statement will result in cash flows, both positive and negative, in future fiscal periods (e.g., uncollected taxes, pension obligations, and earned but unused vacation leave).

Both of the government-wide financial statements distinguish City functions that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from functions that are intended to recover all or most costs through user fees and charges (*business-type activities*). Governmental activities of the City include law enforcement and fire/rescue services, stormwater and solid waste management, city planning, code enforcement, street and sidewalk maintenance, recreational activities and general administrative services. The City's Water and Sewer utility, Stormwater and Solid Waste comprise the entirety of its Business-type activities.

The City's government-wide financial statements can be found on pages 23 - 24 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, objectives or legal reasons. The City, like other State and local governments, uses fund accounting to demonstrate and ensure compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary (or enterprise) 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. This type of information may be useful in evaluating a government'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 City's near-term financing decisions. The Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances for the governmental funds both provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City presents financial statements for fifteen individual governmental funds. Two of these funds are considered to be major funds. Each major fund is presented separately in the governmental funds

Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances. Non-major governmental funds are presented in combining statements in the Supplemental Information section of this report.

The City adopts an annual appropriated budget for all of its governmental funds, except the Neighborhood Stabilization Grant Fund. Budgetary comparison statements have been provided for all Governmental Funds to demonstrate compliance with this budget.

The governmental fund financial statements are presented on pages 25 - 28 of this report.

### *Proprietary Funds*

The City maintains two different types of proprietary funds. Enterprise funds are used to report functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer utility, stormwater utility and solid waste utility. Enterprise fund financial statements provide the same information as the government-wide financial statements but with more detail. The basic enterprise fund financial statements can be found on pages 29 - 33 of this report.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its Fleet Maintenance and Information Technology needs. Internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

### *Fiduciary Funds*

Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support City programs. The accounting methods used for fiduciary funds are similar to that used for proprietary funds. Similarly, GASB does not require the presentation of budgetary comparison statements for fiduciary funds.

The basic fiduciary fund financial statements can be found on pages 34 - 35 of this report.

### *Notes to the Financial Statements*

The Notes to the Financial Statements provide additional information intended to help the reader obtain 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 38 - 93 of this report.

### *Other information*

In addition to the basic financial statements and accompanying notes, this report presents certain Required Supplementary Information concerning the City. This required supplementary information presents combining and individual fund statements and schedules and also provides information regarding the City’s pension and other post-employment benefit obligations. The Required Supplementary Information can be found on pages 96 - 107 of this report.

This report also includes Supplemental Information on the City’s non-major funds. Supplemental Information includes combining statements for certain non-major governmental funds presented immediately following the Required Supplementary Information, on pages 110 - 138 of this report. While this information is not required, it is intended to provide the reader with a complete picture of the governmental unit in its entirety.

**Government-wide Financial Analysis**

As noted earlier, the City's net position is one indicator of a government's financial position over time. At the close of the fiscal year, the City of Deltona reported assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by $323,094,802 This is a change of 9.83% over the prior year.

By far, the largest portion of the City's net position, at 41.64%, is its Net Investment in Capital Assets, which represents capital assets (e.g., land, improvements, buildings, equipment and infrastructure, less any related debt issued to acquire those capital assets, that is still outstanding. The City uses its capital assets to provide services to its citizens, so these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should still be noted that the resources needed to repay this debt must be provided for by other sources since the capital assets themselves cannot be used to liquidate these liabilities.

The total deferred outflow of resources changed by $715,031 or 3.13% from the prior year. Deferred inflows of resources changed by $1,857,050 or 21%. The changes are a result of the deferred outflow and deferred inflow actuarial valuation reported by the State of Florida Retirement System (FRS, Firefighter Chapter 175 pension plan as well as GASB 87 regarding lease accounting. Deferred outflows and deferred inflows of resources are a portion of changes in net pension liability that are not immediately recognized in pension expense. The changes include differences between expected and actual experience, changes in assumptions, and differences between expected and actual earnings on plan investments. Deferred outflows also include charges incurred as part of debt issuance.

Long-term liabilities changed by $(6,522,168) primarily due to the decrease in the pension liability for the Florida Retirement System and the Chapter 175 Firefighter pension plan.

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The following table summarizes the components of the City's Net Position for the current and prior fiscal years:

**City of Deltona's Net Position**

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| Current and other assets | $ 155,673,920 | $ 149,764,172 | $ 77,466,453 | $ 59,852,772 | $ 233,140,373 | $ 209,616,944 |
| Capital assets, net of depreciation | 115,639,820 | 121,031,492 | 149,500,960 | 143,681,645 | 265,140,780 | 264,713,137 |
| **Total assets** | 271,313,740 | 270,795,664 | 226,967,413 | 203,534,417 | 498,281,153 | 474,330,081 |
| Deferred charges on refunding | 4,391 | 10,239 | 14,798,432 | 15,927,555 | 14,802,823 | 15,937,794 |
| Deferred amounts related to pension | 6,212,899 | 5,183,312 | 1,426,080 | 921,172 | 7,638,979 | 6,104,484 |
| Deferred amounts related to OPEB | 776,924 | 677,580 | 377,042 | 160,879 | 1,153,966 | 838,459 |
| **Total deferred outflow of resources** | 6,994,214 | 5,871,131 | 16,601,554 | 17,009,606 | 23,595,768 | 22,880,737 |
| Current and other liabilities | 9,790,902 | 9,482,106 | 13,046,759 | 12,948,057 | 22,837,661 | 22,430,163 |
| Long-term liabilities | 49,495,748 | 54,411,573 | 115,691,992 | 117,298,335 | 165,187,740 | 171,709,908 |
| **Total liabilities** | 59,286,650 | 63,893,679 | 128,738,751 | 130,246,392 | 188,025,401 | 194,140,071 |
| Deferred Amounts related to pension | 5,340,654 | 3,845,648 | 1,270,405 | 627,182 | 6,611,059 | 4,472,830 |
| Deferred Amounts related to leases | 2,762,646 | 3,060,484 | - | - | 2,762,646 | 3,060,484 |
| Deferred Amounts related to OPEB | 985,463 | 1,127,419 | 397,550 | 238,935 | 1,383,013 | 1,366,354 |
| **Total deferred inflow of resources** | 9,088,763 | 8,033,551 | 1,667,955 | 866,117 | 10,756,718 | 8,899,668 |
| Net Position | | | | | | |
| Net Investment in Capital Assets | 85,810,204 | 88,184,252 | 48,738,367 | 41,343,300 | 134,548,571 | 129,527,552 |
| Restricted | 41,129,203 | 47,012,337 | 2,313,306 | 1,573,000 | 43,442,509 | 48,585,337 |
| Unrestricted | 82,993,134 | 69,542,976 | 62,110,588 | 46,515,213 | 145,103,722 | 116,058,189 |
| **Total net position** | $ 209,932,541 | $ 204,739,565 | $ 113,162,261 | $ 89,431,513 | $ 323,094,802 | $ 294,171,079 |

The City's total net position includes resources that are restricted in how they may be used; at the end of FY2025 this portion totaled $43,442,509, or 13.4 %, of total net position. Another $145,103,722, or 44.91%, of the City's total net position were considered unrestricted and may be spent at the City's discretion for any legal purpose. The balances of the City's net position, restricted assets, and unrestricted assets for both governmental and business-type activities were positive as of September 30, 2025.

Governmental activities resulted in an increase of net position by $19,423,112 or 9.5%, while business-type activities increased net position by $23,730,748, or 26.5% (before restatement).

In Fiscal Year 2025, the City moved the Solid Waste and Stormwater Utility funds from governmental special revenue funds to proprietary funds, split out the operations for Fleet Maintenance and Information Technology to internal service funds from the General Fund and placed the operation of Building Services in its own special revenue fund (formerly part of the General Fund). This resulted in a decrease in governmental activities net position of $14,230,137 with a corresponding increase of the same amount in business-type activities net position. The table below compares changes in the City's net position for the current and prior fiscal year and is followed by explanations of the largest year-over-year differences.

## City of Deltona's Changes in Net Position

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| **Revenues:** | | | | | | |
| Program Revenues: | | | | | | |
| Charges for services | $ 12,642,565 | $ 23,339,855 | $ 30,416,118 | $ 29,808,764 | $ 43,058,683 | $ 53,148,619 |
| Operating grants and contributions | 5,315,556 | 7,734,832 | - | - | 5,315,556 | 7,734,832 |
| Capital grants and contributions | 356,297 | 1,273,373 | 16,173,467 | 2,025,321 | 16,529,764 | 3,298,694 |
| General Revenues: | | | | | | |
| Property taxes | 35,420,590 | 32,898,194 | - | - | 35,420,590 | 32,898,194 |
| Other taxes | 18,118,123 | 18,673,793 | - | - | 18,118,123 | 18,673,793 |
| State Shared Revenues | 5,813,423 | 4,775,606 | - | - | 5,813,423 | 4,775,606 |
| Other | 7,003,024 | 8,325,031 | 3,992,731 | 2,743,056 | 10,995,755 | 11,068,087 |
| **Total Revenues** | 84,669,578 | 97,020,684 | 50,582,316 | 34,577,141 | 135,251,894 | 131,597,825 |
| **Expenses:** | | | | | | |
| Governmental Activities: | | | | | | |
| General government | 19,530,245 | 15,150,690 | - | - | 19,530,245 | 15,150,690 |
| Public safety | 30,510,009 | 28,287,566 | - | - | 30,510,009 | 28,287,566 |
| Highways and streets | 4,288,967 | 5,533,537 | - | - | 4,288,967 | 5,533,537 |
| Culture & recreation | 7,397,645 | 6,107,272 | - | - | 7,397,645 | 6,107,272 |
| Economic environment | 2,010,791 | 751,052 | - | - | 2,010,791 | 751,052 |
| Physical environment | 26,206 | 13,388,162 | - | - | 26,206 | 13,388,162 |
| Interest on long-term debt | 947,602 | 1,074,277 | - | - | 947,602 | 1,074,277 |
| Business-type Activities: | | | | | | |
| Solid Waste Fund | | | 8,239,089 | - | 8,239,089 | - |
| Stormwater Fund | | | 6,094,338 | - | 6,094,338 | - |
| Water and sewer | - | - | 27,283,279 | 23,469,375 | 27,283,279 | 23,469,375 |
| **Total Expenses** | 64,711,465 | 70,292,556 | 41,616,706 | 23,469,375 | 106,328,171 | 93,761,931 |
| Excess (deficiency) of revenues over (under) expenses | 19,958,112 | 26,728,128 | 8,965,610 | 11,107,766 | 28,923,722 | 37,835,894 |
| **Other Financing Sources (Uses)** | | | | | | |
| Operating Transfers | (535,000) | 1,036,000 | 535,000 | (1,036,000) | - | - |
| Increase (Decrease) in Net Position | 19,423,113 | 27,764,128 | 9,500,610 | 10,071,766 | 28,923,723 | 37,835,894 |
| Net Position-beginning of year | 204,739,565 | 176,975,437 | 89,431,514 | 79,359,748 | 294,171,079 | 256,335,185 |
| Restatement - Change in reporting entity | (14,230,137) | - | 14,230,137 | - | - | - |
| Beginning Net Position, restated | 190,509,428 | 176,975,437 | 103,661,651 | 79,359,748 | 294,171,079 | $ 256,335,185 |
| Net Position-end of year | $ 209,932,541 | $ 204,739,565 | $ 113,162,261 | $ 89,431,514 | $ 323,094,802 | $ 294,171,079 |

# Governmental Activities - Revenues

### *Program Revenues*

Program Revenues changed in total by approximately $(14,033,642) over the prior fiscal year. This includes a change of $(10,697,290) in charges for services due to the reclassification of funds from Special Revenue to Business-type.

- Administrative charges are reflected in transfers in FY 2025.
- Operating grants and contributions received by the City for governmental activities changed by $(2,419,276), or (31.28)%, over the prior year, due to FEMA reimbursement to the City for Hurricane Ian expenditures.
- Capital grants and contributions related to governmental activities changed by $(917,076) in FY2025 due to a decrease in impact fees received.

***General revenues***

The City's General revenues increased approximately $3,004,543, or 5.33%, in total over the prior year.

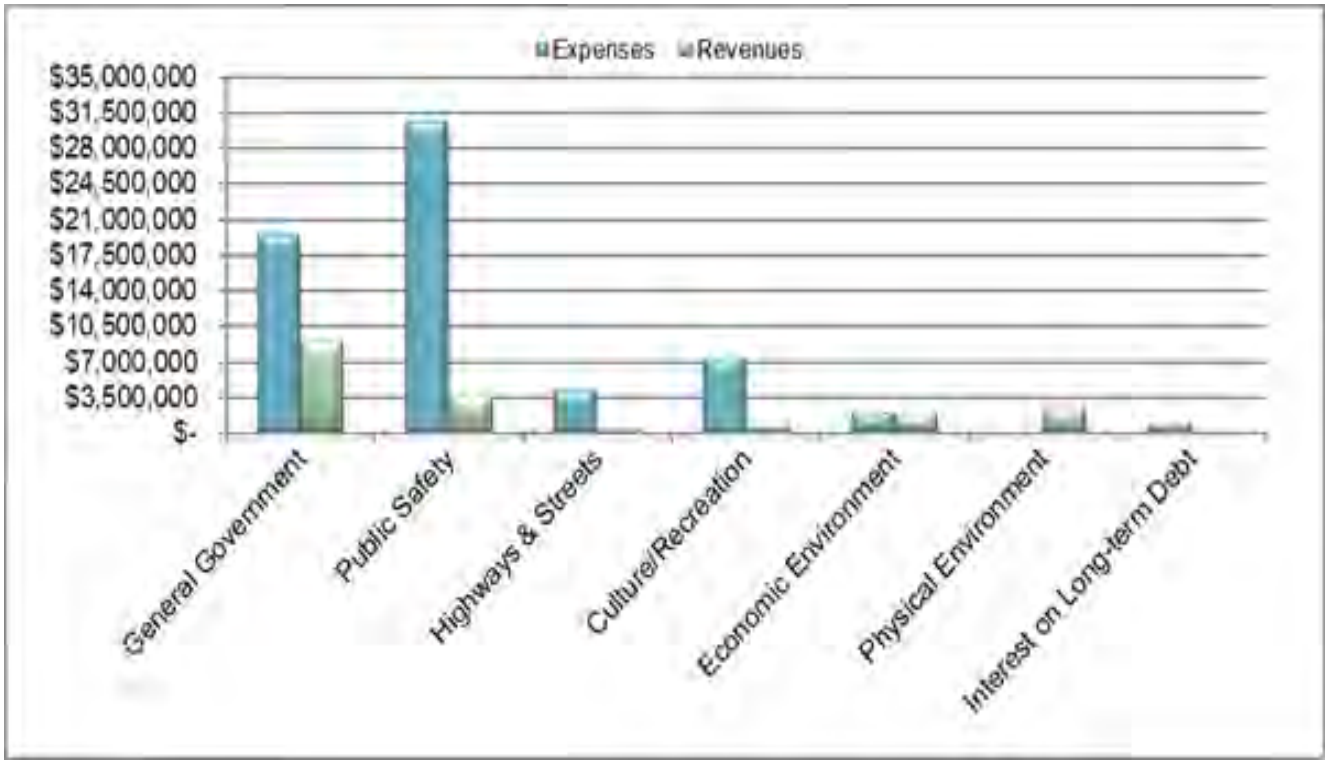
- Although the property tax millage rate levied for FY2025 decreased to 7.00 mills from the prior year of 7.35 mills, increased property values resulted in $2,522,396 additional ad valorem receipts. Franchise Fees changed by $286,502. Transport revenue decreased by $(862,631), and other taxes including Public Service Taxes decreased by $(555,670) from FY2024. Charges for service decreased by $(10,697,290), as explained above.

## Governmental Activities - Expenses

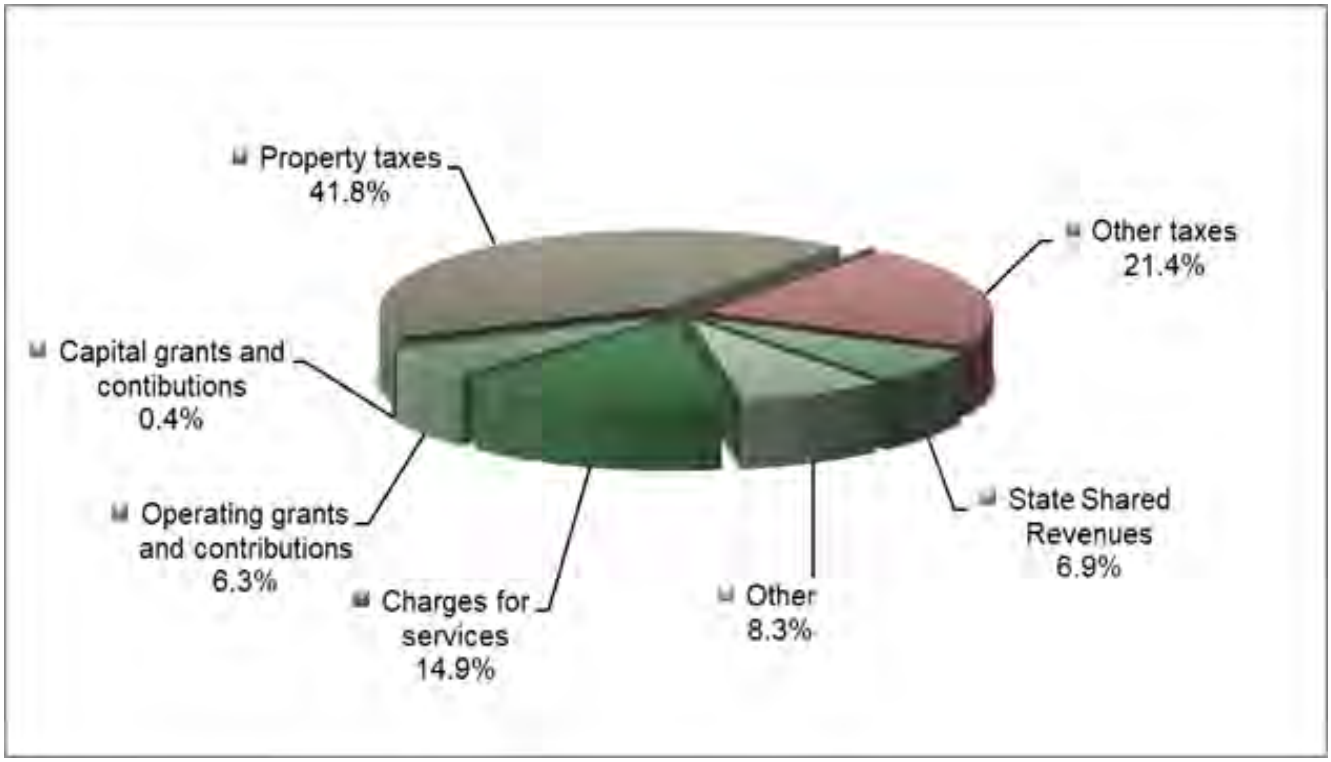
Governmental Activities expenses decreased in total by $(5,581,091) or (7.94) %. The largest changes were:

- Highways and Streets expenses decreased by $(1,244,570), or (22.49)% due to the cost of Hurricane Ian and Hurricane Nicole clean up and repairs encountered in the prior year.
- General Government expenses increased by $4,379,555 or 28.91%. The increase is attributed primarily to an increase in salaries due to numerous positions that have been filled which were vacant for part of the previous year.

**Expenses and Program Revenues – Governmental Activities**



**Revenues by Source – Governmental Activities**




## Business-type Activities – Revenues & Expenses

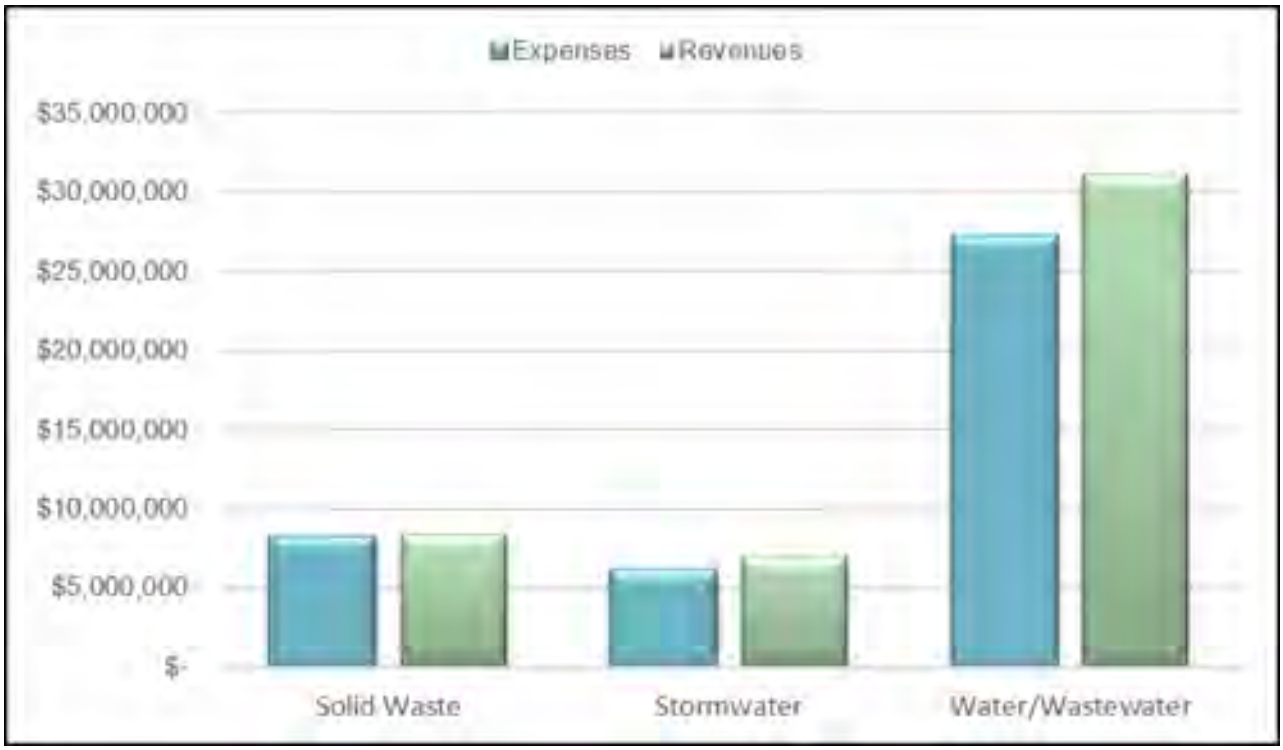
Business-type activities' net position changed by $9,500,610 (before restatement) in the 2024/2025 year. Included in this change were:

Charges for Services changed by $607,354 or 2.04%, due to annual increases in water/sewer rates.

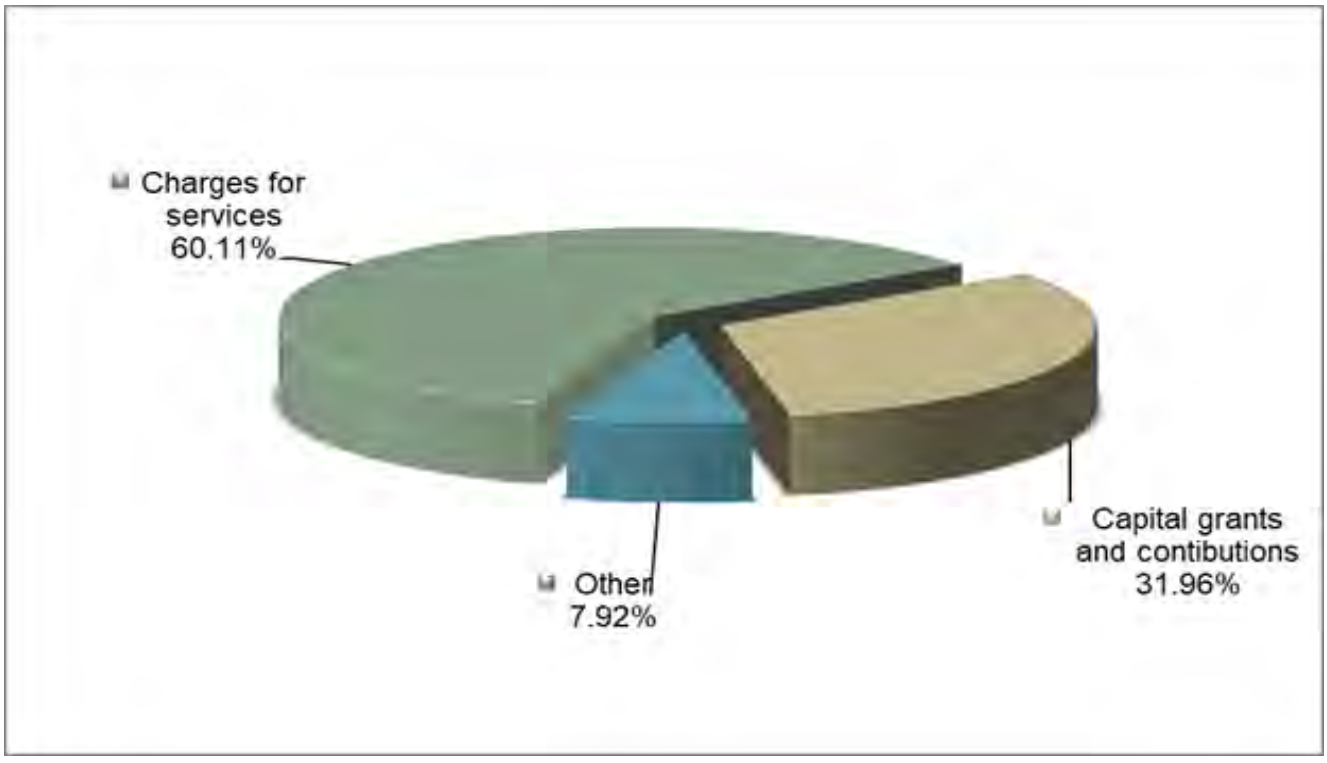
- Capital Grants and Contributions increased by $14,148,146, due to the recognition of the grant revenue received from the American Rescue Plan Act (ARPA) for the water meter replacement project in the prior year.

- Business-type expenses increased by $18,147,331, or 77.32%, due to the restatement of funds, in addition to the increase of costs for personnel, fuel costs and repairs and maintenance on the sewer system.

**Expenses and Program Revenues – Business-type Activities**




**Revenues by Source – Business-type Activities**



## Financial Analysis of the City's Funds

### *Governmental Funds*

As noted earlier, the City uses *fund accounting* to ensure and demonstrate compliance with finance-related legal requirements. In contrast to the government-wide financial statements discussed in the previous paragraphs, the focus of the City's *governmental funds* financial statements is to provide information on near-term inflows, outflows and balances of *spendable* resources. This information is useful in assessing the City's short-term financing capabilities and operational requirements. In particular, *unassigned fund balance* may serve as a useful measure of the City's net resources available for spending on any legal public purpose at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $143,582,277, a change of $4,038,848, or 2.89% from the prior year. Approximately 24.8% of this amount, or $35,545,395, constitutes *unassigned fund balance*, which is entirely in the City's General Fund and is available for spending at the City's discretion for any legal purpose. This unassigned portion of the fund balance changed by $9,591,206 from the prior year, due to an excess of revenues over expenditures.

The City Commission maintains several fund balance reserves designed to ensure preparedness for unexpected hazards or opportunities. These are:

- Economic Emergency Reserve in the amount $12,000,000;
- Operating Reserve of two (2) months of General Fund annual operating expenditures, totaling $11,093,429 at September 30, 2025;

- Natural Disaster Reserve, initially established at $6,000,000, was increased to $8,000,000 by the Commission in 2018, with indexed increases authorized for each year thereafter. At September 30, 2025 the reserve is $10,515,000.

- Economic Development and Infrastructure Incentive reserve with a combined total of $525,600 as of September 30, 2025; and

- Grants Match reserve of $378,500 as of September 30, 2025.

The use of any of these funds must be approved by the City Commission and must be consistent with the purposes for which they were established. One-time reserves decrease over time as they are used for their intended purposes.

The components of fund balance for all Governmental funds (not just the General Fund) as reported in accordance with GASB Statement No. 54, are as follows: $984,739 is *non-spendable*, $41,129,203 is *restricted,* $6,755,725 is *committed,* $59,167,215 is *assigned, and* $35,545,395 is *unassigned*.

The General Fund is the City's major operating fund. At the end of the current fiscal year, the fund balance of the General Fund was $88,387,164, of which $35,545,395 was unassigned. Overall, a larger fund balance, particularly a larger unassigned fund balance, reflects better financial health and stability. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. The General Fund's total fund balances represent 144.55% of total General Fund expenditures. The General Fund's unassigned fund balance represents 58.13% of total General Fund expenditures. The total fund balance of the City's General Fund changed by approximately $10,158,486 or 12.99%, during the current fiscal year. The key contributing factors were:

- Revenues received in the General Fund were $2,277,495 higher than prior year. The largest increases were from property tax, intergovernmental and interest income.
- Expenses in the General Fund were $11,357,329 less than FY2024. The most significant change was the decrease in Highways and Streets due to the costs incurred from the cleanup from the Hurricanes.

***Transportation Fund***

The Transportation fund balance increased $1,649,159, or 5.53%. New residential and commercial development has increased transportation impact fee revenues.

***Proprietary Funds***

The net position of the City's Water and Sewer Utility Fund increased $7,152,766, or 8.00%, in fiscal year 2025. Charges for Services were up about $607,354, or 2.04%, over the prior year, due to new residents, annual rate increases, and new developments.

## General Fund Final Budgetary Highlights

The City adopts an annual budget for all governmental funds and typically amend those budgets during the fiscal year as needed. A comparison of the General Fund's budget vs. the

actual results of operations appears as part of the Required Supplementary Information in this report. Highlights of that comparison include:

- General Fund actual revenues exceeded budget by $3,018,786. Charges for service, specifically permit fee revenue, exceeded the budgeted amount by $450,137 as the housing market continues to thrive. State revenue sharing and intergovernmental revenue were less than budgeted amounts by $(348,497) and $(900,084), respectively. Interest income exceeded the budgeted amount by $3,779,563.

- General Fund operating expenditures ended the fiscal year $10,968,342 under budget, due to position vacancies, most significantly in the Parks and Recreation and City Manager Departments.

- Capital outlay expenditures were under budget by approximately $3,603,378 due to supply chain issues, most notably with the purchase and delivery of vehicles and equipment in Physical Environment.

## Capital Asset and Debt Administration

### Capital Assets

The City's total investment in capital assets for its governmental and business-type activities as of September 30, 2025 was $265,140,780 (net of accumulated depreciation). These assets include land, construction-in-progress, buildings and improvements, machinery and equipment, and infrastructure (roads, rights-of-way, stormwater and water and wastewater utility). The total change (additions less retirements and depreciation) in the City's investment in capital assets was $427,640; a change of less than 0.16%. Further information on capital assets is presented in the Notes to the Financial Statements on pages 57 - 58 of this report.

## City of Deltona's Capital Assets

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| Land | $ 15,067,014 | $ 15,067,014 | $ 3,203,197 | $ 3,203,197 | $ 18,270,211 | $ 18,270,211 |
| Infrastructure Right of Way | 4,372,500 | 4,372,500 | - | - | 4,372,500 | 4,372,500 |
| Construction in Progress | 6,788,695 | 2,616,200 | 28,224,384 | 25,738,715 | 35,013,079 | 28,354,915 |
| Capitalized Intangibles | 79,880 | 79,880 | 2,091,561 | 2,091,561 | 2,171,441 | 2,171,441 |
| Right to Use - SBITA | 137,493 | 137,493 | - | - | 137,493 | 137,493 |
| Buildings & Improvements | 69,642,269 | 68,776,556 | 181,588,738 | 181,446,056 | 251,231,007 | 250,222,612 |
| Machinery & Equipment | 31,581,027 | 31,450,268 | 43,834,041 | 45,108,238 | 75,415,068 | 76,558,506 |
| Infrastructure | 127,242,476 | 127,148,832 | - | - | 127,242,476 | 127,148,832 |
| **Total** | $ 254,911,354 | $ 249,648,743 | $ 258,941,921 | $ 257,587,767 | $ 513,853,275 | $ 507,236,510 |

### Debt Administration

The outstanding debt balance is a key factor in a city's overall financial health. Too much outstanding debt is dangerous for the entity, but total avoidance of debt can deprive residents of needed improvements. Responsible borrowing, instead of pay-as-you-go funding, allows projects to proceed in today's dollars. Additionally, long-term debt ensures that both current and future residents who benefit from financed projects will help pay for them.

A government should not issue long-term debt for operating expenses, or to pay for assets whose useful lives will not meet or exceed the debt repayment schedule.

The following table presents the total principal amount of the City's outstanding debt obligations:

## City of Deltona Outstanding Debt

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| Revenue Bonds | $ 28,180,000 | $ 29,070,000 | $ 89,135,000 | $ 91,815,000 | $ 117,315,000 | $ 120,885,000 |
| Total Bonds | 28,180,000 | 29,070,000 | 89,135,000 | 91,815,000 | 117,315,000 | 120,885,000 |
| Bank Loan Payable | - | 2,300,339 | 1,885,188 | - | 1,885,188 | 2,300,339 |
| FDEP State Revolving Loans | - | - | 24,404,595 | 26,294,370 | 24,404,595 | 26,294,370 |
| Total Bonds and Loans | $ 28,180,000 | $ 31,370,339 | $ 115,424,783 | $ 118,109,370 | $ 143,604,783 | $ 149,479,709 |

The City has no general obligation debt; all of its debt obligations are secured by designated revenue streams. Additionally, the City maintained debt-to-revenue ratios as required by its bond covenants. Detailed information on the City's debt obligations is presented on pages 62 - 69 of this report.

In May 2023, Fitch reviewed the ratings of Deltona's General Government and based on available information and has affirmed there should be no change in the existing rating. Fitch Ratings has affirmed the 'AA+' rating on the transportation capital improvement refunding and revenue bonds, series 2016 issued by the City of Deltona, Florida and the city's Issuer Default Rating (IDR) at 'AA+', the Rating Outlook is Stable. The IDR of 'AA+' reflects the city's high fundamental financial flexibility given robust reserve levels and its significant expenditure flexibility. The City also benefits from a low long-term liability burden and a high independent legal ability to raise revenues.

In FY2025, Fitch Ratings revised the Rating Outlook to Positive from Stable for the City of Deltona Utility System Revenue Bonds. Fitch has affirmed the A+ rating, which reflects the system's strong financial profile. The revision of the Outlook to Positive from Stable was driven by the continued trend of declining leverage.

## Economic Factors, Future Budget, and Outlook

The City's unemployment rate as of September 30, 2025, was 5%, an increase from the prior year's 3.9% rate. The data below is from the U.S Bureau of Labor Statistics.

| Region | 2025 | 2024 | 2023 | 2022 |
|---|---|---|---|---|
| Deltona | 5.0% | 3.9% | 3.4% | 3.0% |
| Deltona-Daytona Beach-Ormond Beach Metro Area | 5.0% | 4.1% | 3.5% | 2.8% |
| Volusia County | 4.9% | 4.0% | 3.4% | 2.8% |
| Florida | 3.9% | 3.5% | 3.0% | 2.7% |
| United States | 4.5% | 4.1% | 3.6% | 3.3% |

For FY2025 the taxable value of the City's real property, personal property, and centrally assessed property, based on the 2024 tax roll, increased over the previous year by 11.90% The City's population is currently estimated at 98,793, an increase of approximately 0.49% over the prior year.

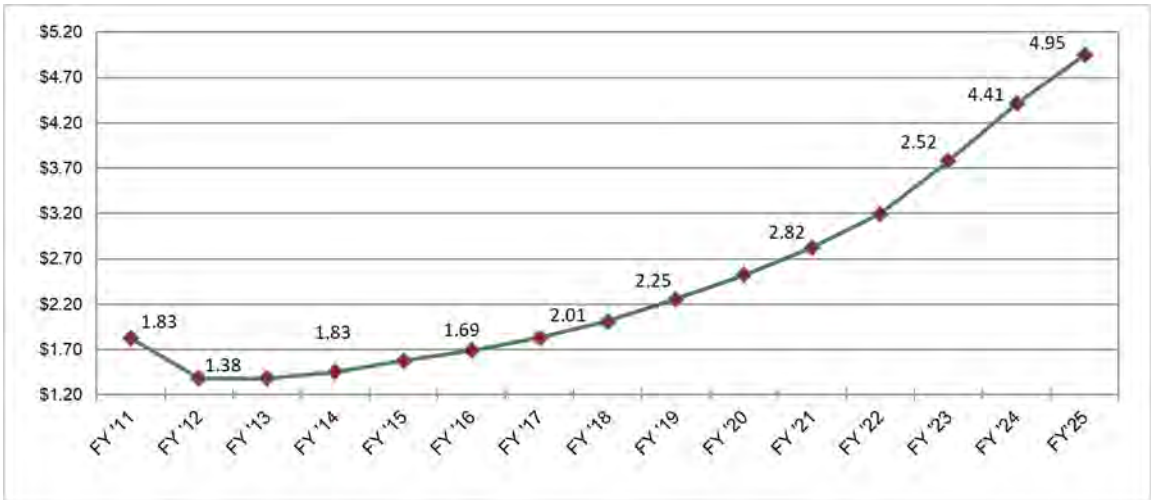
During the FY2025 budget process, the City Commission voted for an ad valorem (property) tax millage rate of 7.00 mils, which is a reduction from the FY2024 millage rate of 7.35. The rise in property values resulted in higher revenue collections than the prior year, underscoring an important principle of property taxation; millage is only one part of the property tax equation, and a higher (or lower) millage rate does not guarantee a higher (or lower) tax bill.

Numerous indications of economic growth are ongoing from the prior year.

- Plans are underway for additional tenants in Deltona Village and Deltona's Portland Industrial Park. The City continues to field interest from other potential commercial developers.
- Real estate prices have risen over the prior year, the Volusia County Property Appraiser reported an increase in just value for FY2025 of 12.13%.

- The following charts show the historical increase in property values.

**City of Deltona – Total Real Property Taxable Value**
(in billions)




**City of Deltona – Tax Revenue per Residential Parcel**




In FY2025 budget, the Commission adopted a millage rate of 7.00 which is 6.48% more than the rolled back rate of 6.5739 mills, but well below the legal limit of 10.0 mills. City staff once again crafted a budget based on conservative revenue projections and expenditures based on thorough review of trends and departmental needs. As in the past, City staff vigilantly monitor actual results and adjust as needed.

Current and upcoming challenges facing the City include:

- Statutorily imposed caps on property values, millage rates, and certain fees;
- Limited opportunities to diversify revenue, especially for recurring operating expenses;
- Unfunded mandates from State and/or Federal government;
- Demand for technological advances tempered by the availability of funding;
- Demand for services driven by population growth coupled with Deltona's relatively low staffing levels (approximately 4.34 employees per 1,000 residents, excluding contracted law enforcement);
- Maintaining competitiveness in the labor market, even with the $15 minimum wage in place, the City has been unable to reach full employment;
- Ongoing need for both expansion and maintenance of existing infrastructure, especially water/sewer and streets.

**Requests for Information**

This report is designed to provide a general overview of the City of Deltona, Florida's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Department, City of Deltona, 2345 Providence Boulevard, Deltona, Florida 32725. You can also access the City's website at www.deltonafl.gov.

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## Statement of Net Position
## September 30, 2025

| | Primary Government | | |
|---|---|---|---|
| | Governmental Activities | Business-type Activities | Total |
| **ASSETS** | | | |
| Current assets: | | | |
| Cash and investments | $ 143,643,227 | $ 69,403,402 | $ 213,046,629 |
| Cash with fiscal agent | 121,553 | - | 121,553 |
| Receivables (net) | 3,211,548 | 4,708,831 | 7,920,379 |
| Leases receivables | 3,106,059 | - | 3,106,059 |
| Interest Receivable | 544,256 | 302,842 | 847,098 |
| Due from other funds | 3,720 | (3,720) | - |
| Due from other governments | 4,058,818 | - | 4,058,818 |
| Inventory and prepaids | 984,739 | 2,890,014 | 3,874,753 |
| Total current assets | 155,673,920 | 77,301,369 | 232,975,289 |
| Noncurrent assets: | | | |
| Assets not being depreciated | 26,228,209 | 31,427,582 | 57,655,791 |
| Assets being depreciated | 228,683,145 | 227,514,340 | 456,197,485 |
| (Accumulated depreciation) | (139,271,534) | (109,440,962) | (248,712,496) |
| Other assets | - | 165,084 | 165,084 |
| Total noncurrent assets | 115,639,820 | 149,666,044 | 265,305,864 |
| Total assets | 271,313,740 | 226,967,413 | 498,281,153 |
| **DEFERRED OUTFLOW OF RESOURCES** | | | |
| Deferred charges on refunding | 4,391 | 14,798,432 | 14,802,823 |
| Deferred amounts related to pensions | 6,212,899 | 1,426,080 | 7,638,979 |
| Deferred amounts related to OPEB | 776,924 | 377,042 | 1,153,966 |
| Total deferred outflow of resources | 6,994,214 | 16,601,554 | 23,595,768 |
| **LIABILITIES** | | | |
| Current liabilities: | | | |
| Accounts payable | 3,299,055 | 2,688,472 | 5,987,527 |
| Accrued liabilities | 1,394,949 | 1,407,967 | 2,802,916 |
| Due to other governments | 735,632 | - | 735,632 |
| Deposits | 83,626 | 795,165 | 878,791 |
| Unearned revenue | 2,206,689 | 2,727,293 | 4,933,982 |
| Due within one year | 2,105,951 | 5,427,862 | 7,533,813 |
| Total current liabilities | 9,825,902 | 13,046,759 | 22,872,661 |
| Noncurrent liabilities: | | | |
| Due in more than one year | 49,460,748 | 115,691,992 | 165,152,740 |
| Total noncurrent liabilities | 49,460,748 | 115,691,992 | 165,152,740 |
| Total liabilities | 59,286,650 | 128,738,751 | 188,025,401 |
| **DEFERRED INFLOW OF RESOURCES** | | | |
| Deferred amounts related to pensions | 5,340,654 | 1,270,405 | 6,611,059 |
| Deferred amounts related to leases | 2,762,646 | - | 2,762,646 |
| Deferred amounts related to OPEB | 985,463 | 397,550 | 1,383,013 |
| Total noncurrent liabilities | 9,088,763 | 1,667,955 | 10,756,718 |
| **NET POSITION** | | | |
| Net investment in capital assets | 85,810,204 | 48,738,367 | 134,548,571 |
| Restricted for: | | | |
| Culture and recreation | 4,164,605 | - | 4,164,605 |
| Physical environment | 103,147 | - | 103,147 |
| Public safety | 2,473,287 | - | 2,473,287 |
| Renewal and replacement | - | 2,313,306 | 2,313,306 |
| Highways and streets | 34,388,164 | - | 34,388,164 |
| Unrestricted | 82,993,134 | 62,110,588 | 145,103,722 |
| Total net position | $ 209,932,541 | $ 113,162,261 | $ 323,094,802 |

The notes to financial statements are an integral part of this statement.

# Statement of Activities
## For the Fiscal Year Ended September 30, 2025

| Functions/Programs | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Program Revenues: Capital Grants and Contributions | Net (Expense) Revenue and Change in Net Position: Primary Government: Governmental Activities | Primary Government: Business-type Activities | Primary Government: Total |
|---|---|---|---|---|---|---|---|
| **Primary government:** | | | | | | | |
| Governmental activities: | | | | | | | |
| General government | $ 19,530,245 | $ 9,050,048 | $ - | $ - | $ (10,480,197) | $ - | $ (10,480,197) |
| Public safety | 30,510,009 | 2,860,177 | 728,835 | 63,445 | (26,857,552) | - | (26,857,552) |
| Highways and streets | 4,288,967 | 54,554 | 180,415 | 87,129 | (3,966,869) | - | (3,966,869) |
| Culture and recreation | 7,397,645 | 603,024 | - | 205,723 | (6,588,898) | - | (6,588,898) |
| Economic environment | 2,010,791 | 74,762 | 1,841,417 | - | (94,612) | - | (94,612) |
| Physical environment | 26,206 | - | 2,564,889 | - | 2,538,683 | - | 2,538,683 |
| Interest | 947,602 | - | - | - | (947,602) | - | (947,602) |
| Total governmental activities | 64,711,465 | 12,642,565 | 5,315,556 | 356,297 | (46,397,047) | - | (46,397,047) |
| Business-type activities: | | | | | | | |
| Solid Waste Fund | 8,239,089 | 180,163 | - | 8,274,787 | - | 215,861 | 215,861 |
| Stormwater Fund | 6,094,338 | - | - | 6,986,662 | - | 892,324 | 892,324 |
| Water and Sewer Utility Fund | 27,283,279 | 30,235,955 | - | 912,018 | - | 3,864,694 | 3,864,694 |
| Total business-type activities | 41,616,706 | 30,416,118 | - | 16,173,467 | - | 4,972,879 | 4,972,879 |
| Total primary government | $ 106,328,171 | $ 43,058,683 | $ 5,315,556 | $ 16,529,764 | $ (46,397,047) | $ 4,972,879 | $ (41,424,168) |
| General Revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Property taxes | | | | | 35,420,590 | - | 35,420,590 |
| Public service tax | | | | | 9,677,642 | - | 9,677,642 |
| Sales tax | | | | | 5,806,530 | - | 5,806,530 |
| Local option gas taxes | | | | | 2,633,951 | - | 2,633,951 |
| State shared revenues - non program specific | | | | | 5,813,423 | - | 5,813,423 |
| Investment income: | | | | | | | |
| Interest earnings | | | | | 5,851,694 | 3,132,449 | 8,984,143 |
| Miscellaneous | | | | | 1,151,330 | 860,282 | 2,011,612 |
| Transfers | | | | | (535,000) | 535,000 | - |
| Total general revenues, special items, and transfers | | | | | 65,820,160 | 4,527,731 | 70,347,891 |
| Change in net position | | | | | 19,423,113 | 9,500,610 | 28,923,723 |
| Net position, as previously reported | | | | | 204,739,565 | 89,431,514 | 294,171,079 |
| Change to/in Reporting Entity | | | | | | | |
| Governmental funds moved to enterprise | | | | | (14,230,137) | 14,230,137 | - |
| Beginning Net Position, as restated | | | | | 190,509,428 | 103,661,651 | 294,171,079 |
| Net position - ending | | | | | $ 209,932,541 | $ 113,162,261 | $ 323,094,802 |

The notes to the financial statements are an integral part of the financial statements.

Balance Sheet
Governmental Funds
September 30, 2025

| | General Fund | Transportation Fund | Other Nonmajor Funds | Total Governmental Funds |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Cash and cash equivalents | $ 83,558,888 | $ 31,707,478 | $ 26,767,815 | $ 142,034,181 |
| Cash with fiscal agent | 8,780 | 112,773 | - | 121,553 |
| Receivables (net of allowances for uncollectibles) | 3,211,548 | - | - | 3,211,548 |
| Interest Receivable | 370,767 | 50,656 | 122,833 | 544,256 |
| Lease receivables | 3,106,059 | - | - | 3,106,059 |
| Due from other funds | 233,442 | - | - | 233,442 |
| Due from other governments | 3,209,234 | 237,659 | 611,925 | 4,058,818 |
| Inventory and prepaid items | 984,739 | - | - | 984,739 |
| Total assets | 94,683,457 | 32,108,566 | 27,502,573 | 154,294,596 |
| **LIABILITIES** | | | | |
| Accounts payable | 2,059,055 | 611,816 | 628,184 | 3,299,055 |
| Accrued liabilities | 1,390,060 | 4,889 | - | 1,394,949 |
| Due to other funds | - | - | 229,722 | 229,722 |
| Due to other governments | - | - | 735,632 | 735,632 |
| Unearned revenues | 906 | - | 2,205,783 | 2,206,689 |
| Deposits | 83,626 | - | - | 83,626 |
| Total liabilities | 3,533,647 | 616,705 | 3,799,321 | 7,949,673 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | |
| Deferred amounts related to leases | 2,762,646 | - | - | 2,762,646 |
| Total deferred inflows of resources | 2,762,646 | - | - | 2,762,646 |
| **FUND BALANCES** | | | | |
| **Non-spendable:** | | | | |
| Inventory and prepaid items | 984,739 | - | - | 984,739 |
| Total non-spendable fund balance | 984,739 | - | - | 984,739 |
| **Restricted:** | | | | |
| Public safety | - | - | 2,473,287 | 2,473,287 |
| Highways and streets | - | 31,491,861 | 2,896,303 | 34,388,164 |
| Culture and recreation | - | - | 4,164,605 | 4,164,605 |
| Physical environment | - | - | 103,147 | 103,147 |
| Total restricted fund balance | - | 31,491,861 | 9,637,342 | 41,129,203 |
| **Committed:** | | | | |
| Culture and recreation | - | - | 5,528,858 | 5,528,858 |
| Physical environment | - | - | 1,226,867 | 1,226,867 |
| Total committed fund balance | - | - | 6,755,725 | 6,755,725 |
| **Assigned:** | | | | |
| Natural disasters | 10,515,000 | - | - | 10,515,000 |
| Operating reserve | 11,093,429 | - | - | 11,093,429 |
| Economic development | 525,600 | - | - | 525,600 |
| Grant match reserve | 378,500 | - | - | 378,500 |
| Capital outlay/projects | 17,344,501 | - | 7,310,185 | 24,654,686 |
| Economic emergency reserve | 12,000,000 | - | - | 12,000,000 |
| Total assigned fund balance | 51,857,030 | - | 7,310,185 | 59,167,215 |
| **Unassigned:** | | | | |
| Unallocated | 35,545,395 | - | - | 35,545,395 |
| Total fund balances | 88,387,164 | 31,491,861 | 23,703,252 | 143,582,277 |
| Total liabilities and fund balances | $ 94,683,457 | $ 32,108,566 | $ 27,502,573 | $ 154,294,596 |



The notes to the financial statements are an integral part of the financial statements.

## Reconciliation of Balance Sheet
## To the Statement of Net Position
## September 30, 2025

| | | |
|---|---|---|
| Fund balances of Governmental Funds | | $ 143,582,277 |
| Amounts reported for governmental activities in the Statement of Net Position are different because: | | |
| Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the Governmental Funds: | | |
| Cost of capital assets | 254,911,352 | |
| Accumulated depreciation | (139,271,532) | 115,639,820 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and, accordingly, are not reported in the current period and therefore are not reported as liabilities in the Governmental Funds. | | |
| Bonds and loans payable | (28,180,000) | |
| Premium on bonds payable | (1,592,313) | |
| Deferred revenue - Debt Service Deposit Agreement | (16,694) | (29,789,007) |
| Certain liabilities related to employee benefits are not due and payable in the current period and, accordingly, are not reported in the current period and therefore are not reported as liabilities in the Governmental Funds. | | |
| Compensated absences (Excludes ISF $547,592) | (4,344,013) | |
| Other post employment benefits liability (Excludes ISF $80,384) | (879,034) | |
| Net pension liability (Excludes ISF $698,913) | (15,227,756) | (20,450,803) |
| The difference between the reaquisition price and the net carrying amount of refunded debt is reported as a deferred outflow of resources in the government-wide statements and amortized over the life of the debt, but is not reported in the Governmental Funds. | | 4,391 |
| Management uses internal revenue funds to allocate costs to respective departments. | | 312,546 |
| Deferred inflows of resources related to pensions and other post employment benefits are reported in the government-wide statements, but are not reported in the Governmental Funds: | | |
| Deferred inflows related to pensions (Excludes ISF $185,903) | (5,154,751) | |
| Deferred inflows related to other post-employment benefits (Excludes ISF $76,645) | (908,818) | (6,063,569) |
| Deferred outflows of resources related to pensions and other post employment benefits are reported in the government-wide statements, but are not reported in the Governmental Funds: | | |
| Deferred outflows related to pensions (Excludes ISF $228,985) | 5,983,914 | |
| Deferred outflows related to other post-employment benefits (Excludes ISF $63,952) | 712,972 | 6,696,886 |
| Net position of governmental activities | | $ 209,932,541 |

The notes to the financial statements are an integral part of the financial statements.

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended September 30, 2025

| | General Fund | Former Special Revenue Fund Solid Waste Fund | Transportation Fund | Other Nonmajor Funds | Total Governmental Funds |
|---|---|---|---|---|---|
| **REVENUES** | | | | | |
| Property taxes | $ 34,565,558 | $ - | $ - | $ 427,516 | $ 34,993,074 |
| Franchise fees | 5,422,188 | - | - | - | 5,422,188 |
| Public service tax | 9,677,642 | - | - | - | 9,677,642 |
| State revenue sharing | 5,800,203 | - | - | - | 5,800,203 |
| Intergovernmental | 9,084,032 | - | 2,328,930 | 2,096,594 | 13,509,556 |
| Charges for services | 6,967,310 | - | 54,254 | 226,056 | 7,247,620 |
| Fines and forfeitures | 421,105 | - | - | - | 421,105 |
| Impact fees | - | - | - | 464,704 | 464,704 |
| Interest income | 4,029,563 | - | 1,185,468 | 636,663 | 5,851,694 |
| Miscellaneous | 1,281,789 | - | - | - | 1,281,789 |
| Total revenues | 77,249,390 | - | 3,568,652 | 3,851,533 | 84,669,575 |
| **EXPENDITURES** | | | | | |
| Operating: | | | | | |
| General government | 15,078,926 | - | - | 1,309,241 | 16,388,167 |
| Public safety | 29,561,553 | - | - | - | 29,561,553 |
| Highways and streets | 3,083,108 | - | 269,678 | 180,558 | 3,533,344 |
| Culture and recreation | 5,922,398 | - | - | - | 5,922,398 |
| Economic environment | - | - | - | 1,771,544 | 1,771,544 |
| Physical environment | - | - | - | 26,206 | 26,206 |
| Debt service: | | | | | |
| Interest | 272,108 | - | 762,163 | - | 1,034,271 |
| Principal retirement | 195,000 | - | 695,000 | - | 890,000 |
| Capital outlay: | | | | | |
| General government | 781,377 | - | - | 271,050 | 1,052,427 |
| Public safety | 5,794,368 | - | - | 119,415 | 5,913,783 |
| Highways and streets | 29,403 | - | 693,589 | 9,820 | 732,812 |
| Culture and recreation | 368,081 | - | - | 596,518 | 964,599 |
| Physical environment | 59,450 | - | - | 52,050 | 111,500 |
| Total expenditures | 61,145,772 | - | 2,420,430 | 4,336,402 | 67,902,604 |
| Excess (deficiency) of revenues over expenditures | 16,103,618 | - | 1,148,222 | (484,869) | 16,766,971 |
| **OTHER FINANCING SOURCES (USES)** | | | | | |
| Transfer(s) in | 11,620,578 | - | 500,937 | 2,809,520 | 14,931,035 |
| Transfer(s) out | (17,565,710) | - | - | (195,916) | (17,761,626) |
| Total other financing source (uses) | (5,945,132) | - | 500,937 | 2,613,604 | (2,830,591) |
| Net change in fund balances | 10,158,486 | - | 1,649,159 | 2,128,735 | 13,936,380 |
| Fund balances - beginning | 78,228,678 | 2,104,734 | 29,842,702 | 29,367,315 | 139,543,429 |
| Restatement - move from governmental to business-type activities | - | (2,104,734) | - | (7,792,798) | (9,897,532) |
| Fund balances - beginning (as restated) | 78,228,678 | - | 29,842,702 | 21,574,517 | 129,645,897 |
| Fund balances - ending | $ 88,387,164 | $ - | $ 31,491,861 | $ 23,703,252 | $ 143,582,277 |

The notes to the financial statements are an integral part of the financial statements.

## Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities
For the Fiscal Year Ended September 30, 2025

| | | |
|---|---|---|
| Net change in fund balances of Governmental Funds | | $ 13,936,380 |
| Amounts reported for governmental activities in the Statement of Activities are different because: | | |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and, accordingly, are not reported in the current period and therefore are not reported as liabilities in the Governmental Funds. | | |
| Bonds and loans payable | 890,000 | |
| Subscription based information technology arrangement payable | 34,971 | |
| Premium on bonds payable | 75,825 | |
| Bond and loan issue costs | 10,846 | 1,011,642 |
| Internal Service funds are used by management to charge the cost of fleet and information technology to other funds. | | 1,521,034 |
| Gain/loss on sale of capital assets | | (248,000) |
| Certain revenues and expenditures are not recognized and/or payable in the current period and, accordingly, are not reported in the current period and therefore are not reported as liabilities in the Governmental Funds. | | |
| Compensated absences (Excludes ISF impact of $152,167) | (1,214,486) | |
| Other post employment benefits liability (Excludes ISF impact of $3,425) | (34,313) | |
| Net pension liability (Excludes ISF impact of $67,580) | 1,117,960 | (130,839) |
| Governmental Funds report capital outlays as expenditures. In the Statement of Activities, however, the cost of those assets is depreciated (expensed) over their useful lives. This is the amount by which depreciation exceeded expenditures in the current period. | | |
| Capital asset purchases | 9,135,563 | |
| Less: depreciation expense | (5,802,667) | 3,332,896 |
| Change in net position of governmental activities | | $ 19,423,113 |

The notes to the financial statements are an integral part of the financial statements.

# Statement of Net Position
## Proprietary Fund
## September 30, 2025

| | Business-Type Activities | | | | Governmental Activities |
|---|---|---|---|---|---|
| | Solid Waste Fund | Stormwater Utility Fund | Water and Sewer Utility Fund | Total | Other Internal Service |
| **ASSETS** | | | | | |
| Current assets: | | | | | |
| Cash and cash equivalents | $ 3,231,204 | $ 10,061,605 | $ 44,684,335 | $ 57,977,144 | $ 1,609,046 |
| Restricted assets available for current liabilities | - | 39,332 | 9,223,032 | 9,262,364 | - |
| Interest Receivable | 13,666 | 27,285 | 261,891 | 302,842 | - |
| Receivables (net of allowance for uncollectibles) | - | - | 4,708,831 | 4,708,831 | - |
| Inventory | - | - | 2,890,014 | 2,890,014 | - |
| Total current assets | 3,244,870 | 10,128,222 | 61,768,103 | 75,141,195 | 1,609,046 |
| Noncurrent assets: | | | | | |
| Restricted assets | | | | | |
| Sinking fund - State Revolving Fund Loan | - | - | 594,869 | 594,869 | - |
| Sinking fund - Revenue bonds payable | - | - | 3,812,376 | 3,812,376 | - |
| Renewal and replacement account | - | - | 1,573,000 | 1,573,000 | - |
| Customer deposits | - | - | 795,165 | 795,165 | - |
| Less: current portion | - | - | (4,611,516) | (4,611,516) | - |
| Total restricted assets | - | - | 2,163,894 | 2,163,894 | - |
| Capital assets | | | | | |
| Capitalized intangible | - | 199,662 | 1,891,899 | 2,091,561 | - |
| Improvements other than buildings | - | 29,098,549 | 141,194,691 | 170,293,240 | - |
| Land | - | 52,505 | 3,150,692 | 3,203,197 | - |
| Buildings | - | - | 11,295,498 | 11,295,498 | - |
| Equipment | - | 4,125,349 | 39,708,692 | 43,834,041 | - |
| Construction in progress | - | 1,005,325 | 27,219,060 | 28,224,385 | - |
| (Accumulated depreciation) | - | (26,115,537) | (83,325,425) | (109,440,962) | - |
| Total capital assets - cost less depreciation | - | 8,365,853 | 141,135,107 | 149,500,960 | - |
| Prepaid bond insurance | - | - | 165,084 | 165,084 | - |
| Total noncurrent assets | - | 8,365,853 | 143,464,085 | 151,829,938 | - |
| Total assets | 3,244,870 | 18,494,075 | 205,232,188 | 226,971,133 | 1,609,046 |
| **DEFERRED OUTFLOWS OF RESOURCES** | | | | | |
| Deferred charges on refunding | - | - | 14,798,432 | 14,798,432 | - |
| Deferred amounts related to pensions | 15,958 | 444,088 | 966,034 | 1,426,080 | 228,985 |
| Deferred amounts related to OPEB | 4,457 | 124,026 | 248,559 | 377,042 | 63,952 |
| Total deferred outflow of resources | 20,415 | 568,114 | 16,013,025 | 16,601,554 | 292,937 |
| Total assets and deferred outflow of resources | $ 3,265,285 | $ 19,062,189 | $ 221,245,213 | $ 243,572,687 | $ 1,901,983 |

The notes to the financial statements are an integral part of the financial statements.

## Statement of Net Position
## Proprietary Fund
## September 30, 2025
## (Continued)

| | Business-Type Activities | | | | Governmental Activities |
|---|---|---|---|---|---|
| | Solid Waste Fund | Stormwater Utility Fund | Water and Sewer Utility Fund | Total | Other Internal Service |
| **LIABILITIES** | | | | | |
| Current liabilities payable from current assets: | | | | | |
| Accounts and retainages payable | $ 678,566 | $ 691,279 | $ 1,318,627 | $ 2,688,472 | $ - |
| Accrued expenses | - | 67,284 | 175,000 | 242,284 | - |
| Due to other funds | - | 3,720 | - | 3,720 | - |
| Unearned revenue | - | - | 2,727,293 | 2,727,293 | - |
| FDEP State Revolving Fund loan - current portion | - | 436,485 | 1,952,922 | 2,389,407 | - |
| Long term liabilities - current portion | 155 | 103,049 | 245,251 | 348,455 | 114,786 |
| Total current liabilities payable from current assets | 678,721 | 1,301,817 | 6,419,093 | 8,399,631 | 114,786 |
| Current liabilities payable from restricted assets: | | | | | |
| Deposits | - | - | 795,165 | 795,165 | - |
| Accrued interest payable | - | 39,332 | 1,126,351 | 1,165,683 | - |
| Revenue bonds current portion | - | - | 2,690,000 | 2,690,000 | - |
| Total current liabilities payable from restricted assets | - | 39,332 | 4,611,516 | 4,650,848 | - |
| Total current liabilities | 678,721 | 1,341,149 | 11,030,609 | 13,050,479 | 114,786 |
| Long-term liabilities: | | | | | |
| Revenue bonds payable (net of related premium) | - | - | 86,445,000 | 86,445,000 | - |
| FDEP State Revolving Fund loan | - | 1,448,703 | 22,451,673 | 23,900,376 | - |
| Compensated absences | - | 192,253 | 589,647 | 781,900 | 435,027 |
| Other post employment benefits | 5,447 | 151,587 | 318,420 | 475,454 | 78,163 |
| Net pension liability | 48,709 | 1,355,449 | 2,685,104 | 4,089,262 | 698,913 |
| Total long-term liabilities | 54,156 | 3,147,992 | 112,489,844 | 115,691,992 | 1,212,103 |
| Total liabilities | 732,877 | 4,489,141 | 123,520,453 | 128,742,471 | 1,326,889 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | | |
| Deferred amounts related to pension | 12,956 | 360,534 | 896,915 | 1,270,405 | 185,903 |
| Deferred amounts related to OPEB | 5,341 | 148,644 | 243,565 | 397,550 | 76,645 |
| Total deferred inflows of resources | 18,297 | 509,178 | 1,140,480 | 1,667,955 | 262,548 |
| Total liabilities and deferred inflow of resources | 751,174 | 4,998,319 | 124,660,933 | 130,410,426 | 1,589,437 |
| **NET POSITION** | | | | | |
| Net investment in capital assets | - | 6,480,665 | 42,257,702 | 48,738,367 | - |
| Restricted for: | | | | | |
| Renewal and replacement | - | 116,773 | 2,196,533 | 2,313,306 | - |
| Unrestricted | 2,514,111 | 7,466,432 | 52,130,045 | 62,110,588 | 312,546 |
| Total net position | $ 2,514,111 | $ 14,063,870 | $ 96,584,280 | $ 113,162,261 | $ 312,546 |

The notes to the financial statements are an integral part of the financial statements.

# Statement of Revenues, Expenses and Changes in Net Position
## Proprietary Funds
## For the Fiscal Year Ended September 30, 2025

| | Business-Type Activities | | | | Governmental Activities |
|---|---|---|---|---|---|
| | Solid Waste Fund | Stormwater Utility Fund | Water and Sewer Utility Fund | Total | Other Internal Service |
| **Operating revenues:** | | | | | |
| Charges for services - water | $ - | $ - | $ 18,092,787 | $ 18,092,787 | $ - |
| Charges for services - wastewater | - | - | 12,000,193 | 12,000,193 | - |
| Charges for Services Internal Service Funds | - | - | - | - | 2,777,193 |
| Special Assessments | 8,274,787 | 6,986,662 | - | 15,261,449 | - |
| Connection fees | - | - | 142,975 | 142,975 | - |
| Franchise fees | 180,163 | - | - | 180,163 | - |
| Other miscellaneous revenues | 26,177 | - | 656,482 | 682,659 | - |
| Total operating revenues | 8,481,127 | 6,986,662 | 30,892,437 | 46,360,226 | 2,777,193 |
| **Operating expenses:** | | | | | |
| Personnel services | 8,339 | 2,880,174 | 7,179,409 | 10,067,922 | 1,716,998 |
| Operating expenses | 8,134,950 | 1,660,164 | 9,272,694 | 19,067,808 | 1,740,585 |
| Professional services | 95,800 | 308,500 | 80,955 | 485,255 | 94,167 |
| Depreciation | - | 1,069,740 | 6,736,930 | 7,806,670 | - |
| Insurance | - | 21,181 | 552,364 | 573,545 | - |
| Total operating expenses | 8,239,089 | 5,939,759 | 23,822,352 | 38,001,200 | 3,551,750 |
| Operating income (loss) | 242,038 | 1,046,903 | 7,070,085 | 8,359,026 | (774,557) |
| **Nonoperating revenues (expenses):** | | | | | |
| Investment income: | | | | | |
| Interest earnings (loss) | 224,003 | 450,489 | 2,457,957 | 3,132,449 | - |
| Gain (loss) on sale of capital assets | - | 3,990 | 173,633 | 177,623 | - |
| Interest expense | - | (154,579) | (3,460,927) | (3,615,506) | - |
| Transfers from other funds | - | 535,000 | - | 535,000 | 2,295,591 |
| Total nonoperating revenue (expenses) | 224,003 | 834,900 | (829,337) | 229,566 | 2,295,591 |
| Income (loss) before contributions | 466,041 | 1,881,803 | 6,240,748 | 8,588,592 | 1,521,034 |
| **Capital grants and contributions:** | | | | | |
| Capital grant revenue | - | - | 492,712 | 492,712 | - |
| Capital contributions - water and wastewater | - | - | 419,306 | 419,306 | - |
| Total capital grants and contributions | - | - | 912,018 | 912,018 | - |
| Change in net position | 466,041 | 1,881,803 | 7,152,766 | 9,500,610 | 1,521,034 |
| Net position: | | | | | |
| Beginning of year | - | - | 89,431,514 | 89,431,514 | - |
| Restatement - move from governmental to business-type activities | 2,104,734 | 7,792,798 | - | 9,897,532 | - |
| Restatement - impact of capital assets and Long-term Liabilities | (56,664) | 4,389,269 | - | 4,332,605 | (1,208,488) |
| Beginning of year, restated | 2,048,070 | 12,182,067 | 89,431,514 | 103,661,651 | (1,208,488) |
| End of year | $ 2,514,111 | $ 14,063,870 | $ 96,584,280 | $ 113,162,261 | $ 312,546 |

The notes to the financial statements are an integral part of the financial statements.

## Statement of Cash Flows
## Proprietary Funds
## For the Fiscal Year Ended September 30, 2025

| | Business-Type Activities | | | | Governmental Activities |
|---|---|---|---|---|---|
| | Solid Waste Fund | Stormwater Utility Fund | Water and Sewer Utility Fund | Total | Internal Service Funds |
| **Cash flows from operating activities** | | | | | |
| Cash received from customers | $ 8,482,942 | $ 6,986,662 | $ 30,161,966 | $ 45,631,570 | $ - |
| Cash received from internal users | - | - | - | - | 2,777,193 |
| Payments to suppliers for goods and services | (8,212,238) | (1,423,940) | (13,016,350) | (22,652,528) | (1,834,752) |
| Payments for employee services | (14,700) | (2,938,415) | (6,046,439) | (8,999,554) | (1,629,643) |
| Net cash provided by operating activities | $ 256,004 | $ 2,624,307 | $ 11,099,177 | $ 13,979,488 | $ (687,202) |
| **Cash flows from noncapital financing activities** | | | | | |
| Transfers to Other Funds | $ - | $ 535,000 | $ - | $ 535,000 | $ 2,295,591 |
| Net cash used in noncapital financing activities | $ - | $ 535,000 | $ - | $ 535,000 | $ 2,295,591 |
| **Cash flows from capital and related financing activities** | | | | | |
| Acquisition/Construction of capital assets | $ - | $ (975,828) | $ (4,507,364) | $ (5,483,192) | $ - |
| Proceeds from sale of assets | - | 20,794 | 509,776 | 530,570 | - |
| Bond,note and SRF loan principal payments | - | (415,151) | (4,569,775) | (4,984,926) | - |
| Bond, note and SRF loan interest payments | - | (115,247) | (3,468,508) | (3,583,755) | - |
| Proceeds from capital contributions | - | $ - | 431,726 | 431,726 | - |
| Net cash used in capital and related financing activities | $ - | $ (1,485,432) | $ (11,604,145) | $ (13,089,577) | $ - |
| **Cash flows from investing activities** | | | | | |
| Interest | $ 210,339 | $ 423,204 | $ 2,196,066 | $ 2,829,609 | $ - |
| Net cash provided by investing activities | $ 210,339 | $ 423,204 | $ 2,196,066 | $ 2,829,609 | $ - |
| Net increase (decrease) in cash and cash equivalents | $ 466,343 | $ 2,097,079 | $ 1,691,098 | $ 4,254,520 | $ 1,608,389 |
| Cash and cash equivalents - beginning of year | $ 2,764,861 | $ 8,003,858 | $ 54,380,163 | $ 65,148,882 | $ - |
| Cash and cash equivalents - end of year | $ 3,231,204 | $ 10,100,937 | $ 56,071,261 | $ 69,403,402 | $ 1,608,389 |

The notes to the financial statements are an integral part of the financial statements.

Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended September 30, 2025
*(Continued)*

| | Business-Type Activities | | | | Governmental Activities |
|---|---|---|---|---|---|
| | Solid Waste Fund | Stormwater Utility Fund | Water and Sewer Utility Fund | Total | Internal Service Funds |
| **Reconciliation of cash and cash equivalents to the Statement of Net Position:** | | | | | |
| Cash and cash equivalents | $ 3,231,204 | $ 10,061,605 | $ 44,684,335 | $ 57,977,144 | $ 1,609,046 |
| Restricted cash and cash equivalents: | - | 39,332 | 11,386,926 | $ 11,426,258 | - |
| Cash and cash equivalents, end of year | $ 3,231,204 | $ 10,100,937 | $ 56,071,261 | $ 69,403,402 | $ 1,609,046 |
| **Reconciliation of operating income to net cash provided by operating activities** | | | | | |
| Operating income | $ 242,038 | $ 1,046,903 | $ 7,070,085 | $ 8,359,026 | $ (774,557) |
| Adjustments to reconcile operating income to cash provided by operating activities: | | | | | |
| Depreciation | - | 1,069,740 | 6,736,930 | 7,806,670 | - |
| (Increase) decrease in assets: | | | | | |
| Accounts receivable | 1,815 | - | (673,761) | (671,946) | - |
| Inventories | - | - | (1,624,444) | (1,624,444) | - |
| (Increase) decrease in deferred outflow of resources: | (3,429) | (95,416) | 996,581 | 897,736 | (49,856) |
| (Increase) decrease in liabilities: | | | | | |
| Accounts payable | 18,513 | 562,184 | (1,485,894) | (905,197) | - |
| Utility deposits | - | - | (56,710) | (56,710) | - |
| Accrued expenses | (1,890) | (10,962) | (4,982) | (17,834) | - |
| Net pension liability | (6,248) | (173,876) | (449,583) | (629,707) | (89,656) |
| Compensated absences | - | 80,865 | 221,557 | 302,422 | 152,167 |
| Subscription based technology arrangements | - | - | (5,186) | (5,186) | - |
| Other post employment benefits | 1,392 | 38,760 | 100,221 | 140,373 | 19,987 |
| (Increase) decrease in deferred inflow of resources: | 3,813 | 106,109 | 274,363 | 384,285 | 54,713 |
| | 13,966 | 1,577,404 | 4,029,092 | 5,620,462 | 87,355 |
| Net cash provided by operating activities | $ 256,004 | $ 2,624,307 | $ 11,099,177 | $ 13,979,488 | $ (687,202) |
| Non-cash Transaction - Retainage Payable | $ - | $ - | $ 119,753 | $ 119,753 | $ - |

The notes to the financial statements are an integral part of the financial statements.

Statement of Fiduciary Net Position
Pension Trust Funds
September 30, 2025

| | Employee Retirement Funds |
|---|---|
| **ASSETS** | |
| Firefighters' Pension Investments: | |
| Cash and cash equivalents | $ 201,803 |
| Cash and short term investments | 1,881,110 |
| US Government Obligations | 2,396,714 |
| Mortgage Backed Securities | 3,162,259 |
| Municipal Obligations | 42,481 |
| Corporate Bonds | 3,762,267 |
| Stocks | 7,859,523 |
| Mutual Funds/Fixed Income | 1,617,992 |
| Mutual Funds/Equity | 27,959,338 |
| Real Estate Funds | 6,317,015 |
| Pooled Equity | 367,908 |
| Accrued Interest | 90,602 |
| Contributions in Transit | 30,197 |
| Due from other governments | 56,183 |
| General Employees' Pension Investments: | |
| Stable Value/Cash Management | 694,354 |
| Bond | 238,521 |
| Balanced/Asset Allocation | 1,875,891 |
| U.S. Stock | 949,031 |
| International/Global Stock | 366,661 |
| Specialty | 32,178 |
| Prepaid items | 5,350 |
| Total assets | 59,907,378 |
| **LIABILITIES** | |
| Accounts payable | 45,761 |
| Total liabilities | 45,761 |
| **NET POSITION** | |
| Net Position Restricted for Pensions | 59,861,617 |
| Total net position | $ 59,861,617 |

The notes to financial statements are an integral part of the financial statement.

Statement of Changes in Fiduciary Net Position
Pension Trust Funds
For the Fiscal Year Ended September 30, 2025

| | Employee Retirement Funds |
|---|---|
| **ADDITIONS** | |
| Employer | $ 2,108,170 |
| Contribution from General Fund - insurance premium surcharges received | 742,504 |
| Employee | 727,486 |
| Total contributions | 3,578,160 |
| Investment earnings: | |
| Interest and dividends | 4,028,349 |
| Net increase/(decrease) fair value of investments | 2,126,454 |
| Less investment expense | (167,084) |
| Total additions | 9,565,879 |
| **DEDUCTIONS** | |
| Benefit payments | 2,395,961 |
| Disability payments | 28,697 |
| Beneficiary payments | 41,927 |
| Administration | 130,322 |
| Total deductions | 2,596,907 |
| Change in net position | 6,968,972 |
| Net position - beginning of the year | 52,892,645 |
| Net position - end of the year | $ 59,861,617 |

The notes to financial statements are an integral part of the financial statement.

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## Notes to the Financial Statements
## September 30, 2025

### I. Summary of significant accounting policies

#### A. Reporting entity

The City of Deltona (the "City") is a municipal corporation incorporated on December 31, 1995. The City operates under a mayor-commission form of government, with an elected mayor and a six-member City Commission. The City provides a comprehensive range of services, including law enforcement; fire and rescue protection; the construction and maintenance of streets, roads, and sidewalks; planning and development services; parks, recreational, and cultural programs; and general administrative services. In addition, the City operates business-type activities that provide water and sewer utility services and solid waste and stormwater management.

The accompanying financial statements present the financial reporting entity of the City, which includes the primary government and its component units. Component units are legally separate entities for which the City is financially accountable. In accordance with accounting principles generally accepted in the United States of America, financial accountability is determined based on criteria established by the Governmental Accounting Standards Board (GASB). These criteria include: (1) the appointment of a voting majority of an entity's governing body and the City's ability to impose its will on that entity; (2) the potential for the entity to provide specific financial benefits to, or impose specific financial burdens on, the City; and (3) the entity's fiscal dependency on the City.

#### Blended Component Unit

Blended component units are legally separate entities that, in substance, are part of the City's operations and, therefore, are reported as funds of the primary government. Blending is appropriate when the component unit's governing body is substantively the same as that of the primary government and there is a financial benefit or burden relationship, or when the component unit provides services exclusively or almost exclusively to the primary government.

The Southwest Deltona Community Redevelopment Agency (SWDCRA) was established pursuant to Section 163.356, Florida Statutes, by City Resolution 2016-40 and Volusia County Resolution 2016-092. The governing board of the SWDCRA is composed of the same members as the City Commission.

The SWDCRA is funded through tax increment revenues contributed by both the City and Volusia County, which are restricted for the financing of redevelopment projects within the designated community redevelopment area. The City is financially accountable for the SWDCRA based on the appointment of a voting majority of its governing board and the presence of a financial benefit/burden relationship.

In addition, the SWDCRA provides services exclusively to the City, as its activities are limited to redevelopment within the City's boundaries. The City maintains the financial records of the SWDCRA, and City personnel perform its day-to-day management and administrative functions. Accordingly, the SWDCRA is reported as a blended component unit of the City and is included as a nonmajor special revenue fund in the accompanying financial statements. Separate audited financial statements for the SWDCRA may be obtained from the City of Deltona Finance Department at www.deltonafl.gov.

**B. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the primary government. These statements present the financial position and results of operations using the economic resources measurement focus and the accrual basis of accounting. Governmental activities, which are primarily supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely primarily on user fees and charges for services.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function or segment of the City's governmental and business-type activities. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges for services provided to customers or applicants who purchase, use, or directly benefit from goods or services; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Revenues not meeting the definition of program revenues, including taxes and unrestricted intergovernmental revenues, are reported as general revenues.

Separate fund financial statements are presented for governmental funds, proprietary funds, and fiduciary funds. Fiduciary funds are excluded from the government-wide financial statements because the resources of those funds are not available to support the City's own programs. Fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting for governmental funds, and the economic resources measurement focus and accrual basis of accounting for proprietary and fiduciary funds.

Major individual governmental funds and the City's major enterprise fund are reported as separate columns in the fund financial statements, with nonmajor funds aggregated and presented in a single column.

**C. Measurement focus, basis of accounting, and financial statement presentation**

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting, consistent with the presentation of proprietary and fiduciary fund financial statements. Under this method, revenues are recognized when earned and expenses are recognized when liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the fiscal year for which they are levied. Grants and similar items are recognized as revenue when all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if collected within 60 days of fiscal year-end. Expenditures are generally recognized when the related liability is incurred; however, expenditures related to debt service, compensated absences, and claims and judgments are recognized only when payment is due, in accordance with applicable accounting standards. Property taxes, franchise fees, licenses, and interest associated with the current fiscal period are considered susceptible to accrual and have been recognized as revenues of the current fiscal period.

Special assessments are recognized as revenue only to the extent amounts are due and available within the current period.

The City reports the following major governmental funds:

- **General Fund** - the City's primary operating fund, which accounts for all financial resources not required to be reported in another fund.
- **Transportation Fund** - accounts for the fiscal activities related to the City's share of local option fuel taxes. Under Florida law, the six-cent tax is restricted to roadway maintenance and improvements; while the five-cent tax is restricted to capital projects necessary to implement the City's Comprehensive Plan. Expenditures of any related debt proceeds are further governed by bond covenants.

The City reports the following non-major governmental fund types:

- **Special Revenue Funds** - account for revenue sources that are legally restricted to expenditures for specific purposes (not including expendable trusts or major capital projects).
- **Capital Projects Funds** - account for the acquisition of fixed assets or construction of major capital projects not being financed by enterprise or nonexpendable trust funds.

The City reports the following major enterprise fund:

- **Water and Sewer Utility Fund** - accounts for the acquisition, operation, and maintenance of the City's water and sewer utility system.
- **Stormwater Utility Fund** - accounts for the activities related to the management and maintenance of the City's stormwater system.
- **Solid Waste Utility Fund** - accounts for the activities related to solid waste collection and disposal services.

The City reports the following internal service funds:

- **Fleet Maintenance Fund** - accounts for the activities related to the management and maintenance of the City's fleet.
- **Information Technology Fund** - accounts for the operations and management of the technology services of the City.

The City reports the following fiduciary fund type:

- **Pension Trust Funds** - account for the assets and related activity of the City's employee pension plans. These funds use the economic resources measurement focus and accrual basis of accounting. Fiduciary funds are not included in the government-wide financial statements because the resources are not available to support the City's programs.

As a rule, interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule include charges for services provided between functions, such as utility services and other internal service-type transactions, where elimination would distort the direct costs and program revenues reported for the respective functions.

Program revenues in the Statement of Activities include: (1) charges for services; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Revenues not meeting the definition of program revenues are reported as

general revenues, including all taxes. Internally dedicated resources are reported as general revenues rather than as program revenues.

Proprietary funds distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for utility services. Operating expenses include the cost of providing these services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating.

### D. Assets, liabilities, and net position or equity

#### 1. Deposits and investments

In accordance with **Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application***, the City reports its investments at fair value, except for those investments that qualify to be reported at amortized cost under **GASB Statement No. 79, *Certain External Investment Pools and Pool Participants***. GASB Statement No. 79 applies to certain qualifying external investment pools that elect to measure all investments at amortized cost for financial reporting purposes. These standards apply to all investments of the City, including those held directly by the City and those held by the Firefighters' and General Employees' pension plans.

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**City Investments**

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The City's investment policy is established by resolution and is governed by **Section 218.415, Florida Statutes**. Authorized investments include:

- The Local Government Surplus Funds Trust Fund Investment Pool or other intergovernmental investment pools authorized pursuant to the Florida Interlocal Cooperation Act;
- Securities and Exchange Commission (SEC) registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
- Savings accounts in State-certified qualified public depositories;
- Certificates of deposit in State-certified qualified public depositories; and
- Direct obligations of the U.S. Treasury and Federal agencies and instrumentalities.

For the fiscal year ended September 30, 2025, GASB Statement No. 79 applied to the City's investments in the **Florida State Board of Administration Local Government Investment Pool (Florida PRIME)**, the **Florida Surplus Asset Trust Fund (FL SAFE)**, and certain qualifying money market funds. Accordingly, these investments are reported at amortized cost rather than fair value, as further described in **Note III.A., Deposits and Investments**. The issuers of these investment pools prepare separate financial reports.

All other investments are reported at fair value in accordance with GASB Statement No. 72, which establishes a three-level hierarchy for valuation inputs:

- **Level 1 Inputs** – Quoted prices in active markets for identical assets;
- **Level 2 Inputs** – Observable inputs other than quoted prices; and
- **Level 3 Inputs** – Unobservable inputs

**Firefighters' Pension Plan Investments**

The investments of the Firefighters' Pension Plan are directed by the Firefighters' Pension Board of Trustees. The Board has adopted an investment policy that establishes parameters consistent with the **Prudent Investor Rule** and **Section 218.415, Florida Statutes**. The overall investment objective is to achieve a reasonable total rate of return commensurate with the risk profile of the plan.

Authorized investments include:

1. Time, savings, and money market deposit accounts in institutions insured by the Federal Deposit Insurance Corporation (FDIC), within insured limits;
2. Obligations issued or guaranteed by the United States Government or its agencies;
3. Equity securities, commingled funds administered by national or state banks, mutual funds, corporate bonds, and other evidences of indebtedness issued or guaranteed by U.S. entities;
4. Mortgage-related and asset-backed securities, including both government-issued and non-government-issued instruments, subject to policy constraints;
5. Municipal bonds meeting specified credit and quality criteria;
6. Commingled stock, bond, timber, real estate, or money market funds approved by the Board;
7. Foreign equities traded on national exchanges; and
8. Real estate investments, limited to **10 percent of total plan assets**.

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**General Employees' Pension Investments**

As described in **Note IV.E**, the General Employees' Pension Plan is a defined contribution plan that was closed to new participants effective December 1, 2006. The City serves as trustee for the plan; however, plan assets are held in the names of individual participants, and investment decisions are directed by those participants. Accordingly, the City does not exercise discretionary authority over investment selections within this plan.

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**Additional Disclosures**

Further information regarding the **description, carrying amounts, fair value hierarchy, custodial credit risk, interest rate risk, credit risk, and concentration of credit risk** associated with the City's deposits and investments is presented in **Note III.A., Deposits and Investments**, in accordance with GASB disclosure requirements and GFOA best practices

### 2. Receivables and payables

Interfund activity arising from lending and borrowing arrangements outstanding at the end of the fiscal year is classified as either **"due to/from other funds"** or **"advances to/from other funds."** Amounts reported as **"due to/from other funds"** represent short-term interfund balances expected to be repaid within one year. Amounts reported as **"advances to/from other funds"** represent long-term interfund balances not expected to be repaid within one year.

All other outstanding balances between funds that do not represent lending/borrowing arrangements are reported as **"due to/from other funds."** Any residual balances outstanding between **governmental activities and business-type activities** are reported in the government-wide financial statements as **"internal balances,"** in accordance with GASB reporting standards.

Ad valorem taxes are levied annually as of **November 1** (the lien date) in accordance with **Chapter 197, Florida Statutes**, or as soon thereafter as the assessment roll is certified by the **Volusia County Property Appraiser**. The **Volusia County Tax Collector** is responsible for billing and collecting property taxes on behalf of the City.

Property tax bills are mailed to owners of record on or about November 1, and taxes are payable upon receipt. Discounts are authorized by Florida Statutes for early payment as follows:

- **4%** if paid in November
- **3%** if paid in December
- **2%** if paid in January
- **1%** if paid in February

Taxes paid in March are payable at the gross amount without discount.

All unpaid real and tangible personal property taxes become **delinquent on April 1** of the year following the levy. At that time, delinquent taxes are subject to enforcement procedures prescribed by Florida law, including the issuance and sale of **tax certificates**. The statutory lien for unpaid taxes attaches to the property on November 1 of the levy year and remains in effect until the taxes are paid. An allowance for uncollectible accounts is recorded, as necessary, based on historical collection experience and management's evaluation of outstanding receivables.

### 3. Inventories and prepaid items

Inventories are stated at cost, determined using the **first-in, first-out (FIFO)** method.

Inventories of the enterprise funds consist primarily of materials and supplies held for consumption in operations. On September 30, 2025, enterprise fund inventories totaled **$**2,890,014.

Governmental activities report inventories and prepaid items totaling $984,739 at September 30, 2025. These amounts include fuel stored in on-site storage tanks at Fire Station 65 and the Public Works Depot, as well as other materials and supplies held for use in governmental operations.

In accordance with **GASB standards**, inventories and prepaid items in governmental funds are recorded as expenditures using the **consumption method**, whereby costs are recognized when the items are consumed rather than when purchased. Prepaid items represent payments

made in advance of receiving goods or services and are recognized as expenditures or expenses in the period in which the related benefits are realized.

**4. Capital Assets**

Capital assets, including property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements, in accordance with GASB Statement No. 34 and subsequent guidance.

Capital assets, other than infrastructure assets, are defined by the City as assets with an initial individual cost of $5,000 or more and an estimated useful life exceeding one year. Infrastructure assets are reported using a network and subsystem approach. Accordingly, expenditures for the construction or acquisition of infrastructure assets are capitalized when the initial cost equals or exceeds $50,000 and the assets have estimated useful lives greater than one year.

For purposes of initial capitalization of general infrastructure assets reported in governmental activities, the City has elected to include all eligible infrastructure assets regardless of acquisition date or cost, as permitted by GASB standards. Historical costs were estimated using a back-trending methodology, which involves estimating current replacement costs and applying appropriate price-level indices to determine the acquisition-year cost.

Capital assets are recorded at historical cost or estimated historical cost if actual historical cost information is not available. Donated capital assets are recorded at acquisition value at the date of donation, in accordance with GASB Statement No. 72. Costs associated with normal maintenance and repairs that do not add to the value of the asset, materially extend its useful life, or increase its capacity or efficiency are expensed as incurred.

Improvements and replacements that significantly extend the useful life or enhance the value of an asset are capitalized. When capital assets are disposed of or replaced, the carrying value of the asset and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

| | Useful Lives |
|---|---|
| Buildings | 10-40 Years |
| Improvements Other Than Buildings | 15-50 Years |
| Equipment | 3-40 Years |
| Subscription-based Information Technology Arrangements | 0-3 Years |
| Infrastructure | 15-50 Years |

Depreciation expense is recognized in the government-wide and proprietary fund financial statements in accordance with GASB requirements.

**5. Compensated Absences**

The City accounts for compensated absences in accordance with GASB Statement No. 101, *Compensated Absences*. Under this standard, a liability for compensated absences is recognized in the government-wide and proprietary fund financial statements when the leave is attributable to services already rendered, the leave accumulates, and it is more likely than not that the leave will be used for time off or otherwise paid or settled.

The City's compensated absences liability includes accrued vacation leave, scheduled holiday leave, and sick leave that meets the recognition criteria established by GASB 101. The liability is measured based on the pay rates in effect at the financial statement date and includes salary-related payments, as applicable.

In governmental fund financial statements, which are prepared using the modified accrual basis of accounting, compensated absences are recognized only when they are due and payable. The City does not recognize a liability for leave that has not yet been earned or for leave that is not expected to be paid or settled.

As of September 30, 2025, the total liability for compensated absences reported in the government-wide and enterprise fund financial statements was $6,006,365.

### 6. Long-term obligations

In accordance with GASB standards, long-term debt and other long-term obligations are reported as liabilities in the government-wide financial statements and proprietary fund financial statements within the applicable governmental or business-type activities.

Bonds payable are reported net of any applicable bond premiums or discounts. Bond premiums and discounts are deferred and amortized over the life of the related debt using the effective interest method. Bond issuance costs are expensed in the period incurred, consistent with GASB Statement No. 65, except for prepaid insurance costs, which are capitalized and amortized over the life of the debt.

In governmental fund financial statements, which follow the modified accrual basis of accounting, long-term liabilities are not reported. Instead, debt proceeds are reported as other financing sources. Bond premiums are reported as other financing sources, while bond discounts are reported as other financing uses. Bond issuance costs are recorded as debt service expenditures in the period incurred.

The City complies with all applicable provisions of Florida Statutes governing the issuance of debt and maintains adherence to GFOA best practices related to debt management, disclosure, and financial reporting.

### 7. On-Behalf Payments for Fringe Benefits

The City receives on-behalf payments from the State of Florida for the benefit of the City's Firefighters' Pension Plan, in accordance with applicable Florida Statutes. These payments are made directly by the State to fund pension plan enhancements and are considered on-behalf payments for fringe benefits under GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*.

For the fiscal year ended September 30, 2025, on-behalf payments totaled $742,504. In accordance with GAAP, the City recognizes these payments as both intergovernmental revenue and public safety expenditures (or expenses) in the government-wide financial statements.

In the governmental fund financial statements, these amounts are recognized as intergovernmental revenue in the General Fund when measurable and available, with a corresponding expenditure. Consistent with the City's financial reporting practices, the City records the receipt of these funds in the General Fund and subsequently transfers the amounts to the Firefighters' Pension Plan.

### 8. Deferred Outflows / Inflows of Resources

In accordance with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the Statement of Net Position includes separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that is applicable to future reporting periods and, therefore, is not recognized as an outflow of resources (expense/expenditure) until those periods. The City reports the following items as deferred outflows of resources:

- Deferred charges on refunding, which result from the difference between the carrying value of refunded debt and its reacquisition price. These amounts are deferred and amortized over the shorter length of the remaining life of the refunded debt or the life of the refunding debt, in accordance with GASB Statement No. 65.
- Deferred amounts related to pensions, as required by GASB Statement No. 68, including differences between expected and actual experience, changes in actuarial assumptions, and differences between projected and actual investment earnings.
- Deferred amounts related to other postemployment benefits (OPEB), as required by GASB Statement No. 75, including similar actuarial and investment-related differences.

Deferred inflows of resources represent an acquisition of net position that is applicable to future reporting periods and, therefore, is not recognized as an inflow of resources (revenue) until those periods. The City reports the following items as deferred inflows of resources:

- Deferred amounts related to pensions (GASB 68) and OPEB (GASB 75), including differences between expected and actual experience, changes in actuarial assumptions, and differences between projected and actual investment earnings.
- Deferred inflows related to leases, as required by GASB Statement No. 87, *Leases*, which arise from the recognition of lease receivables and are recognized as revenue over the term of the lease.

These deferred outflows and inflows are amortized and recognized systematically over future periods in accordance with the respective GASB standards.

### 9. Leases

The City accounts for leases in accordance with **GASB Statement No. 87, *Leases***, which requires the recognition of certain lease assets, lease liabilities, lease receivables, and deferred inflows of resources.

A lease is defined as a contract that conveys control of the right to use another party's non-financial asset for a period of time in an exchange or exchange-like transaction.

**Lessor Accounting:**

At the commencement of a lease in which the City is the lessor, the City recognizes a **lease receivable** and a corresponding **deferred inflow of resources**. The lease receivable is initially measured at the present value of lease payments expected to be received over the lease term. The deferred inflow of resources is measured as the initial amount of the lease receivable, adjusted for any lease payments received at or before the commencement of the lease term.

**Lessee Accounting:**

At the commencement of a lease in which the City is the lessee, the City recognizes a **lease liability** and an **intangible right-to-use lease asset**. The lease liability is initially measured at the present value of lease payments expected to be made over the lease term. The related right-to-use lease asset is initially measured at the amount of the lease liability, adjusted for lease payments made at or before commencement, plus certain initial direct costs.

The City uses its **incremental borrowing rate** as the discount rate unless the interest rate implicit in the lease is readily determinable. The City evaluates lease terms, including options to extend or terminate, based on the likelihood of exercise.

The City monitors its lease agreements for events or changes in circumstances that may require **remeasurement** of the lease liability and related asset, or the lease receivable and deferred inflow of resources, in accordance with GASB requirements.

**10. Subscription-based Information Technology Arrangements (SBITA)**

Effective October 1, 2022, the City implemented **GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)***, which establishes accounting and financial reporting requirements for SBITAs and requires recognition of subscription assets and liabilities.

A SBITA is defined as a contract that conveys control of the right to use another party's information technology (IT) software, alone or in combination with tangible capital assets, for a period of time in an exchange or exchange-like transaction.

In accordance with GASB Statement No. 96, the City evaluates whether a contract conveys control of the right to use the underlying IT asset by assessing whether the City has:

- The right to obtain the present service capacity from use of the underlying IT asset; and
- The right to determine the nature and manner of use of the underlying IT asset.

SBITAs include contracts that meet the definition above, even if not explicitly labeled as such. Contracts that solely provide IT support services are excluded; however, contracts that include both a right-to-use IT asset component and a service component are evaluated to identify and account for the applicable SBITA elements.

At the commencement of SBITA, the City recognizes a **subscription liability** and an **intangible right-to-use subscription asset**. The subscription liability is initially measured at the present value of subscription payments expected to be made over the term of the arrangement. The related subscription asset is initially measured at the amount of the subscription liability, adjusted for payments made at or before commencement, plus certain initial implementation and direct costs.

The City uses its **incremental borrowing rate** to discount future payments unless the rate implicit in the arrangement is readily determinable. The City monitors SBITA agreements for modifications or other changes in circumstances that may require **remeasurement** of the subscription liability and related asset.

### 11. Fund Equity / Net Position

#### Net Position

In the government-wide and proprietary fund financial statements, net position is classified in accordance with **GASB Statement No. 34** as follows:

- **Net Investment in Capital Assets** – This component consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, loans, and other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows and deferred inflows of resources attributable to these assets or related debt are included, as applicable.
- **Restricted Net Position** – This component consists of net position subject to externally enforceable constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – This component represents net position that does not meet the definition of “net investment in capital assets” or “restricted.” Unrestricted net position may be used to meet the City’s ongoing obligations to citizens and creditors.

#### Net Position Flow Assumptions

When both restricted and unrestricted resources are available for use, it is the City’s policy to **use restricted resources first**, followed by unrestricted resources, unless otherwise required by legal or contractual provisions. This policy is applied in government-wide and proprietary fund financial statements

#### Fund Balance

In accordance with **GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions***, the City classifies governmental fund balances as follows:

- **Nonspendable Fund Balance** – Amounts that are not in spendable form or are legally or contractually required to be maintained intact. Examples include inventories, prepaid items, and nonfinancial assets held for resale.
- **Restricted Fund Balance** – Amounts constrained to specific purposes by external parties (such as creditors, grantors, or contributors), or by law through constitutional provisions or enabling legislation.
- **Committed Fund Balance** – Amounts constrained to specific purposes by formal action of the City Commission, the City’s highest level of decision-making authority. Commitments may only be modified or rescinded by the same type of formal action used to establish the commitment.
- **Assigned Fund Balance** – Amounts intended to be used for specific purposes but that do not meet the criteria to be classified as restricted or committed. Intent may be expressed by the City Commission or by an official or body to which the Commission

has delegated authority. This classification also includes amounts appropriated to eliminate a projected budget deficit in the subsequent fiscal year, consistent with GASB guidance.

- **Unassigned Fund Balance** – The residual classification for the General Fund representing amounts not contained in the other classifications. The General Fund is the only fund that reports a positive unassigned fund balance; other governmental funds may report negative unassigned balances if expenditures exceed amounts restricted, committed, or assigned.

**Fund Balance Flow Assumptions**

When both restricted and unrestricted (committed, assigned, and unassigned) resources are available for use, it is the City's policy to use resources in the following order, to the extent permitted:

1. Restricted
2. Committed
3. Assigned
4. Unassigned

**Minimum Fund Balance Policy**

The City Commission has adopted a formal **fund balance policy by resolution**, consistent with GFOA best practices, to ensure long-term financial stability and resilience.

This policy establishes the following reserves within the General Fund:

- **Natural Disaster Reserve** – Established to provide resources to respond to public emergencies and natural disasters. The balance of this reserve was $10,515,000 at September 30, 2025.
- **Operating Reserve** – Established at a target level equal to **two (2) months of General Fund annual operating expenditures**, to provide financial flexibility for unanticipated expenditures, revenue shortfalls, legislative impacts, or economic downturns. The balance of this reserve was $11,093,429 at September 30, 2025.

These reserves are intended to address significant unforeseen events and are **not intended to fund routine operations or recurring budgetary shortfalls**. The City Commission has established procedures for replenishment of these reserves when they are drawn down.

**Economic Development and Infrastructure Reserves**

The City Commission has also adopted a resolution establishing additional **committed fund balance reserves** to support economic development initiatives. As of September 30, 2025 these reserve balances were as follows:

- **Economic Development Reserve** – $525,600
- **Economic Emergency Reserve -** $12,000,000
- **Capital Outlay Reserve** – $24,654,686
- **Grant Match Reserve** - $378,500

These reserves are intended as **one-time funding sources** to support economic development and infrastructure initiatives within the City.

The combined balance of these reserves was $59,167,215 as of September 30, 2025.

### 12. Fund Balance/Net Position Restatement

As of October 1, 2024, the City reorganized its financial reporting structure to better provide transparency regarding select City operations. These changes included the following: moving the Solid Waste and Stormwater Utility Funds from special revenue funds to enterprise funds, breaking the building services function out of the General Fund into a separate special revenue fund, and extracting Fleet and Information Technology services from within the General Fund to be accounted for in separate internal service funds. The impact of these changes is reflected in accordance with GASB Statement No. 100. Further discussion can be found in note IV G.

### 13. Future Accounting Pronouncements

The City is currently evaluating the impact of recently issued **Governmental Accounting Standards Board (GASB) Statements** that are not yet effective for the fiscal year ended September 30, 2025. The following standards are expected to be implemented in a future fiscal year:

**GASB Statement No. 103, *Financial Reporting Model Improvements*** – effective for fiscal years beginning after June 15, 2025.

GASB Statement No. 103 requires governments to provide enhancements to:

The focus on GASB Statement No. 103 is to improve the understandability and decision-usefulness of financial statements.

**GASB Statement No. 104, *Disclosure of Certain Capital Assets*** – effective for fiscal years beginning after June 15, 2025.

The object of GASB Statement No. 104 is to improve transparency by providing users of the financial statements with more detailed information about capital assets and the government's limitations on their use or disposition.

**GASB Statement No. 105, *Subsequent Events*** – effective for fiscal years beginning after June 15, 2026.

Statement No. 105 establishes guidance for the reporting and disclosure of events that occur after the financial statement date but before the financial statements are issued or available to be issued.

The City will implement these standards in accordance with their effective dates. Management is currently evaluating the impact that each statement will have on the City’s financial statements and related disclosures. While the full effect of implementation has not yet been determined, the adoption of these standards are not expected to have a material adverse impact on the City’s financial position.

## II. Stewardship, compliance, and accountability

### A. Budgetary information

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

On an annual basis the City Manager submits to the City Commission a proposed operating and capital budget for the fiscal year commencing the following October 1st. Public hearings are held to obtain taxpayer input. Prior to October 1st, the budget is legally adopted through City Commission resolution.

The budget is prepared and adopted by fund, function and department. The legal level of budgetary control is at the fund level. The City Manager may make transfers of appropriations within a fund throughout the year. Transfers of appropriations between funds require the approval of the City Commission. Budget amendments that actually change the total revenue and/or expenses as legally adopted as part of the budget are brought forth to the City Commission for approval of an amending resolution.

Encumbrance accounting is employed in governmental funds. Operating encumbrances lapse at year end; capital encumbrances are carried forward into the subsequent year's budget with Commission approval.

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## III. Detailed Notes on All Activities and Funds

### A. Deposits and investments

As of September 30, 2025, the City had the following investments:

| Investment | Maturities | Ratings | Fair Value |
|---|---|---|---|
| State Board of Administration Local Government Surplus Funds Trust Fund (Florida PRIME) | 31 Days average | AAAm | $ 11,688,957 |
| Florida Surplus Asset Trust Fund (FLSAFE) | 1 Day | AAAm | 16,309,063 |
| Wells Fargo Government Obligations (Federal Agency Coupon) Securities | Up to 3.94 years | Aaa/AA+ | 9,787,267 |
| Wells Fargo Government Obligations ( US Treasury Notes) | Up to 4.52 years | Aaa/AA+ | 26,566,442 |
| Wells Fargo Money Market Funds | 1 Day average | N/A | 1,406,333 |
| Wells Fargo Corporate Notes | Up to 4.58 years | A1/ A/A+ | 11,898,869 |
| **Firefighters' Pension Investments:** | | | |
| Cash & Short Term Investments | N/A | N/A | 2,082,913 |
| U.S. Treasury Obligations | Up to 30 years | N/A | 2,396,714 |
| Mortgage/Asset Backed Securities | up to 20 years | N/A | 3,162,259 |
| Municipal Obligations | up 3.25 years | N/A | 42,481 |
| Corporate Bonds | Up to 28 years | Baa3 - Aa3 | 3,762,267 |
| Stocks | N/A | N/A | 7,859,523 |
| Mutual Funds/Fixed Income | N/A | N/A | 1,617,992 |
| Mutual Funds/Equity | N/A | N/A | 27,959,338 |
| Real Estate Funds | N/A | N/A | - |
| Private Market Equity Funds | N/A | N/A | - |
| **General Employees' Pension Investments:** | | | |
| Stable Value/Money Market Funds | N/A | N/A | 688,275 |
| Bond Funds | N/A | N/A | 238,521 |
| Balanced /Asset Allocation Funds | up to 21 years | AA-BBB | 1,875,891 |
| U.S. Stock Funds | N/A | N/A | 955,132 |
| International Stock Funds | N/A | N/A | 366,661 |
| Specialty | N/A | N/A | 32,178 |
| **Total Investments** | | | 130,697,076 |
| Cash Deposits | | | 142,074,599 |
| **Total Deposits and Investments** | | | 272,771,675 |
| Shown in the accompanying Statements of Net Position as: | | | |
| Primary Government – Deposits and Investments | | | 213,046,629 |
| Fiduciary Funds – Deposits and Investments | | | 59,725,046 |
| **Total** | | | $ 272,771,675 |

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

The City manages its exposure to interest rate risk through its investment policy by structuring the investment portfolio to ensure that securities mature in a manner consistent with the City's ongoing cash flow requirements. The policy emphasizes the use of shorter-term investments, including money market funds and local government investment pools, to reduce exposure to fluctuations in interest rates. Information regarding the weighted average maturity of the City's investments is presented in the accompanying schedules.

**Credit Risk**

Credit risk is the risk that an issuer or other counter-party to an investment will not fulfill its obligations. The City's investment policy limits credit risk by restricting investments to those authorized under **Section 218.415, Florida Statutes**, and by requiring investments to meet high credit quality standards.

Credit ratings for the City's debt securities are presented in the accompanying schedules and are based on ratings issued by nationally recognized statistical rating organizations, including **Moody's Investors Service** and **Standard & Poor's Rating Services**.

The Firefighters' Pension Plan investment policy further limits credit risk by restricting directly held fixed-income securities to those rated within one of the three highest rating categories. For commingled or pooled investments, such as mutual funds, the weighted average credit quality of the portfolio must be rated a/Aa or higher.

**Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City's investment policy requires diversification of investments by issuer, maturity, and investment type to minimize exposure to concentration risk.

The Firefighters' Pension Plan investment policy further limits exposure by restricting investments in any single issuing company's common stock, capital stock, or convertible securities to no more than 5 percent of total plan assets. In addition, total investments in equity securities are limited to 65 percent of total plan assets.

**Custodial Credit Risk – Deposits**

Custodial credit risk of deposits is the risk that, in the event of a financial institution failure, the City's deposits may not be recovered. The City's deposits are held in financial institutions that are qualified public depositories under **Chapter 280, Florida Statutes**.

Under this program, financial institutions are required to pledge collateral to secure public deposits, and the State maintains a collateral pooling system to protect public depositors.

As of September 30, 2025, all of the City's deposits were either insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized pursuant to Chapter 280, Florida Statutes. Accordingly, the City is not exposed to custodial credit risk for deposits.

**Custodial Credit Risk – Investments**

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The City does not have a formal policy addressing custodial credit risk for investments; however investments are generally held by the City's custodial financial institutions in the City's name.

Investments held within the **General Employees' Pension Plan**, a defined contribution plan, are held by third-party custodians in the names of individual participants. Accordingly, the City does not bear custodial credit risk for these investments.

Investments of the **Firefighters' Pension Plan** are held by the plan's custodian in the name of the plan and are not exposed to custodial credit risk.

**Foreign Currency Risk**

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment.

The City does not invest directly in foreign currency-denominated investments. While the General Employees' Pension Plan may offer participants investment options that include exposure to foreign markets, these investments are participant-directed and are not held in the City's name. Accordingly, the City is not exposed to foreign currency risk.

**Fair Value Measurement**

In accordance with ***GASB Statement No. 72, Fair Value measurement and Application***, the City measures and reports certain investments at fair value using a market-based approach. Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

The City categorizes its fair value measurements within the following hierarchy based on the valuation inputs used:

- **Level 1 Inputs** - Quoted prices (unadjusted) in active markets for identical assets;
- **Level 2 Inputs** - Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets, interest rates, and yield curves; and
- **Level 3 Inputs** - Unobservable inputs, including the City's own assumptions about the factors market participants would use in pricing the asset.

GASB Statement No. 72 applies to all investments, except for those that are reported at amortized cost or at net asset value (NAV), including certain money market investments, investment contracts, and external investment pools that meet the criteria of GASB Statement No. 79.

Additional information regarding the City's fair value measurements and the classification of investments within the fair value hierarchy is presented in the accompanying schedules.

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

| Investment | Value at 09/30/2025 | Not Reported at Fair Value | Valuation Hierarchy Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|---|
| City Investments | | | | | |
| Federal Agency Securities | $ 9,787,267 | $ - | $ - | $ 9,787,267 | $ - |
| US Treasury Securities | 26,566,442 | - | - | 26,566,442 | - |
| Money Market Funds | 1,406,333 | 1,406,333 | - | - | - |
| Corporate Notes | 11,898,869 | - | - | 11,898,869 | - |
| Supranationals | 11,688,957 | 11,688,957 | - | - | - |
| Intergovernmental Investment Pools - FLSAFE | 16,309,063 | 16,309,063 | - | - | - |
| Firefighters' Pension Investments | 2,082,913 | - | 2,082,913 | - | - |
| Cash & Short Term Investments | 2,396,714 | | - | - | - |
| U.S. Treasury Obligations | 3,162,259 | - | - | 2,396,714 | - |
| Mortgage/Asset Backed Securities | 42,481 | - | - | 3,162,259 | - |
| Municipal Obligations | 3,762,267 | - | - | 42,481 | - |
| Corporate Bonds/Foreign Bonds, Notes & Debentures | 7,859,523 | 7,859,523 | - | 3,762,267 | - |
| Stocks | - | - | - | - | - |
| Mutual Funds-Fixed Income | 1,617,992 | - | 1,617,992 | - | - |
| Mutual Funds-Equity | 27,959,338 | - | 27,959,338 | - | - |
| Real Estate Funds | - | - | - | - | - |
| Private Market Equity Funds | - | - | - | - | - |
| General Employees' Pension Investments | | - | - | - | - |
| Stable Value/Money Market Funds | 688,275 | 688,275 | - | - | - |
| Bond Funds | 238,521 | 238,521 | - | - | - |
| Balanced /Asset Allocation Funds | 1,875,891 | 1,875,891 | - | - | - |
| U.S. Stock Funds | 955,132 | 955,132 | - | - | - |
| International Stock Funds | 366,661 | 366,661 | - | - | - |
| Specialty | 32,178 | 32,178 | - | - | - |
| Totals | $ 130,697,076 | $ 41,420,534 | $ 31,660,243 | $ 57,616,299 | $ - |

## Valuation Techniques and Inputs

The City's investments are categorized within the fair value hierarchy by the City's investment manager using an independent pricing service that applies a consistent methodology across all securities within each asset class.

The **General Employees' Pension Plan investments** are valued by the plan administrator using an independent pricing service. These investments are primarily held in pooled investment funds for which unit values are determined and published daily. Because these investments are measured at net asset value (NAV) per share (or its equivalent), they are not categorized within the fair value hierarchy in accordance with GASB Statement No. 72.

The **Firefighters' Pension Plan investments** are categorized within the fair value hierarchy by the plan administrator based on asset class, pricing source, and the observability of valuation inputs. Investments classified within Levels 1 and 2 are valued using observable market-based inputs obtained from independent pricing services. Investments classified within level 3 are valued using significant unobservable inputs, including valuation techniques such as the discounted cash flow method.

The City's valuation processes are designed to maximize the use of observable inputs and minimize the use of unobservable inputs, consistent with GASB guidance.

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## B. Receivables

Receivables as of year-end shown on the Statement of Net Position for the City's Governmental Activities and Business-Type Activities, including the applicable allowances for uncollectible accounts, consist of:

| | Governmental Activities | Business-type Activities | Total |
|---|---|---|---|
| Customers: | | | |
| Billed | $ - | $ 1,913,948 | $ 1,913,948 |
| Unbilled | - | 2,853,035 | 2,853,035 |
| Services tax | 842,641 | - | 842,641 |
| Franchise fees | 809,693 | - | 809,693 |
| Business Tax | 164,785 | - | 164,785 |
| The Center | 78,379 | - | 78,379 |
| Miscellaneous | 1,263,465 | 85,460 | 1,348,925 |
| A/R - NSF check | 52,585 | - | 52,585 |
| Gross receivables | 3,211,548 | 4,852,443 | 8,063,991 |
| Less: allowance for uncollectibles | - | (143,612) | (143,612) |
| Net total receivables | $ 3,211,548 | $ 4,708,831 | $ 7,920,379 |

Receivables due from other governments as of year-end shown on the Statement of Net Position for the City's Governmental Activities and Business-Type Activities are as follows:

| | Governmental Activities | Business-type Activities | Total |
|---|---|---|---|
| State of Florida - 5 & 6 Cent Gas Tax | $ 237,659 | $ - | $ 237,659 |
| State of Florida - 1/2 Cent Sales Tax | 452,002 | - | 452,002 |
| State of Florida - Communications Tax | 216,832 | - | 216,832 |
| Federal Emergency Management Agency - Florida Div, of Emergency Mgmt. | 2,126,874 | - | 2,126,874 |
| U.S. Dept. of Housing and Urban Development | 611,925 | - | 611,925 |
| Miscellaneous | 413,526 | - | 413,526 |
| Total Due from Other Governments | $ 4,058,818 | $ - | $ 4,058,818 |

Governmental funds report *unearned revenue* in connection with revenues not considered to be available to liquidate liabilities of the current period. Governmental funds also report unearned revenue in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of *unearned revenue* reported in the governmental funds were as follows:

| | Governmental Activities | Business-type Activities |
|---|---|---|
| SHIP Grant fund advances received from grantor agency prior to meeting all eligibility requirements | $ 2,205,783 | $ - |
| General Fund Miscellaneous Unearned Revenue | 906 | |
| Coronavirus State and Local Fiscal Recovery Funds | - | 2,727,293 |
| Total Unearned Revenue | $ 2,206,689 | $ 2,727,293 |

## C. Capital assets

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

| | Beginning Balance* | Increases | Transfers/ Adjustments | Decreases | Ending Balance |
|---|---|---|---|---|---|
| **Governmental activities:** | | | | | |
| Capital assets, not being depreciated | | | | | |
| Land | $ 15,067,014 | $ - | | $ - | $ 15,067,014 |
| Infrastructure right of way | 4,372,500 | - | - | - | 4,372,500 |
| Construction in progress | 2,616,200 | 8,775,121 | | (4,602,626) | 6,788,695 |
| Total capital assets, not being depreciated | 22,055,714 | 8,775,121 | - | (4,602,626) | 26,228,209 |
| Capital assets, being depreciated: | | | | | |
| Intangibles | 79,880 | - | | - | 79,880 |
| Right to use - SBITA | 102,521 | - | 34,972 | - | 137,493 |
| Buildings and improvements | 68,776,556 | 946,930 | | (81,217) | 69,642,269 |
| Machinery and equipment | 31,450,268 | 3,651,550 | | (3,520,791) | 31,581,027 |
| Infrastructure (roads and streets) | 127,148,832 | 364,588 | - | (270,944) | 127,242,476 |
| Total capital assets, being depreciated | 227,558,057 | 4,963,068 | 34,972 | (3,872,952) | 228,683,145 |
| Less accumulated depreciation for: | | | | | |
| Amortization | (79,880) | | | - | (79,880) |
| Amortization - Right to use SBITA | (26,726) | (43,725) | (43,725) | - | (114,176) |
| Buildings and improvements | (42,412,701) | (670,108) | | 68,993 | (43,013,816) |
| Machinery and equipment | (24,061,527) | (1,651,631) | | 3,304,465 | (22,408,693) |
| Infrastructure (roads and streets) | (70,478,013) | (3,437,203) | - | 260,247 | (73,654,969) |
| Total accumulated depreciation | (137,058,847) | (5,802,667) | (43,725) | 3,633,705 | (139,271,534) |
| Total capital assets, being depreciated, net | 90,499,210 | (839,599) | (8,753) | (239,247) | 89,411,611 |
| **Governmental activities capital assets, net** | $ 112,554,924 | $ 7,935,522 | $ (8,753) | $ (4,841,873) | $ 115,639,820 |

| | Beginning Balance* | Increases | Transfers/ Adjustments | Decreases | Ending Balance |
|---|---|---|---|---|---|
| **Business-type activities-Water/wastewater** | | | | | |
| Capital assets, not being depreciated: | | | | | |
| Land | $ 3,203,197 | $ - | $ - | $ - | $ 3,203,197 |
| Construction in progress | 25,738,715 | 5,952,400 | - | (3,466,731) | 28,224,384 |
| Total capital assets, not being depreciated | 28,941,912 | 5,952,400 | - | (3,466,731) | 31,427,581 |
| Capital assets, being depreciated: | | | | | |
| Intangible - Capitalized | 2,091,561 | - | - | - | 2,091,561 |
| Intangible - Right to use SBITA | 15,088 | - | - | (15,088) | - |
| Buildings and improvements | 11,786,598 | - | - | (491,100) | 11,295,498 |
| Improvements other than buildings | 169,659,458 | 1,176,787 | - | (543,005) | 170,293,240 |
| Machinery and equipment | 45,108,238 | 1,503,763 | - | (2,777,960) | 43,834,041 |
| Total capital assets, being depreciated | 228,660,943 | 2,680,550 | - | (3,827,153) | 227,514,340 |
| Less accumulated depreciation for: | | | | | |
| Intangible - Capitalized | (1,017,152) | (200,591) | - | - | (1,217,743) |
| Intangible - Right to use SBITA | (10,058) | (5,030) | - | 15,088 | - |
| Buildings and improvements | (4,363,704) | (401,878) | - | 491,100 | (4,274,482) |
| Improvements other than buildings | (68,692,514) | (4,420,953) | - | 539,409 | (72,574,058) |
| Machinery and equipment | (31,361,212) | (2,778,219) | - | 2,764,752 | (31,374,679) |
| Total accumulated depreciation | (105,444,640) | (7,806,671) | - | 3,810,349 | (109,440,962) |
| Total capital assets, being depreciated, net | 123,216,303 | (5,126,121) | - | (16,804) | 118,073,378 |
| **Business-type activities capital assets, net** | $ 152,158,215 | $ 826,279 | $ - | $ (3,483,535) | $ 149,500,959 |

* Beginning balances have been adjusted for Stormwater and Solid Waste funds previously recognized as Governmental and are now being recoginized as Business-type funds. Please see GASB 100 disclosure for additional information.

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

| | | |
|---|---|---|
| **Governmental Activities:** | | |
| General government and administration | $ | 2,790,174 |
| Public safety | | 851,475 |
| Highways and streets | | 758,198 |
| Culture and recreation | | 1,402,820 |
| Physical environment | | |
| Total depreciation expense - governmental activities | $ | 5,802,667 |
| **Business-type activities:** | | |
| Stormwater Utility- total additions to accumulated depreciation- Business-Type activities | $ | 1,069,741 |
| Water and sewer utility - total additions to accumulated depreciation- Business-Type activities | | 6,736,930 |
| Total depreciation expense - Business-Type activities | $ | 7,806,671 |

### D. Construction and Other Significant Commitments

The City uses encumbrances to control expenditure commitments throughout the fiscal year and enhance cash management. Encumbrances represent commitments for unperformed contracts, including construction contracts, and outstanding purchase orders. Outstanding encumbrances at year-end are reported as committed or assigned fund balances, as appropriate, and do not constitute expenditures or liabilities.

As of September 30, 2025, the City had active construction projects including street improvements, public safety facilities, housing rehabilitation, parks, and water and wastewater infrastructure.

Amounts reported as Contracts/Retainage Payable represent liabilities for work completed but not yet paid, including retainage withheld in accordance with contractual provisions, pending final approval and acceptance by the City.

At year end, the City's construction and other significant commitments were:

| | Encumbrances | Contracts/ Retainage Payable |
|---|---|---|
| Governmental Funds: | | |
| Major funds: | | |
| General Fund | $ 2,679,830 | $ - |
| Transportation Fund | 1,529,762 | |
| Nonmajor Funds | 209,309 | 31,748 |
| Total Governmental Funds | 4,418,901 | 31,748 |
| Enterprise Funds: | | |
| Major fund: | | |
| Water and Sewer Utility Fund | 4,735,545 | 119,753 |
| Stormwater Utility Fund | 1,237,581 | - |
| Total Enterprise Funds | 5,973,126 | 119,753 |
| Total | $ 10,392,027 | $ 151,501 |

Stormwater projects are financed primarily through charges for services. Transportation projects are funded through Local Option Gas Tax revenues, in accordance with Florida Statutes.

Projects accounted for within nonmajor governmental funds are financed through federal and state grant revenues, and accumulated fund resources, as applicable.

Enterprise fund capital projects are financed through utility operating revenues.

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## E. Interfund receivables, payables and transfers

### Interfund balances at September 30, 2025 were:

| | Interfund | |
|---|---|---|
| | Receivable | Payable |
| General Fund: | | |
| Community Development Block Grant Fund | $ 233,442 | $ - |
| Community Development Block Grant Fund: | | |
| General Fund | - | 229,722 |
| Stormwater Fund: | - | |
| General Fund | | 3,720 |
| Total | $ 233,442 | $ 233,442 |

Interfund transfers for the year ended September 30, 2025 were:

| | Governmental Funds | | | | |
|---|---|---|---|---|---|
| | General Fund | Transportation Fund | Non-Major Governmental Funds | Governmental Activities Internal Service | Total |
| Transfer(s) in | $ 11,620,578 | $ 500,937 | $ 2,809,520 | $ 2,295,591 | $ 17,226,626 |
| Transfer(s) out | (17,565,710) | - | (195,916) | - | (17,761,626) |
| **Total** | $ (5,945,132) | $ 500,937 | $ 2,613,604 | $ 2,295,591 | $ (535,000) |

| | Business-type | | | |
|---|---|---|---|---|
| | Solid Waste | Stormwater | Water & Sewer | Total |
| Transfer(s) in | $ - | $ 535,000 | $ - | $ 535,000 |
| Transfer(s) out | - | - | - | - |
| **Total** | $ - | $ 535,000 | $ - | $ 535,000 |

Transfers are used to move resources between funds in order to segregate or classify the resources to specific funds in order to comply with legal restrictions, budgetary restrictions, or grant requirements.

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## F. Lease Receivables

The City is the lessor in contracts with outside parties for the right to use land for communication towers. There are a number of lease terms ranging from 144 months to 36 months. The aggregate annual payments of $211,931 at an interest rate of 2.50 percent based on FMS Bond, Inc. municipal bond yield for the AAA rated ten-year bonds. The City has $3,106,059 in outstanding lease receivables and deferred inflows of $2,762,646 at September 30, 2025. During the fiscal year, the City recognized $211,931 in lease revenue and $79,350 in lease interest.

| | Lease Receivables | | |
|---|---|---|---|
| Fiscal Years Ended | Principal | Interest | Total |
| 2026 | 220,759 | 73,945 | 294,704 |
| 2027 | 236,940 | 68,257 | 305,197 |
| 2028 | 248,134 | 62,125 | 310,259 |
| 2029 | 197,371 | 56,565 | 253,936 |
| 2030 | 212,721 | 51,441 | 264,162 |
| 2031-2035 | 1,132,699 | 172,464 | 1,305,163 |
| 2036-2040 | 403,893 | 76,068 | 479,961 |
| 2041-2045 | 220,690 | 40,966 | 261,656 |
| 2046-2050 | 190,905 | 17,817 | 208,722 |
| 2051-2053 | 41,947 | 570 | 42,517 |
| Total | $ 3,106,059 | $ 620,218 | $ 3,726,277 |

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## G. Long-term debt

Revenue bonds

### Capital Improvement Revenue Refunding Bonds, Series 2016

On July 7, 2016, the City issued Capital Improvement Revenue Refunding Bonds, Series 2016, totaling $35,750,000. The Bonds were issued to refund the outstanding principal of the Transportation Capital Improvement Revenue Bonds, Series 2006, to provide funding for road improvement and expansion projects, and to provide funding for the construction of a community center. The bonds are secured by a pledge of Half-Cent Sales Taxes, Public Service Taxes, and Local Communication Services Taxes.

The bonds bear interest at fixed rates from 2.00% to 5.00% and mature from October 1, 2017, to October 1, 2046. Interest is payable semiannually on April 1, and October 1. Annual principal payments are due on October 1, but will be paid in even monthly installments through a third party under a debt service forward delivery agreement until the maturity date of the original 2006 bonds in 2026. Annual debt service requirements through maturity are presented in the following table:

**Capital improvement Revenue Refunding Bonds, Series 2016**

| | Transportation Portion | | Community Center Portion | | Total |
|---|---|---|---|---|---|
| Fiscal Years Ended | Principal | Interest | Principal | Interest | |
| 2026 | 725,000 | 727,413 | 200,000 | 202,506 | 1,854,919 |
| 2027 | 765,000 | 691,163 | 210,000 | 192,506 | 1,858,669 |
| 2028 | 795,000 | 660,563 | 220,000 | 184,106 | 1,859,669 |
| 2029 | 810,000 | 644,663 | 225,000 | 179,706 | 1,859,369 |
| 2030 | 845,000 | 612,263 | 235,000 | 170,706 | 1,862,969 |
| 2031-2035 | 4,700,000 | 2,539,763 | 1,320,000 | 707,281 | 9,267,044 |
| 2036-2040 | 5,545,000 | 1,729,363 | 1,545,000 | 480,281 | 9,299,644 |
| 2041-2045 | 6,450,000 | 835,988 | 1,790,000 | 231,925 | 9,307,913 |
| 2046 | 1,410,000 | 44,063 | 390,000 | 12,188 | 1,856,251 |
| Total | $ 22,045,000 | $ 8,485,242 | $ 6,135,000 | $ 2,361,205 | $ 39,026,447 |

### Debt service forward delivery agreement

The City entered into a Debt Service Forward Delivery Agreement to administer debt service payments and to generate additional cash from the Transportation Capital Improvement Revenue Bonds, Series 2006. Under this agreement, the City makes level monthly payments of approximately $156,115 to a trustee. The trustee, in turn, makes all debt service payments (principal and interest) as due. The City received a cash payment of $333,670 for entering into this agreement. The entire amount was recognized as income in the fiscal year ended September 30, 2006 in the governmental funds but is classified as unearned revenue in the entity-wide statements and will be recognized in the Statement of Activities on a straight-line basis over the life of the original Series 2006 bond issue.

**Stormwater Bank Note, 2009 (Direct Borrowing)**

On April 8, 2009, the City entered into a loan agreement (direct borrowing) in the amount of $6,569,345 with Branch Banking and Trust Company (BB&T). The loan was obtained in order to finance certain of the City's costs of the capital improvements contained in the City's adopted Stormwater Master Plan. The Note was issued for a period of twenty years and is scheduled to mature on May 1, 2029. The interest rate on the Note ("Note Rate") is 5.01%. The Note is payable from, and secured solely by, revenues derived by the City from its stormwater utility assessments and the City's covenant to budget and appropriate legally available non-ad valorem revenues as provided in the agreement. The City collected $6,986,662 in stormwater utility assessments in the fiscal year ended September 30, 2025.

The note is subject to prepayment at the option of the City on or after May 1, 2019. In the event of default on the Note, a default interest rate of the Note Rate plus 2% shall be imposed on the outstanding Note balance, with all payments from the City applied first to interest and then to principal. As of September 30, 2025, the City has not defaulted on the Note.

Annual debt service requirements through maturity are presented in the following schedule:

| | Stormwater Bank Note 2009 | | |
|---|---|---|---|
| Fiscal Years Ended | Principal | Interest | Total |
| 2026 | 436,485 | 94,448 | 530,933 |
| 2027 | 458,915 | 72,580 | 531,495 |
| 2028 | 482,497 | 49,588 | 532,085 |
| 2029 | 507,291 | 25,416 | 532,707 |
| Total | $ 1,885,188 | $ 242,032 | $ 2,127,220 |

**Business-type Activity Liabilities**

The following is a summary of long-term liabilities of the proprietary fund at September 30, 2025:

**State Revolving Loans (Direct Borrowings)**

On March 29, 2011, the City entered into a Clean Water State Revolving Fund loan agreement (direct borrowing) with Florida Water Pollution Control Financing Corporation, a division of the Florida Department of Environmental Protection. Proceeds of this financing arrangement were used to fund the planning, design and pre-construction activities of the City's planned treatment and reuse facility. The City subsequently executed two amendments to this agreement to revise the total funding allocation to $29,381,000. The lien on net revenues of the system is on a junior and subordinated lien position to the Taxable Utility System Refunding Revenue Bonds series 2021.

The loan balance as of September 30, 2025 was $16,839,050. Interest in the amount of $490,978 was capitalized prior to September 30, 2017. Repayment was scheduled over 40 semiannual loan payments, due every June 15th and December 15th, beginning June 15,

2016. Current year payments totaled $1,607,370 with $1,465,778 applied to principal.

Annual debt service requirements to maturity are presented in the following schedule:

| State Revolving Fund Loan #641800 | | | |
|---|---|---|---|
| Fiscal Years Ended | Principal | Interest | Total |
| 2026 | 1,474,916 | 290,534 | 1,765,450 |
| 2027 | 1,500,998 | 264,452 | 1,765,450 |
| 2028 | 1,527,546 | 237,904 | 1,765,450 |
| 2029 | 1,554,568 | 210,882 | 1,765,450 |
| 2030 | 1,582,072 | 183,377 | 1,765,449 |
| 2031-2035 | 8,323,940 | 486,808 | 8,810,748 |
| 2036 | 875,010 | 7,715 | 882,725 |
| Total | $ 16,839,050 | $ 1,681,672 | $ 18,520,722 |

On July 19, 2017, the City entered into a second Clean Water State Revolving Fund loan agreement (direct borrowing). The purpose of this financing arrangement is to fund, together with a cost-share grant from the St. Johns River Water Management District, improvements to the City's reclaimed water system, including a surface water intake/pump station, a transmission main, covered storage for raw surface water, stormwater treatment, and water storage. The lien on net revenues of the system is on a junior and subordinated lien position to the Taxable Utility System Refunding Revenue Bonds, series 2021.

The total amount to repay the State was $ $7,088,575, including $37,177 of capitalized interest and $138,263 of service fees. The interest was capitalized prior to September 30, 2022. The loan balance was $5,058,871 as of September 30, 2025. Repayment over 40 semiannual loan payments of $189,447 due every June 15th and December 15th, began December 15, 2019.

Annual debt service requirements to maturity are presented in the following schedule:

| State Revolving Fund Loan #641830 | | | |
|---|---|---|---|
| Fiscal Years Ended | Principal | Interest | Total |
| 2026 | 346,076 | 32,818 | 378,894 |
| 2027 | 348,364 | 30,531 | 378,895 |
| 2028 | 350,667 | 28,228 | 378,895 |
| 2029 | 352,985 | 25,909 | 378,894 |
| 2030 | 355,319 | 23,576 | 378,895 |
| 2031-2035 | 1,812,141 | 82,332 | 1,894,473 |
| 2036-2039 | 1,493,319 | 22,261 | 1,515,580 |
| Total | $ 5,058,871 | $ 245,655 | $ 5,304,526 |

On May 19, 2021, the City entered into a third Clean Water State Revolving Fund loan agreement (direct borrowing). The purpose of this financing arrangement is to fund, together with a cost-share grant from the St. Johns River Water Management District, improvements to the City's reclaimed water system, including a surface water intake/pump station, a transmission main for raw surface water. The lien on net revenues of the system is on a

junior and subordinated lien position to the Taxable Utility System Refunding Revenue Bonds, series 2021.

The loan balance was $2,506,674 as of September 30, 2025. Semiannual loans payments began on February 15, 2025 and will be made on February 15 and August 15 of each year through the term of the loan.

Annual debt service requirements to maturity are presented in the following schedule

| State Revolving Fund Loan #641860 | | | |
|---|---|---|---|
| Fiscal Years Ended | Principal | Interest | Total |
| 2026 | 131,930 | - | 131,930 |
| 2027 | 131,930 | - | 131,930 |
| 2028 | 131,930 | - | 131,930 |
| 2029 | 131,930 | - | 131,930 |
| 2030 | 131,930 | - | 131,930 |
| 2031-2035 | 659,651 | - | 659,651 |
| 2036-2040 | 659,651 | - | 659,651 |
| 2041-2044 | 527,722 | - | 527,722 |
| Total | $ 2,506,674 | $ - | $ 2,506,674 |

All Clean Water State Revolving Fund loans contain provisions that in the event of default, the State may 1) impose fees or charges and apply the resulting revenue to the outstanding Loan balance; 2) appoint a receiver to manage the water utility; 3) redirect any funds due to the City from any State revenue or tax sharing to the delinquent amount, plus an interest rate of 18% per year and processing costs; 4) sue for payment of amounts due or becoming due plus interest and processing costs, or 5) accelerate the repayment schedule or increase the interest rate by as much as 1.667 times the financing rate stipulated in the Loan agreement. As of September 30, 2025, the City has not defaulted on any loan.

**Taxable Utility System Refunding Revenue Bonds, Series 2021**

On March 3, 2021, the City issued Taxable Utility System Refunding Revenue Bonds, Series 2021 in the principal amount of $98,690,000. The bonds bear interest at fixed rates ranging from 0.209% to 2.839% and mature from October 1, 2021 to October 1, 2050. The bonds are collateralized by a pledge of the net revenues of the system. Interest is payable semi-annually on April 1 and October 1, with annual principal payments due on October 1 of each year.

The 2021 Bonds have been assigned a rating of “A+” and an outlook of “Positive” by Fitch Ratings and "Stable" by S & P Global Ratings. The 2021 Bonds will allow the City to save approximately $2 million annually in interest costs through 2039, for a net present value savings of approximately $8.6 million.

Annual debt service requirements to maturity are presented in the following schedule:

| Utility System - Debt Service to Maturity Schedule – Series 2021 Bonds | | | |
|---|---|---|---|
| Fiscal Years Ended | Principal | Interest | Total |
| 2026 | 2,690,000 | 2,050,970 | 4,740,970 |
| 2027 | 2,710,000 | 2,028,977 | 4,738,977 |
| 2028 | 2,735,000 | 2,000,736 | 4,735,736 |
| 2029 | 2,765,000 | 1,966,755 | 4,731,755 |
| 2030 | 2,800,000 | 1,926,351 | 4,726,351 |
| 2031-2035 | 14,730,000 | 8,876,505 | 23,606,505 |
| 2036-2040 | 16,325,000 | 7,228,425 | 23,553,425 |
| 2041-2045 | 18,510,000 | 4,992,635 | 23,502,635 |
| 2046-2050 | 21,250,000 | 2,197,670 | 23,447,670 |
| 2051 | 4,620,000 | 65,581 | 4,685,581 |
| | $ 89,135,000 | $ 33,334,605 | $ 122,469,605 |

**Subscription-based Information Technology Arrangements (SBITA)**

Effective October 1, 2022 the City adopted GASB Statement No. 96, SBITA. Implementation of this Statement changes accounting and financial reporting for IT software by requiring recognition of certain right-to-use assets and liabilities.

For purposes of applying this Statement, a SBITA is a contract that conveys control of the right to use another party's IT software, as specified in the contract for a period of time in an exchange or exchange-like transaction. To determine whether a contract conveys control of the right to use the underlying IT assets, a government should assess whether it has both of the following: a.) The right to obtain the present service capacity from use of the underlying IT assets as specified in the contract b.) The right to determine the nature and manner of use of the underlying IT assets as specified in the contract. This excludes contracts that solely provide IT support services but includes contracts that contain both a right-to-use IT asset component and an IT support services component.

**Pledged Revenues**

**Governmental Activities - General Fund & Transportation Fund**

The City has pledged future revenues from Half-Cent Sales Taxes, Public Service Taxes, and Local Communications Services Taxes to repay the Capital Improvement Revenue Refunding Bonds, Series 2016. If, in any given year, these revenues collected are not sufficient to cover the principal and interest debt obligation of the Transportation Bond, the Bond Covenants require the City to appropriate any shortfall from non-Ad Valorem revenue collected in the General Fund. The bonds are payable through October 1, 2046. For the fiscal year ended September 30, 2025 pledged revenues totaled $15,484,172 and the highest annual debt service (due in 2046) is $1,861,000. At year end, pledged future revenues totaled $39,026,447 which is the amount of the remaining principal and interest payments on the bonds as of September 30, 2025. Assuming no significant change in pledged revenues collected over the life of the bonds, total principal and interest payments would comprise approximately 11.7% of pledged revenues.

Although the City has pledged these revenues to repay the entire Series 2016 Bonds it is the City's intent to use the pledged revenues referenced above only to pay the portion of the

Series 2016 Bonds used to fund construction of the community center. The portion of debt service allocated to the Transportation Fund, reflecting the portion of funds used to refund the Series 2006 bonds and fund various additional road and street improvements, will be paid using Gas Tax revenues that are accounted for in the Transportation fund. A Local Option Gas Tax agreement exists between all the cities within Volusia County as well as Volusia County. On June 3, 2013 the Commission approved a five year renewal of the existing contract from September 1, 2013 to August 31, 2018. On April 1, 2019, the Commission approved a one-year extension of the interlocal agreement with Volusia County for the distribution of proceeds of the local option fuel tax to August 31, 2020. On August 17, 2020, the Commission approved a second one-year extension of the interlocal agreement with Volusia County for the distribution of proceeds of the local option fuel tax to August 31, 2021. On May 3, 2021, the Commission approved the Interlocal Agreement for Distribution of Proceeds of Local Option Fuel Tax September 1, 2021 to August 31, 2034.

**Business-type Activities - Stormwater Utility**

The City has pledged future stormwater utility assessments revenue to repay the Stormwater Bank Note secured in 2009. The note is payable through 2029. Principal and interest for the current year was $569,730. Stormwater utility assessments for the current year totaled $6,986,662. At year end, pledged future revenues totaled $2,127,220, which was the amount of the remaining principal and interest on the Note as of September 30, 2025. Assuming no further interest rate changes or significant changes in collections of pledged revenue over the remaining life of the Note, total principal and interest on the Note would require approximately 30.45% of pledged revenue.

**Business-type Activities – Water and Sewer Utility**

The City has pledged future water and sewer customer Net Revenues to repay the City's Utility Bond issues. The Taxable Utility System Refunding Revenue Bonds, Series 2021 are payable through 2051 Net Revenues are gross revenues less operating expenses as defined in the bond covenants. Net Revenues totaled $17,212,971 for the current year.

The City has also pledged future water and sewer customer Net Revenues to repay its three State Revolving Fund (SRF) Loans from the Florida Department of Environmental Protection. The combined outstanding balance of the SRF loans was $26,289,783 at September 30, 2025. Principal and Interest payments in the current fiscal year on the Revolving Fund Loans totaled $2,276,275, or 13.22% of water and sewer customer Net Revenues.

**Debt Service Reserve Funds**

A reserve fund provision in the City's Clean Water State Revolving Fund loan agreement went into effect on December 15, 2015. As a result, the City is required to make monthly deposits into a reserve account equal to 1/6th of one semi-annual loan payment for the duration of the loan repayment period. this same requirement is included in the loan agreement for the second and third State Revolving Loans. $758,758 is reported in the noncurrent assets portion of the City's Proprietary Fund as of September 30, 2025.

Funding the debt service reserve does not require the City to actually expend the funds; it does, however, require the reserve funds to be classified as part of the City's restricted fund

balance to reflect that the funds cannot be used for any purpose other than to meet debt service requirements. As a result, the amount available to fund infrastructure on a “pay as you go” basis is reduced, potentially resulting in the delay or cancellation of projects, or the use of alternative financing.

The Taxable Utility System Refunding Revenue Bonds, Series 2021; the Stormwater Bank Note; and the Capital Improvement Revenue Refunding Bonds, Series 2016, have no reserve requirement.

Changes in long-term liabilities

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

The City’s direct borrowing of $28,196,694 related to governmental activities is Capital Improvement Refunding Revenue Bonds and the Debt Service Deposit Agreement, liquidated from resources of the Transportation Fund and the General Fund. For governmental activities, liabilities for compensated absences, pension, and OPEB are liquidated from resources of the General Fund.

The City’s direct borrowing of $26,289,783 related to business-type activities are the Clean Water State Revolving Fund loans described in further detail on pages 63-65, and the Stormwater Bank Note described in further detail on page 63, which is liquidated from resources of the Stormwater Fund. All long-term liabilities for business-type activities are liquidated from the resources of the Enterprise Funds.

The City has no unused lines of credit as of September 30, 2025.

Debt activity for the year ended September 30, 2025 was:

| | Beginning Balance | Additions | Deletions | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| **Governmental activities** | | | | | |
| Other Debt: | | | | | |
| Capital Improvement Refunding | | | | | |
| Revenue Bonds Series 2016 | 29,070,000 | - | 890,000 | 28,180,000 | 925,000 |
| Deferred Revenue, Debt Service Deposit | | | | | |
| Agreement | 33,388 | - | 16,694 | 16,694 | 16,694 |
| Add: Unamortized Premium | 1,668,138 | - | 75,825 | 1,592,313 | - |
| Right to use asset - SBITA | 34,971 | - | 34,971 | - | - |
| Net Pension Liability - Chapter 175 | 7,936,482 | - | 531,976 | 7,404,506 | - |
| Net Pension Liability - FRS/HIS* | 9,510,237 | - | 988,074 | 8,522,163 | - |
| OPEB* | 739,156 | 220,262 | - | 959,418 | 24,472 |
| Compensated Absences* | 3,524,952 | 1,366,653 | - | 4,891,605 | 1,139,785 |
| **Total Governmental Activities** | $ 52,517,324 | $ 1,586,915 | $ 2,537,540 | $ 51,566,699 | $ 2,105,951 |
| | | | | | |
| **Business-type Activites** | | | | | |
| Direct Borrowings: | | | | | |
| Stormwater Bank Note** | $ 2,300,339 | $ - | $ 415,151 | $ 1,885,188 | $ 436,485 |
| FDEP State Revolving Fund Loan #641800 | $ 18,304,828 | $ - | $ 1,465,778 | $ 16,839,050 | $ 1,474,916 |
| FDEP State Revolving Fund Loan #641830 | 5,402,674 | - | 343,803 | 5,058,871 | 346,076 |
| FDEP State Revolving Fund Loan #641860 | 2,586,868 | - | 80,194 | 2,506,674 | 131,930 |
| Total Direct Borrowings | 28,594,709 | - | 2,304,926 | 26,289,783 | 2,389,407 |
| Other Debt: | | | | | |
| Utility System Revenue Bonds | | | | | |
| Series 2021 | 91,815,000 | - | 2,680,000 | 89,135,000 | 2,690,000 |
| Total Utility Bonds | 91,815,000 | - | 2,680,000 | 89,135,000 | 2,690,000 |
| Total Debt | 120,409,709 | - | 4,984,926 | 115,424,783 | 5,079,407 |
| SBITA - Liability | 5,186 | - | 5,186 | - | - |
| Net Pension Liability - FRS* | 4,718,969 | - | 629,707 | 4,089,262 | - |
| OPEB* | 350,676 | 140,374 | - | 491,050 | 15,596 |
| Compensated Absences* | 812,340 | 302,419 | - | 1,114,759 | 332,859 |
| **Total Business-type Activities** | $ 126,296,880 | $ 442,793 | $ 5,619,819 | $ 121,119,854 | $ 5,427,862 |

*Beginning balances were adjusted for split out of stormwater, solid waste, IT and Fleet funds.

**Moved from governmental activities to business-type activities.

## IV. Other Information

### A. 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; injuries to employees; and natural disasters. To cover itself against these exposures, the City became a member of Preferred Government Insurance Trust (PGIT), a local government liability risk pool. The Pool has over 400 local government agency members. The Pool administers insurance activities relating to property loss (including boilers/machinery) and general, professional, automobile and public officials' liability. Additionally, Workers' Compensation, Employee Crime and petroleum storage tank coverage are provided. The Pool absorbs losses up to a specified amount each pool year and, in addition, purchases excess and other specific coverage from third-party carriers. The Pool assesses each member its pro rata share of the estimated amount required to meet current year projected losses and operating expenses. If total member assessments do not produce sufficient funds to meet its obligations, the Pool can make additional limited assessments. Losses, if any, in excess of the Pool's ability to assess its members, revert back to the member that incurred the loss. The City's insurance costs are allocated among the appropriate City departments and funds.

Workers' Compensation premiums decreased by (15.44)% and auto premiums increased by 48.18%. In total, the City's annual premium decreased by (17.83)%.

There have been no settlements in excess of insurance coverage in any of the prior five years and as such, no additional assessments were levied against the City for the fiscal year ended September 30, 2025.

### B. Commitments

The City has an Interlocal Agreement with Volusia County, Florida, for the provision of various municipal services. These services include mosquito control, road and bridge, and traffic engineering. The agreement is renewable bi-annually based on the mutual agreement of both parties. Either party can terminate the agreement without cause or further liability with 90 days written notice. The annual contractual commitment is approximately $40,000 with the applicable portion payable from both the City's General Fund and Stormwater Utility Fund.

The City also has an Interlocal Agreement with Volusia County, Florida, for the provision of law enforcement services within the City. The agreement term is renewable annually each year on October 1. Either party can terminate the agreement without cause or further liability with 180 days written notice. The annual contractual commitment was $14,343,811 for the fiscal year ended September 30, 2025 payable from the City's General Fund. Total staffing includes 80 sworn officers and three administrative personnel.

The City provides weekly residential garbage pick-up to its residents through a contract with a private company. The Commission entered into a new agreement with the company in July 2018. Under this current contract, the City pays $14.07 per household per month to the vendor, plus tipping fees charged by the County for solid waste and yard waste disposal. Solid waste fees are considered pass-through fees and therefore, the City charges an annual assessment of $235.42 for once-a-week garbage and yard waste services on all residential properties. The annual contractual commitment to the waste hauler was approximately $6,073,199 and the County was approximately $1,910,056 for fiscal year ended September 30, 2025, payable from the City's Solid Waste Management Fund.

### C. Contingent liabilities

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

The City is often listed as a co-defendant in foreclosure cases when the City has a second mortgage or code enforcement lien recorded against the property being foreclosed. These types of cases require the City Attorney to file documents with the Court, but rarely result in costs to the City. Some of the liens either have priority over the mortgage in question or survive the foreclosure action and are eventually paid once the property is sold to a new owner.

### D. Risk Disclosures

In accordance with the provisions of GASB Statement No. 102, Certain Risk Disclosures, the City evaluated potential concentrations and constraints that could expose it to substantial risk of loss or limit its ability to acquire resources or control spending. The City considered the following areas in its assessment:

- Concentrations of revenue sources
- Dependence on specific industries or employers
- Constraints related to debt covenants, legal requirements, or contractual obligations
- Vulnerabilities due to environmental or economic factors

Based on this evaluation, management determined that there are no concentrations or constraints that rise to the level requiring disclosure under GASB 102. The City's revenues are sufficiently diversified, and there are no significant limitations on its ability to raise resources or manage expenditures.

Accordingly, no additional risk disclosures are necessary.

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## D. Other postemployment benefits (OPEB) Plans

The City follows GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for reporting its OPEB Plan liability.

**Plan Description**. The Other Postemployment Benefit (OPEB) Plan is a single-employer benefit plan administered by the City. Pursuant to Chapter 112.0801, Florida Statutes, former employees who retire from the City are eligible to participate in the City's health plan for medical and prescription drug coverage. The City subsidizes the premium rates paid by retirees by allowing them to participate in the plan at blended group (implicitly subsidized) premium rates for both active and retired employees. These 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 does not offer any explicit subsidies for retiree coverage. The OPEB Plan does not issue a stand-alone report and is not included in the report of another entity. The City's OPEB Plan is a cost sharing plan that does not have a separately identifiable account with formal assets accumulated in a GASB compliant trust.

**Summary of Membership Information**. As of September 30, 2025 Actuarial Measurement the City had 348 OPEB members, 345 active and 3 inactive. All inactive members are retired employees.

**Changes in the Total OPEB Plan Liability**. The following table shows the change in the City's OPEB plan liability:

| Description | Total |
|---|---|
| Service Cost | $ 73,773 |
| Interest on the Total OPEB Plan Liability | 52,616 |
| Changes of Benefit Terms | - |
| Difference between expected and actual experience of the total OPEB liability | (189,302) |
| Changes of Assumptions and Other Inputs | 477,916 |
| Benefit Payments | (54,366) |
| Net change in Total OPEB Liability | 360,637 |
| Total OPEB Liability - Beginning | 1,089,832 |
| Total OPEB Liability - Ending | $ 1,450,469 |

**Actuarial Valuation and Measurement Dates**. September 30, 2024 was the actuarial valuation date. For purposes of calculating and reporting the OPEB liability, valuation date amounts were the measurement date of September 30, 2024, using standard actuarial techniques.

**Funded Status and Funding Progress.** As of September 30, 2025, the total OPEB Plan liability was $1,450,469 and assets held in trust were $0, resulting in a funded ratio of 0 percent. The covered-employee payroll (annual payroll of active participating employees) was $22,549,208 and the ratio of the total OPEB plan liability to the covered-employee payroll was 6.43%.

The OPEB plan contribution requirements of the District and OPEB Plan members are established and may be amended through Commission action. The City has not

advance-funded or established a funding methodology for the annual OPEB expense or the net OPEB Plan liability, and the OPEB plan is financed on a pay-as-you-go basis.

**Actuarial Valuation Methods and Assumptions**. Actuarial valuations of an ongoing OPEB plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and termination, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the OPEB plan are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The OPEB liability calculation was based on the Individual Entry Age Normal Cost Method, with an increasing Normal Cost pattern consistent with the salary increase assumptions.

Demographic assumptions employed in the actuarial valuation for General employees were the same as those employed in the July 1, 2024 actuarial valuation of the FRS Benefit Pension Plan. These demographic assumptions were developed by FRS from an Actuarial Experience Study, and therefore are appropriate for use in the OPEB plan actuarial valuation. These include assumed rates of future termination, mortality, disability, and retirement. Retirement rates for firefighters were based on the age and years of service of participants.

Mortality rates are the same as used in the July 1, 2024 actuarial valuation of the Florida Retirement System for non-K-12 Instructional Regular Class and Special Risk Class members. These rates were taken from adjusted Pub-2010 mortality tables published by the Society of Actuaries with generational mortality improvements using Scale MP-2021. Adjustments to referenced tables are based on the results of a statewide experience study covering the period 2018 through 2023.

The total OPEB plan liability actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| Description | |
|---|---|
| Inflation | 2.5 percent |
| Salary Increases - General Employees in FRS | Rates of Salary Increase for General Employees in the FRS plan vary between 3.65% to 6.35% |
| Salary Increases - Firefighters | 5.0 percent |
| Salary Increases - Employees in General Employees' Pension Plan | 2.5 percent |

Healthcare cost trend rates were based on the Getzen model, with trend starting at 10.03% in 2025 (to reflect actual premiums), 6.25% in 2026 and gradually decreasing to an ultimate trend rate of 4.00%.

Aging factor expenses were based on the 2013 SOA Study “Health Care Costs – From Birth to Death.” Administrative expenses are included in the per capita health costs.

**Discount Rate**. There are no invested plan assets held in trust to finance the OPEB plan liability. The discount rate used equals the tax-exempt municipal bond rate based on an

index of 20-year general obligation bonds with an average AA rating as of the measurement date. For the purpose of the OPEB plan valuation, the municipal bond rate was 3.81%.

The City's annual OPEB expense totaled $110,7933 for the fiscal year ended September 30, 2025. At September 30, 2025, the City reported deferred outflows and inflows of resources related to the OPEB plan liability from the following sources:

| Description | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Difference between expected and actual experience | $ 601,813 | $ 878,939 |
| Change of assumptions and other inputs | 503,148 | 504,074 |
| Contributions subsequent to the Measurement Date | 49,004 | - |
| Total | $ 1,153,965 | $ 1,383,013 |

The deferred outflows of resources related of $49,004 resulting from City contributions to the Plan subsequent to the measurement date will be recognized as a reduction of the liability in the year ending September 30, 2026. Other amounts reported as deferred inflows of resources related to OPEB are recognized in expense as follows:

| Fiscal Year Ending September 30 | Amortization |
|---|---|
| 2026 | (12,325) |
| 2027 | (12,325) |
| 2028 | (12,325) |
| 2029 | (14,546) |
| 2030 | (20,774) |
| Thereafter | (205,757) |
| Total | $ (278,052) |

Sensitivity of the City's Total OPEB Liability to Changes in the Discount Rate. Regarding the sensitivity of the total OPEB liability to changes in the discount rate, the following presents the plan's total OPEB liability, calculated using a discount rate of 3.81%, as well as the plan's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher than the current rate.

| | 1% Decrease 2.81% | Current Discount Rate 3.81% | 1% Increase 4.81% |
|---|---|---|---|
| OPEB Plan Liability | $ 1,643,131 | $ 1,450,469 | $ 1,285,453 |

Sensitivity of the City's Total OPEB Liability to the Healthcare Cost Trend Rate Assumption. Regarding the sensitivity of the total OPEB liability to changes in the healthcare cost trend rates, the following presents the plan's total OPEB liability, calculated using the assumed trend rates as well as what the plan's total OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher.

| | 1% Decrease | Current Healthcare Cost Trend Rate Assumption | 1% Increase |
|---|---|---|---|
| OPEB Plan Liability | $ 1,234,748 | $ 1,450,469 | $ 1,719,571 |

## E. Employee retirement systems and pension plans

Firefighters' Pension Plan

### Plan Description

The *City of Deltona Firefighters' Pension Plan* (the Firefighters' Plan) is a single-employer,+ defined benefit pension plan for firefighters adopted through local ordinance on December 14, 1998, with an effective date of October 1, 1997. The establishment of the Plan, and any amendments thereto, are at the sole discretion of the City Commission.

The Plan was established, and operates within, the parameters of Chapter 175 of the Florida Statutes. This Statute governs fire pension plans in the State of Florida. The Plan's amortization periods are closed. The Plan is administered by a five-member Board of Trustees (the Board). Two members of the Board must be members of the Plan elected by a majority of all members of the Plan; two members must be residents of the City appointed by the City Commission; the fifth member is elected by a majority of the other four Board members. A stand-alone financial statement is not issued by the Plan.

### Funding Policy

The Florida Constitution requires local governments to make actuarially-determined contributions. The Florida Division of Retirement reviews and approves each local government's actuarial report prior to its being used for funding purposes. The funding method and determination of benefits payable are provided for in the Florida Legislature, under which the Plan was created, including subsequent amendments.

Additionally, the State collects a locally authorized insurance premium surcharge on certain real and personal property insurance policies within the corporate limits of Deltona. The funds can be distributed only after the State has ascertained that the City has met its actuarial funding requirement for the most recently completed fiscal year. These funds are recorded in the General Fund, then immediately transferred to the pension fund. The pension fund records these amounts as revenue, while the General Fund records the transfer as an additional pension contribution expense.

Direct costs for Plan administration are paid from Plan assets. However, City staff do perform administrative functions at no cost to the Plan.

### Benefits

The Plan provides retirement, termination, disability, and survivor benefits to all full-time certified firefighters. Benefits, as established by the City Commission, are determined by a calculation using length of service and average final compensation. Benefits of the Plan are recognized when due and payable in accordance with the terms of the Plan. Average final compensation (AFC) is the average of the employee's highest 5 years of the previous 10 years of compensation.

Normal Retirement

Normal retirement is the earlier of age 55 with 10 years Credited Service, or 25 years of Credited, regardless of age. Members earn benefits at the rate of 3% for each year of Creditable Service since October 1, 1997. The Plan also allows members a one-time option to obtain service credit for years of employment prior to October 1, 1997. This Past Service credit is at a 2% benefit rate for each year of creditable service. Members with 25 or more years of service receive an increase of their Past Service Credit from 2% to 3% provided that

the total benefit percent does not exceed 100%. There is an overall maximum benefit of 100% of the AFC.

Early Retirement
Early retirement is permitted at age 50 with 10 years of Credited Service. The accrued benefit for early retirement is reduced by 3.0% for each year prior to the Normal Retirement date.

Supplemental Benefit
A supplemental benefit of $10 times total years of service at retirement with a maximum of $250 is provided.

Cost of Living Allowance (COLA)
All Retirees who have completed at least 21 years of service, and those Retirees who retire with an In-Line of Duty disability retirement, shall receive an automatic 2.35% COLA beginning on the later of the attainment of age 52 or three (3) years following benefit commencement. This benefit shall not be payable to terminated vested Members. Additionally, beneficiaries and joint annuitants of deceased Retirees shall receive COLA adjustments, based on the age or years of service of the deceased Retiree.

Disability Benefit
A disability retirement benefit of a minimum of 60% of AFC is provided to any Member injured in-the-line-of-duty. A disability retirement benefit is provided at the accrued normal retirement benefit, but shall not be less than 25% of AFC to Members who are disabled from a non-service connected injury who have more than 10 years of Credited Service.

Pre-Retirement Death Benefit
The pre-retirement death benefit is the benefit accrued to the date of death payable to designated beneficiary for 10 years at the normal or early retirement date, at the option of the beneficiary. In the case of a participant's death prior to vesting, no retirement benefit shall be payable; the beneficiary will be entitled to a refund of the participant's contributions, however.

Vesting
Full vesting occurs with 10 years of Credited Service. Members who do not attain 10 years of Credited Service are refunded their member contributions when separated. Vested Members may choose their accrued benefit payable, or a refund of contributions.

**Membership**

As of October 1, 2024, there were a total of 146 participants. Of these participants 81 are active Plan members; 20 are inactive Plan members entitled to, but not yet receiving, benefits, and 45 are inactive Plan members or beneficiaries currently receiving benefits.

**Contributions**

The Plan, as approved by the City Commission, requires members to contribute 11.4% of their annualized compensation. City contributions are equal to the remaining amount necessary for payment of Normal (current year) Cost and amortization of the accrued past service liability over 30 years. The City contribution is offset by estimated insurance premium receipts.

The Plan is operated as a Pension Trust Fund and is included as part of the City's reporting entity; therefore separate financial statements are not required.

**Investments**

Investments are reported at fair value and are managed by third party money managers. Investments that do not have an established market are reported at estimated fair market value.

The following asset allocation policy was adopted by the Board and was in effect as of the year ended September 30, 2025.

| Asset Class | Target Allocation |
|---|---|
| Domestic Equity | 45% |
| International Equity | 10% |
| Board Market Fixed Income | 15% |
| Global Fixed Income | 5% |
| Private Real Estate | 10% |
| Private Equity | 10% |
| Alternative | 5% |
| Total | 100% |

Concentrations

The Plan did not hold investments in any one organization that represent 5% or more of the Plan's Fiduciary Net Position.

Rate of Return

For the year ended September 30, 2025 the annual money-weighted rate of return of Plan investments, net of Plan investment expense, was 11.42%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deferred Retirement Option Program (DROP)

The Firefighters' Plan provides a Deferred Retirement Option Program for Members who have satisfied Normal Retirement requirements. The Member must elect to enter DROP within 12 months after reaching Normal Retirement. A Member can remain in DROP until s/he attains age 60 or 35 total years of service, whichever is earlier, up to a maximum participation of 96 months.

While in DROP, a Member may choose to have his/her account credited with interest of 6% per year or an interest rate equal to the net investment return realized by the System for that quarter. The Member may change his/her election only once.

For the year ended September 30, 2025 the DROP balance was $1,347,079.

**Net Pension Liability**

The components of the City's Net Pension Liability related to the Firefighters' Plan on September 30, 2025 were:

| | |
|---|---|
| Total Pension Liability | $ 63,109,486 |
| Plan Fiduciary Net Position | (55,704,980) |
| City's Net Pension Liability | $ 7,404,506 |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 88.27% |

**Actuarial Assumptions**

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2024 GASB 67/68 measurement date September 30, 2025 and GASB 68 Reporting date September 30, 2025 using the following actuarial assumptions:

| | |
|---|---|
| Inflation | 2.50% |
| Salary Increases | Service based |
| Discount Rate | 7.40% |
| Long-Term rate of return | 7.40% |

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2021. This assumption sufficiently accommodates future mortality improvements.

The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Millimans's July 1, 2024 FRS valuation report for special risk employees.

The most recent actuarial experience study used to review the significant assumptions was dated August 11, 2021.
The Long-Term Expected Rate of Return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class.

For 2025 the inflation rate assumption of the investment advisor was 2.5%. These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.
Best estimates of arithmetic real rates of return for each major asset class included in the Pension Plan's target asset allocation as of September 30, 2025 as provided by Mariner, are summarized in the following table:

| Asset Class | Long Term Expected Real Rate of Return |
|---|---|
| Domestic Equity | 7.50% |
| International Equity | 8.50% |
| Broad Market Fixed Income | 2.50% |
| Global Fixed Income | 3.50% |
| Private Real Estate | 4.50% |
| Private Equity | 8.50% |
| Alternative | 6.39% |

**Changes in Net Pension Liability - Firefighters' Pension Plan**
**September 30, 2025**

| GASB 67/68 Measurement Date | 9/30/2025 | 9/30/2024 |
|---|---|---|
| GASB 68 Reporting Period Ending | 9/30/2025 | 9/30/2024 |
| Total Pension Liability | | |
| Service Cost | $ 1,527,128 | $ 1,297,844 |
| Interest | 4,293,420 | 4,069,663 |
| Share Plan Allocation | 146,252 | 120,721 |
| Changes of benefit terms | - | - |
| Experience gains/losses | 1,051,308 | 88,989 |
| Changes of assumptions | 735,808 | 691,796 |
| Contributions - Buyback | - | - |
| Benefit Payments | (2,273,014) | (3,209,538) |
| Net Change in Total Pension Liability | 5,480,902 | 3,059,475 |
| Total Pension Liability - Beginning | 57,628,584 | 54,569,109 |
| Total Pension Liability - Ending (a) | $ 63,109,486 | $ 57,628,584 |
| Plan Fiduciary Net Position | | |
| Contributions - Employer | 2,055,547 | 1,606,473 |
| Contributions - State | 742,504 | 691,443 |
| Contributions - Employee | 727,486 | 634,362 |
| Contributions - Buyback | - | - |
| Net Investment Income | 5,586,533 | 7,986,693 |
| Benefit Payments | (2,273,014) | (3,209,538) |
| Administrative Expense | (134,382) | (120,890) |
| Other | - | - |
| Net Change in Plan Fiduciary Net Position | 6,704,674 | 7,588,543 |
| Plan Fiduciary Net Position - Beginning | 49,000,306 | 41,411,763 |
| Adjustment to beginning of year | - | - |
| Plan Fiduciary Net Position - Ending (b) | $ 55,704,980 | $ 49,000,306 |
| Net Pension Liability - Ending (a) - (b) | $ 7,404,506 | $ 8,628,278 |
| Plan Fiduciary Net Position As % of Total Pension Liability | 88.27% | 86.06% |
| Covered Payroll | 6,381,454 | 5,564,577 |
| Net Pension Liability As % of Covered Payroll | 116.03% | 142.63% |

**Discount Rate**

The Discount Rate used to measure the total pension liability was 7.40%. The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that City contribution will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those assumptions, the Firefighters' 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.

The City's Net Pension Liability based on a 7.40% discount rate is $7,404,506. The table below presents the effect on the Net Pension Liability if the discount rate were reduced or increased by 1.00%.

| Sensitivity to Changes in Discount Rate - Firefighters' Pension Plan September 30, 2025 | | |
|---|---|---|
| GASB 67/68 Measurement Date | 09/30/2025 | 09/30/2024 |
| GASB 68 Reporting Period Ending | 09/30/2025 | 09/30/2024 |
| Discount Rate | 7.40% | 7.40% |
| +1% Discount Rate | 8.40% | 8.40% |
| -1% Discount Rate | 6.40% | 6.40% |
| Sponsor's Net Pension Liability | | |
| Current Discount Rate | $ 7,404,506 | $ 8,628,278 |
| 1% Increase in Discount Rate | 428,320 | 2,274,266 |
| 1% Decrease in Discount Rate | 15,902,891 | 16,360,429 |

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended September 30, 2025, the City recognized a Pension Expense of $1,925,646 related to the Firefighters' Pension Plan. On September 30, 2025 the City reported Deferred Outflows of Resources and Deferred Inflows of Resources related to the Firefighters' Pension from the following sources:

| City of Deltona Firefighters' Pension | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between Expected and Actual Experience | $ 2,278,030 | $ 26,240 |
| Change in assumptions | 1,676,041 | - |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments | - | 3,230,327 |
| Total | $ 3,954,071 | $ 3,256,567 |

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions will be recognized in Pension Expense as follows:

| Year Ended September 30, | Amount |
|---|---|
| 2026 | $ 1,144,683 |
| 2027 | (848,716) |
| 2028 | (575,223) |
| 2029 | 354,615 |
| 2030 | 366,843 |
| Thereafter | 255,302 |
| Total | $ 697,504 |

General Employees' Pension Plan

**Plan Description**

The *City of Deltona General Employees' Pension Plan* (the Employee Plan) is a single-employer, defined contribution pension plan adopted through City resolution on December 17, 1997, with an effective date of October 1, 1997. The Plan is a tax-qualified plan pursuant to section 401(a) of the Internal Revenue Code that covers all full-time employees of the City, excluding certified firefighters, as described in "Membership," below.

**Membership**

The Employee Plan was closed to new members by the City effective December 1, 2006 when the City opted to enroll in the Florida Retirement System (FRS). As of September 30, 2025, 5 employees were still enrolled in the Plan.

**Funding Policy**

The Employee Plan is administered by an outside party and requires the City to contribute 10% of each participant's base earnings to a pension trust. Base earnings includes W-2 earnings, plus any contribution made pursuant to a salary reduction agreement not included under section 125 of the Internal Revenue Code, less unscheduled overtime and on call pay. Participants are not required to contribute to the Employee Plan; all contributions are voluntary, unmatched by the City, and made on an after-tax basis. The Plan has a five-year graduated vesting schedule and all participants are fully vested in the Plan. The Plan permits withdrawals for retirement, termination and disability. The Plan does not allow participants to borrow against their accounts.

For the fiscal year ended September 30, 2025, the City's total covered payroll for employees eligible to participate in the Plan was $817,960 compared with a total payroll for the City of $19,561,630. The required employer contribution and the contribution actually made amounted to $52,623 or 10% of covered payroll. Investments are reported at fair value. There have been no revisions to the Plan since its adoption.

The City is the Trustee for the plan; assets are held in employees' names, however, and therefore the City is not exposed to custodial risk. Because the plan is a defined-contribution plan, there is no Net Pension Liability, Deferred Outflows, or Deferred Inflows reported in connection with this Plan.

Florida Retirement System Plans (FRS)

**General Information**

The City participates in the Florida Retirement System (FRS), a cost-sharing multiple-employer defined benefit public employee retirement system, administered by the State of Florida Department of Management Services, Division of Retirement. As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan ("FRS Pension Plan") and the Retiree Health Insurance Subsidy ("HIS Plan").

Effective July 1, 2002, the FRS implemented a defined contribution plan ("Investment Plan") under Section 121.4501, Florida Statutes, as an alternative available to all FRS members in lieu of the FRS Pension Plan and covers the same classes of employees as the FRS Pension Plan. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Employee and employer contributions are directed to individual member accounts, and members may select various approved investments to which they allocate their contributions and account balances. Benefits in the Investment Plan vest after one year of service.

The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

**FRS Pension Plan Description**

The FRS Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The FRS Pension Plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Florida Statutes Chapter 121, as may be amended from time to time by the State legislature, provides the methodology for determining contribution rates for the various membership classes of the FRS. Benefits are established by Chapter 21, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law may be made only by an act of the Florida State Legislature. Benefits and refunds of the defined benefit pension plan are recognized when due and payable in accordance with the terms of the plan.

The State of Florida annually issues a publicly available financial report that includes financial statements as well as required supplementary information for the FRS. The most recent report is available from:

State of Florida Department of Management Services
Division of Retirement
Post Office Box 9000 Tallahassee,
Florida 32315-9000
www.dms.myflorida.com

**Membership**

The City passed Resolution #2006-39, which allowed all eligible employees to enroll in FRS with the State of Florida (a defined benefit pension plan) with an effective date of December 1, 2006, or continue to participate in the pre-existing defined contribution pension plan known as the City of Deltona General Employees' Pension Plan. All general employees hired after December 1, 2006 are compulsory members of FRS. General employees who elected to participate in FRS with the State of Florida had the option to purchase past service credit back to October 1, 1997. For each general employee who opted to purchase past service, their General Employees' Pension Plan assets were transferred directly to FRS with the State of Florida. As of September 30, 2025, there were 258 employees enrolled in FRS.

**Benefits**

Benefits provided under the FRS Pension Plan are calculated on the basis of age, average final compensation, and service credit. For FRS Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service, or 30 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Senior Management Service class members who retire at or after age 62 with at least six years of credited service, or 30 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service.

For FRS Pension Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65, or 33 years of service regardless of age. The final average compensation for the members hired after July 1, 2011 will be based on the eight highest years of salary.

As provided in Section 121.101, Florida Statutes, if a member was initially enrolled in the FRS Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment (COLA) is three percent (3.0%) per year. If a member was initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated COLA. The annual COLA is a prorated portion of three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. FRS Pension Plan members initially enrolled on or after July 1, 2011, will not receive a cost-of-living adjustment after retirement.

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

**Contributions/Funding**

Effective July 1, 2011, all active members of the FRS Pension Plan, other than DROP

participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS Pension Plan based on state-wide contribution rates established by the Florida Legislature.

These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2021 through June 30, 2023 and from July 1, 2023 through September 30, 2025, respectively, were as shown below:

| | September 30, | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| Regular Class | 13.57% | 13.63% | 13.63% |
| Senior Management Service Class | 34.52% | 34.52% | 34.52% |
| Reemployed retirees | 6.78% | 6.84% | 6.84% |
| DROP Participants | 21.13% | 21.13% | 21.13% |

The City made all required contributions to the FRS Pension Plan which totaled $2,412,761 for fiscal year ended September 30, 2025.

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

As of September 30, 2025, the City reported a liability of $7,999,182 for its proportionate share of the FRS Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The City's proportionate share of the net pension liability was based on the City's contributions for FY 2024/2025 relative to the City's contributions for FY 2023/2024 of all participating members. At June 30, 2025, the City's proportionate share was 0.02397%, which was an decrease of 0.0034% percent from its proportionate share measured as of June 30, 2024.

For the fiscal year ended September 30, 2025, the City recognized pension expense of $869,737. In addition the City reported current deferred outflows and inflows of resources related to pensions from the following sources:

| FRS Pension Plan | Deferred Outflow of Resources | Deferred Inflow of Resources |
|---|---|---|
| Differences between Expected and Actual Experience | $ 854,397 | $ - |
| Change of Assumptions | 928,913 | - |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments | - | 1,335,544 |
| Changes in Proportion and Differences between City FRS Pension Plan Contributions and Proportionate Share of Contributions | 671,997 | 732,245 |
| City FRS Pension Plan Contributions Subsequent to the Measurement Date | 466,160 | - |
| Total | $ 2,921,467 | $ 2,067,789 |

The deferred outflow of resources of $466,160 resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the FRS Pension Plan will be recognized in pension expense as follows:

| Year Ended September 30, | Amount |
|---|---|
| 2026 | $ 1,355,354 |
| 2027 | (284,791) |
| 2028 | (434,070) |
| 2029 | (248,975) |
| 2030 | - |
| Total | $ 387,518 |

**Actuarial Assumptions**

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

| | |
|---|---|
| Inflation | 2.40% |
| Salary increases | 3.50%, average, including inflation |
| Investment rate of return | 6.70%, net of pension plan investment expense, including inflation |

Mortality rates are the same as used in the July 1, 2024 actuarial valuation of the Florida Retirement System for non-K-12 instructional Regular Class and Special Risk Class members. These rates were taken from adjusted Pub-2010 mortality tables published by the Society of Actuaries with generational mortality improvements using Scale MP-2021. Adjustments to referenced tables are based on the results of a statewide experience study covering the period 2018 through 2023.

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

| Asset Class | Target Allocation (1) | Annual Arithmetic Return | Compound Annual (Geometric) Return | Standard Deviation |
|---|---|---|---|---|
| Cash | 1.0% | 3.2% | 3.2% | 1.1% |
| Fixed Income | 29.0% | 5.5% | 5.4% | 4.0% |
| Global equity | 45.0% | 8.5% | 6.9% | 18.3% |
| Real Estate (Property) | 12.0% | 8.4% | 7.1% | 16.8% |
| Private Equity | 11.0% | 12.4% | 8.8% | 28.4% |
| Strategic Investments | 2.0% | 6.5% | 6.1% | 8.7% |
| Total | 100.0% | | | |
| Assumed Inflation - Mean | | 2.4% | | 1.5% |

(1) As outlined in the FRS Plan's Investment Policy

**Discount Rate**

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

**Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate**

Shown below is the City's proportionate share of the net pension liability calculated using the discount rate of 6.70%, as well the City's proportionate share of the net pension liability calculated using a discount rate one percentage point lower (5.70%) or one percentage point higher (7.70%) than the current rate:

**City Net FRS Pension Plan Liability Based on Discount Rate**

| 1% Decrease in Discount Rate to 5.70% | Current Discount Rate 6.70% | 1% Increase in Discount Rate to 7.70% |
|---|---|---|
| $ 15,698,272 | $ 7,999,182 | $ 1,544,377 |

**Pension Plan Fiduciary Net Position**

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

### Payables to the Pension Plan

At September 30, 2025, the City reported a payable in the amount of $248,221 for contributions in-transit to the FRS Pension Plan required for the fiscal year ended September 30, 2025.

FRS Health Insurance Subsidy Plan (HIS Plan)

### Plan Description

The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time.

### Benefits

The benefit received by HIS Plan members is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement. Eligibility for this benefit requires a retiree under a State-administered retirement system to provide proof of health insurance coverage which may include Medicare.

For fiscal year ended September 30, 2025, eligible retirees and beneficiaries received a monthly HIS payment of $7.50 for each year of creditable service completed at the time of retirement, with a monthly minimum HIS payment of $45 and a monthly maximum HIS payment of $225.

### Contributions

The HIS Plan is funded by required contributions from participating FRS employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2025, the HIS contribution was 2.0%.

The City contributed 100% of its statutorily required contributions for fiscal year ended September 30, 2025. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The City made all required contributions to the HIS Plan which totaled $293,780 for fiscal year ended September 30, 2025.

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

As of September 30, 2025, the City reported a liability of $4,612,242 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was

determined by an actuarial valuation as of July 1, 2025. The City's proportionate share of the net pension liability was based on the City's contributions for FY 2024/2025 relative to the City's contributions for FY 2023/2024 of all participating members. At June 30, 2025, the City's proportionate share was .03304%, which was a decrease of .0014 percent from its proportionate share measured as of June 30, 2024.

For the fiscal year ended September 30, 2025, the City recognized pension expense of $337,324. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| FRS Health Insurance Subsidy Plan (HIS Plan) | Deferred Outflow of Resources | Deferred Inflow of Resources |
|---|---|---|
| Differences between Expected and Actual Experience | $ 27,532 | $ 7,316 |
| Change of Assumptions | 40,823 | 1,115,583 |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments | - | 3,839 |
| Changes in Proportion and Differences between City FRS Pension Plan Contributions and Proportionate Share of Contributions | 602,669 | 159,965 |
| City FRS Pension Plan Contributions Subsequent to the Measurement Date | 92,417 | - |
| Total | $ 763,441 | $ 1,286,703 |

The deferred outflow of resources of $92,417 resulting from City contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

| Year Ended September 30, | Amount |
|---|---|
| 2026 | $ (94,370) |
| 2027 | (155,581) |
| 2028 | (158,299) |
| 2029 | (141,326) |
| 2030 | (66,102) |
| Total | $ (615,678) |

**Actuarial Assumptions**

The total pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumption, applied to all periods included in the measurement:

| | |
|---|---|
| Inflation | 2.40% |
| Salary increases | 3.50%, average, including inflation |
| Investment rate of return | 3.65% |

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables. The actuarial assumptions used in July 1, 2019, valuation were based on the results of an actuarial experience study for the period July 1,2013 through June 30, 2018.

### Discount Rate

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

### Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

Shown below is the City's proportionate share of the net pension liability calculated using the discount rate of 5.20%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (4.20%) or one percentage point higher (6.20%) than the current rate:

**City Net HIS Plan Liability Based on Discount Rate**

| 1% Decrease in Discount Rate to 4.20% | Current Discount Rate 5.20% | 1% Increase in Discount Rate to 6.20% |
|---|---|---|
| $ 5,201,046 | $ 4,612,242 | $ 4,118,424 |

### Pension Plan Fiduciary Net Position

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

### Payables to the Pension Plan

At June 30, 2025, the City reported a payable in the amount of $19,544 for contributions in-transit to the HIS Pension Plan required for the fiscal year ended September 30, 2025.

### Summary of Pension Plans Liability / Inflows / Outflows / Expense

The following chart presents a summary of the GASB 68 implementation information for each of the City's pension plans.

**GASB 68**
**Summary of Pension Plans**

| As of September 30, 2025 | Net Pension Liability | Deferred Outflow of Resources | Deferred Inflow of Resources | Pension Expense |
|---|---|---|---|---|
| FRS - Governmental | | | | |
| Pension | (5,137,997) | 1,606,139 | (1,184,034) | (290,707) |
| Health Insurance Subsidy | (2,685,253) | 423,703 | (714,150) | (53,675) |
| FRS - Governmental - Total | (7,823,250) | 2,029,842 | (1,898,184) | (344,382) |
| FRS - Deltona Water | | | | |
| Pension | (1,527,249) | 753,606 | (538,932) | (197,851) |
| Health Insurance Subsidy | (1,157,856) | 212,428 | (357,984) | (26,860) |
| FRS - Deltona Water - Total | (2,685,105) | 966,034 | (896,916) | (224,711) |
| FRS - Stormwater | | | | |
| Pension | (859,736) | 362,035 | (222,242) | (120,675) |
| Health Insurance Subsidy | (495,714) | 82,053 | (138,292) | (10,388) |
| FRS - Deltona Water - Total | (1,355,450) | 444,088 | (360,534) | (131,063) |
| FRS - Solid Waste | | | | |
| Pension | (30,895) | 13,010 | (7,986) | (4,336) |
| Health Insurance Subsidy | (17,814) | 2,949 | (4,970) | (373) |
| FRS - Deltona Water - Total | (48,709) | 15,959 | (12,956) | (4,709) |
| FRS - Fleet | | | | |
| Pension | (131,120) | 55,215 | (33,895) | (18,404) |
| Health Insurance Subsidy | (75,602) | 12,514 | (21,091) | (1,585) |
| FRS - Deltona Water - Total | (206,722) | 67,729 | (54,986) | (19,989) |
| FRS - Information Technology | | | | |
| Pension | (312,187) | 131,462 | (80,700) | (43,819) |
| Health Insurance Subsidy | (180,004) | 29,795 | (50,217) | (3,772) |
| FRS - Deltona Water - Total | (492,191) | 161,257 | (130,917) | (47,591) |
| Total FRS | | | | |
| Pension | (7,999,184) | 2,921,467 | (2,067,789) | (675,792) |
| Health Insurance Subsidy | (4,612,243) | 763,442 | (1,286,704) | (96,653) |
| FRS - Total | (12,611,427) | 3,684,909 | (3,354,493) | (772,445) |
| Firefighters' Pension Plan | (7,404,506) | 3,954,071 | (3,256,567) | 1,925,646 |
| Total | (20,015,933) | 7,638,980 | (6,611,060) | 1,153,201 |

The following schedule summarizes the general and fire pension plan assets and changes in the net position of the plans:

**Schedule of Pension Plan Net Position as of September 30, 2025 (1)**

| | Firefighters' Pension Trust Fund | General Employees' Pension Trust Fund (2) | Total |
|---|---|---|---|
| **Assets** | | | |
| Cash and Investments | $ 55,659,012 | $ 4,156,636 | $ 59,815,648 |
| Member Contributions in Transit | 30,197 | - | 30,197 |
| Due from Other Governments | 56,183 | - | 56,183 |
| Prepaid | 5,350 | - | 5,350 |
| **Total Assets** | 55,750,742 | 4,156,636 | 59,907,378 |
| **Liabilities** | | | |
| Accounts Payable | 45,762 | - | 45,762 |
| **Total Liabilities** | 45,762 | - | 45,762 |
| **Net Position** | | | |
| Reserved for Employees' Pension | $ 55,704,980 | $ 4,156,636 | $ 59,861,616 |
| **Additions** | | | |
| Contributions | | | |
| Employer | $ 2,055,547 | $ 52,623 | $ 2,108,170 |
| State of Florida | 742,504 | - | 742,504 |
| Employee | 727,486 | - | 727,486 |
| Buyback | - | - | - |
| Total Contributions | 3,525,537 | 52,623 | 3,578,160 |
| Investment earnings | | | |
| Interest and dividends | 3,944,611 | 83,387 | 4,027,998 |
| Net change in fair value of investments | 1,804,596 | 321,858 | 2,126,454 |
| Less investment expense | (162,674) | - | (162,674) |
| Total investment income (loss) | 5,586,533 | 405,245 | 5,991,778 |
| **Total Additions** | 9,112,070 | 457,868 | 9,569,938 |
| **Deductions** | | | |
| Benefit Payments - Retirement | 2,202,390 | 193,571 | 2,395,961 |
| Benefit Payments - Disability | 28,697 | - | 28,697 |
| Benefit Payments - Beneficiary | 41,927 | - | 41,927 |
| Forfeitures | - | - | - |
| Administration | 134,382 | - | 134,382 |
| **Total Deductions** | 2,407,396 | 193,571 | 2,600,967 |
| **Net Increase** | 6,704,674 | 264,297 | 6,968,971 |
| **Net Position Reserved for Employees' Pension Benefits** | | | |
| Beginning of Year | 49,000,306 | 3,892,339 | 52,892,645 |
| End of Year | $ 55,704,980 | $ 4,156,636 | $ 59,861,616 |

(1) The above table includes the two single employer plans maintained by the City of Deltona and does not include the defined benefit plans for general employees administered by the Florida Retirement System.
(2) Defined contribution plan.

### Other Pension Plan Information

The Required Supplementary Information following the Notes to the Financial Statements presents multi-year trend information regarding the Changes in Net Pension Liability,

Contributions and Investment Returns as well as information regarding Methods and Assumptions used to Determine Contribution Rates

## F.Related Party Disclosure

A member of the City Commission also serves in a key position with another governmental entity with which the City may conduct business. This relationship may give rise to transactions between the City and the other governmental entity in the normal course of operations. During the fiscal year, no material transactons requiring disclosure occurred between the City and this governmental entity.

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## G.Change in Reporting Entity

Effective October 1, 2023, the City adopted GASB Statement No. 100, *Accounting Changes and Error Corrections*. The statement provides guidance on enhancing accounting and financial reporting requirements. The statement is based on the principle that accounting changes and error corrections should be separately stated to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability.

The financial statements of the City as of September 30, 2025 have been restated to comply with the requirement of Statement No. 100. This impacts the summary of significant accounting policy note, presentation of the fund financial statements, and entity-wide statements.

Reporting Units Affected by Adjustments to and
Restatements of Beginning Balances/Net Position as of 9/30/2024

| | Governmental Fund Statement Impact | | | Proprietary Fund Impact | | |
|---|---|---|---|---|---|---|
| | Major Governmental Funds | Non-Major Governmental Funds | Governmental Activities | Business-type Enterprise Funds | Governmental . Internal Service Funds | Business-type Activities |
| Beginning Fund Balance as Previously Reported | $ 110,176,114 | $ 29,367,315 | $ 204,739,565 | $ 89,431,514 | $ - | $ 89,431,514 |
| Building Services Fund-Change from inclusion in General Fund to presentation as Special Revenue Fund | - | - | - | - | - | - |
| Solid Waste Fund - Change from Special Revenue to Enterprise Fund | (2,104,734) | - | (2,104,734) | 2,104,734 | - | 2,104,734 |
| Move Solid Waste Long-term Liabilities | - | - | 56,664 | (56,664) | - | (56,664) |
| Stormwater Fund - Change from Special Revenue to Enterprise Fund | - | (7,792,798) | (7,792,798) | 7,792,798 | - | 7,792,798 |
| Move Stormwater Capital Assets | - | - | (8,476,569) | 8,476,569 | - | 8,476,569 |
| Move Stormwater Long-term Liabilities | - | - | 4,087,300 | (4,087,300) | - | (4,087,300) |
| Fleet Maintenance Fund-Change from inclusion in General Fund to to presentation as Internal ServiceFund | | | | | | |
| Move Fleet Long-term Obligations | - | - | - | - | (381,238) | - |
| Information Technology Fund-Change from inclusion in General Fund to to presentation as Internal ServiceFund | | | | | | |
| Move IT Long-term Obligations | - | - | - | - | (827,250) | - |
| Beginning Fund Balance/Net Position, as Restated | $ 108,071,380 | $ 21,574,517 | $ 190,509,428 | $ 103,661,651 | $ (1,208,488) | $ 103,661,651 |

Solid Waste Fund beginning net position decreased $56,664 from $2,104,734 as originally reported to $2,048,070 as restated.
Stormwater Utility Fund beginning net position increased $4,389,269 from $7,792,798 as previously reported to $12,182,067 as restated.
Water and Sewer Utility beginning net position remained $89,431,514 as previously reported.

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# REQUIRED SUPPLEMENTARY INFORMATION

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended September 30, 2025

| | Budgeted Amounts | | | Variance With |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **REVENUES** | | | | |
| Property taxes | $ 33,799,900 | $ 33,799,900 | $ 34,565,558 | $ 765,658 |
| Franchise fees | 5,827,000 | 5,827,000 | 5,422,188 | (404,812) |
| Public service tax | 10,486,600 | 10,486,600 | 9,677,642 | (808,958) |
| State revenue sharing | 6,148,700 | 6,148,700 | 5,800,203 | (348,497) |
| Intergovernmental | 7,118,700 | 9,984,116 | 9,084,032 | (900,084) |
| Charges for services | 6,543,300 | 6,517,173 | 6,967,310 | 450,137 |
| Fines and forfeitures | 285,000 | 285,000 | 421,105 | 136,105 |
| Interest income | 250,000 | 250,000 | 4,029,563 | 3,779,563 |
| Miscellaneous | 653,500 | 932,115 | 1,281,789 | 349,674 |
| Total revenues | 71,112,700 | 74,230,604 | 77,249,390 | 3,018,786 |
| **EXPENDITURES** | | | | |
| General government: | | | | |
| City Commission | 550,400 | 600,400 | 469,887 | 130,513 |
| City Manager | 2,800,800 | 2,800,275 | 2,048,692 | 751,583 |
| Economic Development | - | - | 432 | (432) |
| Communications | - | - | 12,789 | (12,789) |
| City Clerk | 978,300 | 978,300 | 818,375 | 159,925 |
| Fiscal Services | 2,183,900 | 2,226,220 | 2,065,644 | 160,576 |
| City Attorney | 494,800 | 896,233 | 797,956 | 98,277 |
| Planning and Development Services | 1,659,100 | 1,760,298 | 1,585,003 | 175,295 |
| Construction Services | 2,278,100 | 2,283,254 | - | 2,283,254 |
| Human Resources | 1,768,100 | 1,768,100 | 994,333 | 773,767 |
| General Government | 2,809,700 | 2,934,700 | 1,690,755 | 1,243,945 |
| Enforcement Services | 2,538,100 | 2,555,936 | 2,273,370 | 282,566 |
| Total general government | 18,061,300 | 18,803,716 | 12,757,236 | 6,046,480 |
| Public safety: | | | | |
| Law Enforcement | 14,406,900 | 14,406,900 | 13,130,290 | 1,276,610 |
| Fire Administration | 2,929,400 | 2,990,205 | 2,740,815 | 249,390 |
| Fire Operations | 13,898,500 | 14,340,646 | 13,690,448 | 650,198 |
| Fire Emergency Operating Center | - | 11,837 | - | 11,837 |
| Total public safety | 31,234,800 | 31,749,588 | 29,561,553 | 2,188,035 |
| Highways and streets: | | | | |
| Public Works - Traffic Division | 1,051,800 | 1,060,224 | 935,659 | 124,565 |
| Public Works - Engineering | 468,800 | 468,800 | 319,025 | 149,775 |
| Public Works - Field Operations | 1,342,500 | 1,347,974 | 1,216,553 | 131,421 |
| Facility Management | - | - | 74 | (74) |
| Public Works - Administration | 675,400 | 676,118 | 611,797 | 64,321 |
| Public Works - Fleet Maintenance | 608,000 | 692,444 | - | 692,444 |
| Total highways and streets | 4,146,500 | 4,245,560 | 3,083,108 | 1,162,452 |
| Culture and recreation: | | | | |
| Parks and Recreation | 6,163,200 | 6,286,402 | 4,882,360 | 1,404,042 |
| The Center at Deltona | 1,170,400 | 1,173,900 | 1,040,038 | 133,862 |
| Total culture and recreation | 7,333,600 | 7,460,302 | 5,922,398 | 1,537,904 |
| Physical environment: | | | | |
| Disaster Recovery | - | 2,355,161 | 2,321,690 | 33,471 |
| Total physical environment | - | 2,355,161 | 2,321,690 | 33,471 |
| Total operating | 60,776,200 | 64,614,327 | 53,645,985 | 10,968,342 |
| Debt service: | | | | |
| Interest | 223,700 | 223,700 | 272,108 | (48,408) |
| Principal retirement | 185,900 | 185,900 | 195,000 | (9,100) |
| Total debt service | 409,600 | 409,600 | 467,108 | (57,508) |
| Capital outlay: | | | | |
| General government | 1,049,500 | 1,207,163 | 781,377 | 425,786 |
| Public safety | - | - | 5,794,368 | (5,794,368) |
| Highways and streets | - | - | 29,403 | (29,403) |
| Culture and recreation | - | - | 368,081 | (368,081) |
| Physical environment | 6,010,000 | 9,428,894 | 59,450 | 9,369,444 |
| Total capital outlay | 7,059,500 | 10,636,057 | 7,032,679 | 3,603,378 |
| Total expenditures | 68,245,300 | 75,659,984 | 61,145,772 | 14,514,212 |
| Excess (deficiency) of revenues over expenditures | 2,867,400 | (1,429,380) | 16,103,618 | 17,532,998 |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Transfer(s) in | 7,059,500 | 12,833,942 | 11,620,578 | (1,213,364) |
| Transfer(s) out | (5,985,500) | (7,738,108) | (17,565,710) | (9,827,602) |
| Reserve for Contingency | (3,941,400) | (3,666,454) | - | 3,666,454 |
| Total other financing source (uses) | (2,867,400) | 1,429,380 | (5,945,132) | (7,374,512) |
| Net change in fund balances | - | - | 10,158,486 | 10,158,486 |
| Fund balance, beginning | - | - | 78,228,678 | 78,228,678 |
| Fund balance, ending | $ - | $ - | $ 88,387,164 | $ 88,387,164 |

Transportation Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended September 30, 2025

| | Budgeted Amounts | | | Variance With |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **REVENUES** | | | | |
| Intergovernmental | $ 2,690,600 | $ 2,520,600 | $ 2,328,930 | $ (191,670) |
| Charges for services | 150,000 | 150,000 | 54,254 | (95,746) |
| Interest income | 350,000 | 350,000 | 1,185,468 | 835,468 |
| Total revenues | 3,190,600 | 3,020,600 | 3,568,652 | 548,052 |
| **EXPENDITURES** | | | | |
| Operating: | | | | |
| Highways and streets | 409,000 | 409,000 | 269,678 | 139,322 |
| Total operating | 409,000 | 409,000 | 269,678 | 139,322 |
| Debt service: | | | | |
| Interest | 793,100 | 793,100 | 762,163 | 30,937 |
| Principal retirement | 659,100 | 659,100 | 695,000 | (35,900) |
| Total debt service | 1,452,200 | 1,452,200 | 1,457,163 | (4,963) |
| Capital outlay: | | | | |
| General government | 2,250,000 | 2,268,908 | - | 2,268,908 |
| Highways and streets | - | - | 693,589 | (693,589) |
| Physical environment | 100,000 | 6,300 | - | 6,300 |
| Total capital outlay | 2,350,000 | 2,275,208 | 693,589 | 1,581,619 |
| Total expenditures | 4,211,200 | 4,136,408 | 2,420,430 | 1,715,978 |
| Excess (deficiency) of revenues over expenditures | (1,020,600) | (1,115,808) | 1,148,222 | 2,264,030 |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Transfer(s) in | 1,020,600 | 1,115,808 | 500,937 | (614,871) |
| Total other financing source (uses) | 1,020,600 | 1,115,808 | 500,937 | (614,871) |
| Net change in fund balances | - | - | 1,649,159 | 1,649,159 |
| Fund balance, beginning | - | - | 22,653,937 | 22,653,937 |
| Fund balance, ending | $ - | $ - | $ 24,303,096 | $ 24,303,096 |

Schedule of Changes in Total OPEB Liability and Related Ratios
Measurement Year Ended September 2024
Last 10 Fiscal Years*

| Measurement Year Ended September 30, | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|---|---|
| **A. Total OPEB liability** | | | | | | | | |
| 1. Service Cost | $ 73,773 | $ 70,936 | $ 98,753 | $ 90,622 | $ 103,689 | $ 79,490 | $ 57,354 | $ 59,355 |
| 2. Interest on the Total OPEB Liability | 52,616 | 48,025 | 51,544 | 53,687 | 40,144 | 50,563 | 40,797 | 36,325 |
| 3. Changes of assumptions and other inputs | - | - | - | - | - | - | - | - |
| 4. Difference between expected and actual experience of the Total OPEB Liability | (189,302) | - | (954,382) | - | 1,095,506 | - | 39,009 | - |
| 5. Changes of assumptions and other inputs | 477,916 | (26,918) | (365,862) | 54,420 | (393,673) | 37,173 | 40,255 | (60,483) |
| 6. Benefit payments | (54,366) | (45,506) | (83,266) | (78,565) | (50,861) | (52,775) | (37,228) | (41,406) |
| **7. Net change in Total OPEB Liability** | **360,637** | **46,537** | **(1,253,213)** | **120,164** | **794,805** | **114,451** | **140,187** | **(6,209)** |
| **8. Total OPEB Liability - Beginning** | **1,089,832** | **1,043,295** | **2,296,508** | **2,176,344** | **1,381,539** | **1,267,088** | **1,126,901** | **1,133,110** |
| **9. Total OPEB Liability - Ending** | **$ 1,450,469** | **$ 1,089,832** | **$ 1,043,295** | **$ 2,296,508** | **$ 2,176,344** | **$ 1,381,539** | **$ 1,267,088** | **$ 1,126,901** |
| **B. Covered Employee Payroll** | **$ 22,549,208** | **$ 16,874,212** | **$ 18,772,952** | **$ 18,281,303** | **$ 16,378,953** | **$ 16,097,651** | **$ 15,774,073** | **$ 15,530,777** |
| **C. Total OPEB Liability as a Percentage** | **6.43%** | **6.46%** | **5.56%** | **12.56%** | **13.29%** | **8.58%** | **8.03%** | **7.26%** |

* The amounts presented for each fiscal year were determined as of September 30. The City implemented GASB Statement 75 for fiscal year ended September 30, 2018. As a result, this Schedule will present 10 years of information as available.

Note: Covered-Employee Payroll presented for the 2024 measurement year is an estimate based on the data submitted for the September 30, 2024 valuation. GASB Statement 75 defines Covered-Employee Payroll as the payroll of employees that are provided with OPEB through the OPEB plan, including employees terminating during the measurement period.

Schedule of Changes in Firefighter Net Pension Liability and Related Ratios
Last 10 Fiscal Years

| | 9/30/2025 | 9/30/2024 | 9/30/2023 | 9/30/2022 | 9/30/2021 |
|---|---|---|---|---|---|
| Total pension liability | | | | | |
| Service cost | $ 1,527,128 | $ 1,297,844 | $ 1,235,877 | $ 1,215,872 | $ 1,152,416 |
| Interest | 4,293,420 | 4,069,663 | 3,797,542 | 3,495,668 | 3,290,497 |
| Change in excess State money | - | - | - | - | - |
| Share plan allocation | 146,252 | 120,721 | 98,684 | 52,087 | 16,840 |
| Changes of benefit terms | - | - | - | - | 1,089,278 |
| Differences between expected and actual experience | 1,051,308 | 88,989 | 1,021,941 | 1,059,889 | 56,218 |
| Change of assumptions | 735,808 | 691,796 | 651,854 | - | 338,260 |
| Contributions - Buy Back | - | - | - | 11,343 | 34,098 |
| Benefit payments, incl. refunds of EE contributions | (2,273,014) | (3,209,538) | (1,937,140) | (1,828,544) | (1,773,770) |
| Net change in total pension liability | 5,480,902 | 3,059,475 | 4,868,758 | 4,006,315 | 4,203,837 |
| Total pension liability - beginning | 57,628,584 | 54,569,109 | 49,700,351 | 45,694,036 | 41,490,199 |
| Total pension liability - ending (a) | 63,109,486 | 57,628,584 | 54,569,109 | 49,700,351 | 45,694,036 |
| Plan fiduciary net position | | | | | |
| Contributions - employer | 2,055,547 | 1,606,473 | 1,446,000 | 1,467,404 | 1,419,011 |
| Contributions - State | 742,504 | 691,443 | 647,369 | 554,173 | 483,679 |
| Contributions - employee | 727,486 | 634,362 | 575,527 | 560,259 | 390,409 |
| Contributions - Buy Back | - | - | - | 11,343 | 34,098 |
| Net investment income | 5,586,533 | 7,986,693 | 4,601,347 | (6,630,390) | 7,226,916 |
| Benefit payments, incl. refunds of EE contributions | (2,273,014) | (3,209,538) | (1,937,140) | (1,828,544) | (1,773,770) |
| Administrative expense | (134,382) | (120,890) | (159,097) | (101,681) | (86,045) |
| Net change in plan fiduciary net position | 6,704,674 | 7,588,543 | 5,174,006 | (5,967,436) | 7,694,298 |
| Plan fiduciary net position - beginning | 49,000,306 | 41,411,763 | 36,237,757 | 42,205,193 | 34,510,895 |
| Plan fiduciary net position - ending (b) | 55,704,980 | 49,000,306 | 41,411,763 | 36,237,757 | 42,205,193 |
| Net pension liability - ending (a) - (b) | $ 7,404,506 | $ 8,628,278 | $ 13,157,346 | $ 13,462,594 | $ 3,488,843 |
| Plan fiduciary net position as a % of total pension liability | 88.27% | 85.03% | 75.89% | 72.91% | 92.36% |
| Covered payroll (1), (2) | 6,381,454 | 5,564,577 | 5,048,481 | 4,914,549 | 4,880,113 |
| Net pension liability as a % of covered payroll | 116.03% | 155.06% | 260.62% | 273.93% | 71.49% |

| | 9/30/2020 | 9/30/2019 | 9/30/2018 | 9/30/2017 | 9/30/2016 |
|---|---|---|---|---|---|
| Total pension liability | | | | | |
| Service cost | $ 987,101 | $ 833,961 | $ 764,177 | $ 736,394 | $ 763,355 |
| Interest | 2,994,794 | 2,852,171 | 2,747,916 | 2,569,262 | 2,296,697 |
| Change in excess State money | - | - | - | - | (291,211) |
| Share plan allocation | 4,007 | | (1,281) | - | 145,606 |
| Changes of benefit terms | - | (10,789) | - | - | - |
| Differences between expected and actual experience | 713,396 | (209,917) | (465,047) | 161,964 | 169,396 |
| Change of assumptions | 19,482 | 376,031 | 355,957 | 455,206 | 1,069,919 |
| Contributions - Buy Back | - | - | 46,174 | | |
| Benefit payments, incl. refunds of EE contributions | (1,668,383) | (1,916,442) | (1,729,690) | (1,011,240) | (1,010,671) |
| Net change in total pension liability | 3,050,397 | 1,925,015 | 1,718,206 | 2,911,586 | 3,143,091 |
| Total pension liability - beginning | 38,439,802 | 36,514,787 | 34,796,581 | 31,884,995 | 28,741,904 |
| Total pension liability - ending (a) | 41,490,199 | 38,439,802 | 36,514,787 | 34,796,581 | 31,884,995 |
| Plan fiduciary net position | | | | | |
| Contributions - employer | 1,298,760 | 1,139,188 | 960,204 | 856,758 | 990,000 |
| Contributions - State | 458,013 | 440,929 | 432,767 | 418,946 | 437,671 |
| Contributions - employee | 337,757 | 326,448 | 299,956 | 297,214 | 298,328 |
| Contributions - Buy Back | - | - | 46,174 | | |
| Net investment income | 3,348,269 | 893,565 | 2,512,787 | 3,250,594 | 2,031,264 |
| Benefit payments, incl. refunds of EE contributions | (1,668,383) | (1,916,442) | (1,729,690) | (1,011,240) | (1,010,671) |
| Administrative expense | (91,103) | (79,996) | (80,148) | (56,858) | (60,624) |
| Net change in plan fiduciary net position | 3,683,313 | 803,692 | 2,442,050 | 3,755,414 | 2,685,968 |
| Plan fiduciary net position - beginning | 30,827,582 | 30,023,890 | 27,581,840 | 23,826,426 | 21,140,458 |
| Plan fiduciary net position - ending (b) | 34,510,895 | 30,827,582 | 30,023,890 | 27,581,840 | 23,826,426 |
| Net pension liability - ending (a) - (b) | $ 6,979,304 | $ 7,612,220 | $ 6,490,897 | $ 7,214,741 | $ 8,058,569 |
| Plan fiduciary net position as a % of total pension liability | 83.18% | 80.20% | 82.22% | 79.27% | 74.73% |
| Covered payroll (1), (2) | 4,221,959 | 4,080,595 | 3,749,453 | 3,715,168 | 3,729,106 |
| Net pension liability as a % of covered payroll | 165.31% | 186.55% | 173.12% | 194.20% | 216.10% |

Notes to Schedule:

(1) For the 2016 Reporting Period Ending 2015, the Covered Payroll was based on Pensionable Salary.
(2) The covered payroll numbers are shown in compliance with GASB 82, except for the 9/30/2015 measurement period which includes DROP payroll.

Required Supplementary Information

Schedule of Florida Retirement System Contributions
Last 10 Years

| | 9/30/2025 | 9/30/2024 | 9/30/2023 | 9/30/2022 | 9/30/2021 | 9/30/2020 | 9/30/2019 | 9/30/2018 | 9/30/2017 | 9/30/2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| Actuarially determined contributions | $ 1,634,590 | $ 1,846,817 | $ 1,664,544 | $ 1,426,047 | $ 1,142,938 | $ 903,351 | $ 785,496 | $ 663,026 | $ 663,026 | $ 590,334 |
| Contributions in relation to the actuarially determined contributions | (1,634,590) | (1,846,817) | (1,664,544) | (1,426,047) | (1,142,938) | (903,351) | (785,496) | (663,026) | (663,026) | (590,334) |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Covered payroll | $ 17,697,598 | $ 14,206,736 | $ 13,916,746 | $ 13,126,220 | $ 11,439,703 | $ 10,388,422 | $ 10,141,856 | $ 9,494,763 | $ 8,915,167 | $ 8,322,149 |
| Contributions as % of covered payroll | 9.24% | 13.00% | 11.96% | 10.86% | 9.99% | 8.70% | 7.75% | 6.98% | 7.44% | 7.09% |

Schedule of FRS - Health Insurance Subsidy Contributions
Last 10 Years (1)

| | 9/30/2025 | 9/30/2024 | 9/30/2023 | 9/30/2022 | 9/30/2021 | 9/30/2020 | 9/30/2019 | 9/30/218 | 9/30/2017 | 9/30/2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| Actuarially determined contributions | $ 337,530 | $ 235,832 | $ 229,434 | $ 217,895 | $ 189,899 | $ 172,448 | $ 168,355 | $ 157,613 | $ 140,558 | $ 137,737 |
| Contributions in relation to the actuarially determined contributions | (337,530) | (235,832) | (229,434) | (217,895) | (189,899) | (172,448) | (168,355) | (157,613) | (140,558) | (137,737) |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Covered payroll | $ 17,697,598 | $ 14,206,736 | $ 13,916,746 | $ 13,126,220 | $ 11,439,703 | $ 10,388,422 | $ 10,141,856 | $ 9,494,763 | $ 8,915,167 | $ 8,322,149 |
| Contributions as % of covered payroll | 1.91% | 1.66% | 1.65% | 1.66% | 1.66% | 1.66% | 1.66% | 1.66% | 1.58% | 1.66% |

Required Supplementary Information

Schedule of Firefighter Pension Contributions
Last 10 Fiscal Years

| | 9/30/2025 | 9/30/2024 | 9/30/2023 | 9/30/2022 | 9/30/2021 | 9/30/2020 | 9/30/2019 | 9/30/2018 | 9/30/2017 | 9/30/2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| Actuarially determined contribution | $ 2,505,547 | $ 2,056,473 | $ 1,846,926 | $ 1,837,289 | $ 1,859,034 | $ 1,680,340 | $ 1,571,029 | $ 1,357,302 | $ 1,255,727 | $ 1,197,043 |
| Contributions from reserve | - | - | - | - | - | - | - | - | 305 | - |
| Contributions in relation to the actuarially determined contributions | 2,651,799 | 2,177,195 | 1,994,685 | 1,969,490 | 1,885,850 | 1,754,628 | 1,580,117 | 1,394,252 | 1,275,704 | 1,427,671 |
| Contribution deficiency (excess) | $ (146,252) | $ (120,722) | $ (147,759) | $ (132,201) | $ (26,816) | $ (74,288) | $ (9,088) | $ (36,950) | $ (20,282) | $ (230,628) |
| Covered payroll (1) (2) | $ 6,381,454 | $ 5,564,577 | $ 5,048,481 | $ 4,914,549 | $ 4,880,113 | $ 4,221,959 | $ 4,080,595 | $ 3,749,453 | $ 3,715,168 | $ 3,729,106 |
| Contributions as % of covered payroll | 41.55% | 39.13% | 39.51% | 40.07% | 38.64% | 41.56% | 38.72% | 37.19% | 34.34% | 38.28% |

Schedule of Firefighters' Pension Investment Returns
Last 10 Fiscal Years (1)

| | 9/30/2025 | 9/30/2024 | 9/30/2023 | 9/30/2022 | 9/30/2021 | 9/30/2020 | 9/30/2019 | 9/30/2018 | 9/30/2017 | 9/30/2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| Annual money-weighted rate of return Net of investment expense | 11.42% | 19.00% | 12.46% | -15.43% | 20.60% | 10.66% | 2.96% | 8.99% | 13.39% | 9.32% |

(1) For the 2016 Reporting Period Ending 2015, the Covered Payroll was based on Pensionable Salary.
(2) The covered payroll numbers shown are in compliance with GASB 82, except for the 9/30/2015 measurement period which includes DROP payroll.
(3) Methods and assumptions used to determine contribution rates can be found in the October 1, 2022 Actuarial Valuation for the City of Deltona Firefighters' Pension Plan prepared by Foster & Foster Actuaries and Consultants.

Required Supplementary Information

Schedule of Proportionate Share of Net Pension Liability
Last 10 Years

| | Fiscal Year Ended | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Florida Retirement System - Pension:** | 6/30/2025 | 6/30/2024 | 6/30/2023 | 6/30/2022 | 6/30/2021 | 6/30/2020 | 6/30/2019 | 6/30/2018 | 6/30/2017 | 6/30/2016 |
| City proportion of net pension liability | 0.0258% | 0.0240% | 0.0274% | 0.0278% | 0.0258% | 0.0241% | 0.0228% | 0.0236% | 0.0233% | 0.0227% |
| City's proportionate share of the net pension liability | $ 7,999,182 | $ 9,272,041 | $ 10,913,383 | $ 10,354,074 | $ 1,946,459 | $ 10,466,605 | $ 7,843,254 | $ 7,123,024 | $ 6,897,132 | $ 5,738,827 |
| City's covered payroll | 11,275,578 | 14,206,736 | 13,725,928 | 12,484,807 | 10,792,327 | 10,320,335 | 9,787,756 | 9,321,586 | 8,788,560 | 8,322,149 |
| City's proportionate share of the net pension liability as a percentage of its covered payroll | 70.94% | 65.27% | 79.51% | 82.93% | 18.04% | 101.42% | 80.13% | 76.41% | 78.48% | 68.96% |
| Plan fiduciary net position as a percentage of the total pension liability (1) | 87.26% | 83.70% | 82.38% | 82.89% | 96.40% | 78.85% | 82.61% | 84.26% | 83.89% | 84.88% |

| | Fiscal Year Ended | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Florida Retirement System - Health Insurance Subsidy:** | 06/30/2025 | 06/30/2024 | 06/30/2023 | 6/30/2022 | 6/30/2021 | 6/30/2020 | 6/30/2019 | 6/30/2018 | 6/30/2017 | 6/30/2016 |
| City proportion of net pension liability | 0.0360% | 0.0330% | 0.0345% | 0.0342% | 0.0305% | 0.0296% | 0.0293% | 0.0285% | 0.0275% | 0.0269% |
| City's proportionate share of the net pension liability | $ 4,612,242 | $ 4,957,165 | $ 5,471,811 | $ 3,622,006 | $ 3,737,664 | $ 3,612,131 | $ 3,274,088 | $ 3,019,844 | $ 2,944,478 | $ 3,138,324 |
| City's covered payroll | 16,277,744 | 14,206,736 | 13,725,928 | 10,792,327 | 10,792,327 | 10,320,335 | 9,787,756 | 9,321,586 | 8,788,560 | 8,322,149 |
| City's proportionate share of the net pension liability as a percentage of its covered payroll | 28.33% | 34.89% | 39.86% | 33.56% | 34.63% | 35.00% | 33.45% | 32.40% | 33.50% | 37.71% |
| Plan fiduciary net position as a percentage of the total pension liability (1) | 6.36% | 4.80% | 4.12% | 4.81% | 3.56% | 3.00% | 2.63% | 2.15% | 1.64% | 0.97% |

(1) The Plan's fiduciary net position as a percentage of the total pension liability is published in Note 4 of the FRS Annual Comprehensive Financial Report.

**Notes to the Required Supplementary Information**
**September 30, 2025**

**Note 1**

Firefighter Pension Insurance Premium

The City received $742,504 from the State of Florida for the Firefighter Pension Insurance Premium Tax. This is money charged to all homeowners on their homeowners' insurance bill to provide additional pension benefits to firefighters. As required by Generally Accepted Accounting Principles (GAAP), this money was recorded in the General Fund as revenue with an offsetting equal expense in public safety. Once received, this money was immediately transferred to the Firefighters pension fund to fund pension benefits above and beyond what the City provides.

**Note 2**

Schedule Change in Other Postemployment Benefit (OPEB) Plan Liability and Related Ratios

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

**Note 3**

The discount rate was changed from 4.63% as of the beginning of the measurement period to 3.81% as of September 30, 2024. This change is reflected in the Schedule of Changes in Total OPEB Liability.

There were no benefit changes during the year.

## **Note 4** Methods and Assumptions Used to Determine Contribution Rates

Firefighters' Pension Plan
September 30, 2025

**Funding method:** Entry Age Normal Actuarial Cost Method. Loads for determining minimum required contribution: Interest - half year, based on a current 7.50% assumption. Salary - None.

**Amortization method:** New UAAL amortization bases are amortized over 15 (previously 30) years.

**Remaining amortization period:** 13 Years (as of 10/01/2023)

**Inflation:** 2.5% per year

**Mortality:** PubS.H-2010 base table varies by member category and gender, projected generationally with Scale MP-2021

**Interest rate:** 7.40% (previously 7.50%) per year compounded annually, net of investment related expenses.

**Retirement age:** 2.0% for each year eligible for Early Retirement

| % Retiring During the Year (Normal Retirement) | |
|---|---|
| Yrs Following 1st Eligibility | Rate |
| 0 | 33.3% |
| 1 | 33.3% |
| 2 | 33.3% |
| 3 | 10.0% |
| 4 | 10.0% |
| 5+ | 100.0% |

The current assumed rates of retirement resulted from the August 11, 2021 Experience Study.

**Disability rate:**

| Age | Rate |
|---|---|
| 25 | 0.27% |
| 35 | 0.39% |
| 45 | 0.60% |
| 55 | 1.86% |

Assumption: 90% of disablements are service related. The current assumed rates resulted from the August 11, 2021 Experience Study. All previous assumed rates are consistent with other Florida firefighter plans.

**Termination rate:**

| % Terminating During the Year (Normal Retirement) | |
|---|---|
| Service | Rate |
| <2 | 8.0% |
| 2-4 | 4.0% |
| 5-19 | 2.0% |
| 20+ | 0.0% |

The current assumed rates of termination resulted from the August 11, 2021 Experience Study.

**Salary increases:**

| Service | Rate |
|---|---|
| <5 | 6.00% |
| 5-12 | 5.00% |
| 15+ | 4.50% |

Previously 5.0% per year.
The current rates resulted from the August 11, 2021 Experience Study.

**Cost-of-Living adjustment (COLA):** 2.35% automatic COLA beginning at the later of age 52 or three (3) years following benefit commencement, payable to all service retirees who have completed at least 21 years of service, and all line-of-duty disability retirees.

**Payroll growth:** 0.0% per year for amortization of UAAL. This assumption cannot exceed the ten-year average payroll growth, in compliance with Part VII of Chapter 112, Florida Statutes.

**Actuarial asset method:** All assets are valued at fair value with an adjustment made to uniformly spread actuarial investment gains and losses (as measured by actual fair value investment return against expected fair value investment return) over a five year period.

Changes in benefit terms:
For measurement date 09/30/2025, assumption changes were: As mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1,2024, FRS valuation report for special risk employees.

For measurement date 09/30/2022, amounts reported as changes of benefit terms, resulted from Ordinance No. 03-2021. This Ordinance provided the following benefit changes:

1. Effective October 1, 2021, a participant shall be required to contribute 11.4% of his or her salary to the plan.
2. Effective October 1, 2021, the normal retirement benefit shall be an amount equal to the participant's credited years of service multiplied by 3.2% of their average final compensation as a full-time firefighter. Those participants who complete less than 25 years of service shall continue to receive a 2% multiplier for all credited service accrued prior to October 1, 1997.
3. Pre-retirement death benefit is expanded to provide a benefit to participants that die prior to their normal or early retirement date as a direct and proximate result of their service as a firefighter. There shall be no minimum service requirement for eligibility of benefits. The benefits payable shall be the greater of the accrued normal retirement benefit and 60% of average final compensation. This benefit is paid presuming the participant had retired immediately before dying and chosen 100% joint survivor optional form of benefit.

For measurement date 09/30/2019, amounts reported as changes of benefit terms resulted from the provisions of Chapter 112.1816, Florida Statutes. The Statutes state that, effective July 1, 2019, a death or disability (under the Plan's definition of total and permanent disability) for a Firefighter due to the diagnosis of cancer or circumstances that arise out of the treatment of cancer will be treated as duty-related.

Changes of Assumptions:

For measurement date 09/30/2021, the Board approved the following assumption changes based on the August 11, 2021 actuarial experience study:

1. The investment return assumption was reduced from 7.60% to 7.50% per year based on the October 1, 2022 actuarial experience study.
2. The assumed rates of individual salary increases were changed from a flat 5.0% per year, net of investment related expenses.
3. The assumed rates of Retirement were amended to reflect recent experience.
4. The assumed rates of pre-retirement withdrawal were amended to be based upon service only instead of both age and service.
5. The assumed rates of disability were increased.

For measurement date 09/30/2022, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics. Additionally, as approved by the Board of Trustees, the investment return assumptions has been reduced from 7.60% to 7.50%, net of investment related expenses, in conjunction with this valuation.

For measurement date 09/30/2021, amounts reported as changes of assumptions resulted from lowering the investment rate of return from 7.68% to 7.60%.

For measurement date 09/30/2020, amounts reported as changes of assumptions resulted from lowering the investment rate of return from 7.76% to 7.68%.

For measurement date 09/30/2019, amounts reported as changes of assumptions resulted from lowering the investment rate of return from 7.84% to 7.76%.

For measurement date 09/30/2018, amounts reported as changes of assumptions resulted from lowering the investment rate of return from 7.92% to 7.84%.

For measurement date 09/30/2017, as required by Chapter 2015-157, Laws of Florida, the assumed rates of mortality have been changed from those in the July 1, 2015 FRS valuation report to those used in the July 1, 2016 FRS valuation report. Additionally, the investment rate of return of return was lowered from 8.00% to 7.92%.

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| Florida Retirement System<br>June 30, 2025 | |
|---|---|
| Amortization method: | Level Percentage of Pay, Closed, Layered |
| Remaining amortization period: | Effective July 1, 2022: New bases are amortized over 20 years<br>Bases established prior to July 1, 2021: amortized over maximum 20 years |
| 2019 actuarial cost method change | Amortized over 30 years as level percentage of Tier 1 pay |
| Payroll growth: | 3.50% per year |
| Recognition Method: | Asymptotic |
| Corridor: | 80% - 120% of fair value |
| Inflation: | 2.40% per year |
| Salary increases: | * Varies by membership class and length of service |
| Investment rate of return | 6.70% - chosen by the 2025 FRS Actuarial Assumption Conference and is the same as the investment return assumption that is used as the discount rate for determining the net pension liability. |
| Cost-of-Living adjustment (COLA): | 3% for pre-July 2011 benefit service; 0% thereafter |
| Retirement age: | * Varies by tier, membership class, age and gender |
| Turnover: | * Varies by membership class, length of service, age and gender |
| Mortality: | PUB-2010 base table varies by member category and gender, projected generationally with Scale MP-2021 |
| Termination rate: | * Varies by tier, membership class |
| Asset valuation method: | All assets are valued at fair value with an adjustment made to uniformly spread actuarial investment gains and losses (as measured by actual fair value investment return against expected fair value investment return) over a five year period. |

* Refer to FRS Valuation Report for specific information.

| FRS Health Insurance Subsidy<br>June 30, 2024 | |
|---|---|
| Amortization method: | Level Percentage of Pay, Closed, Layered |
| Remaining amortization period: | Effective July 1, 2022: New bases are amortized over 20 years<br>Bases established prior to July 1, 2021: amortized over maximum 20 years |
| 2019 actuarial cost method change | Amortized over 30 years as level percentage of Tier 1 pay |
| Recognition Method: | Asymptotic |
| Corridor: | 80% - 120% of fair value |
| Inflation: | 2.40% per year |
| Mortality: | Generational Pub-2010 with Projection Scale MP-2021 |
| Interest rate: | 3.65% per year (previous year 3.54%) |
| Retirement age: | * Varies by tier, membership class, age and gender |
| Turnover: | * Varies by membership class, length of service, age and gender |
| Cost-of-Living adjustment (COLA): | 3% for pre-July 2011 benefit service; 0% thereafter |
| Termination rate: | * Varies by tier, membership class |
| Salary increases including inflation: | 3.50% per year |
| Payroll growth: | 3.50% per year |
| Asset valuation method: | All assets are valued at fair value with an adjustment made to uniformly spread actuarial investment gains and losses (as measured by actual fair value investment return against expected fair value investment return) over a five year period. |

* Refer to FRS Valuation Report for specific information.
Senate Bill 7024 increased the level of monthly benefits from $5.00 times years of service to $7.50,with an increased minimum of $45.00 to a maximum of $225.00.

Required Supplementary Information

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# SUPPLEMENTAL INFORMATION

Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2025

| | Special Revenue Funds | | | |
|---|---|---|---|---|
| | Fire/Rescue Service Impact Fees Funds | State Housing Initiatives Partnership Fund | Community Development Block Grant Fund | Streetlighting Districts Fund |
| **ASSETS** | | | | |
| Cash and cash equivalents | $ 764,548 | $ 3,035,406 | $ - | $ 41,122 |
| Interest Receivable | 3,452 | 15,829 | - | 145 |
| Due from other governments | - | - | 611,925 | - |
| Total assets | 768,000 | 3,051,235 | 611,925 | 41,267 |
| **LIABILITIES** | | | | |
| Accounts payable | - | 109,820 | 382,203 | 14,125 |
| Due to other funds | - | - | 229,722 | - |
| Due to other governments | - | 735,632 | - | - |
| Unearned revenues | - | 2,205,783 | - | - |
| Total liabilities | - | 3,051,235 | 611,925 | 14,125 |
| **FUND BALANCES (DEFICITS)** | | | | |
| **Restricted:** | | | | |
| Public safety | 768,000 | - | - | - |
| Highways and streets | - | - | - | 27,142 |
| Culture and recreation | - | - | - | - |
| Physical environment | - | - | - | - |
| Total restricted fund balances | 768,000 | - | - | 27,142 |
| **Committed:** | | | | |
| Culture and recreation | - | - | - | - |
| Physical environment | - | - | - | - |
| Total committed fund balances | - | - | - | - |
| **Assigned:** | | | | |
| Capital outlay/projects | - | - | - | - |
| Total assigned fund balances | - | - | - | - |
| Total fund balances | 768,000 | - | - | 27,142 |
| Total liabilities and fund balances | $ 768,000 | $ 3,051,235 | $ 611,925 | $ 41,267 |

Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2025
(Continued)

| | Special Revenue Funds | | | |
|---|---|---|---|---|
| | Park Impact Fees Fund | Tree Replacement Fees Fund | Law Enforcement Impact Fees Fund | Building Inspections Fund |
| **ASSETS** | | | | |
| Cash and cash equivalents | $ 4,145,986 | $ 1,225,043 | $ 593,274 | $ 1,109,279 |
| Interest Receivable | 18,619 | 5,723 | 2,734 | - |
| Due from other governments | - | - | - | - |
| Total assets | 4,164,605 | 1,230,766 | 596,008 | 1,109,279 |
| **LIABILITIES** | | | | |
| Accounts payable | - | 3,899 | - | - |
| Due to other funds | - | - | - | - |
| Due to other governments | - | - | - | - |
| Unearned revenues | - | - | - | - |
| Total liabilities | - | 3,899 | - | - |
| **FUND BALANCES (DEFICITS)** | | | | |
| **Restricted:** | | | | |
| Public safety | - | - | 596,008 | 1,109,279 |
| Highways and streets | - | - | - | - |
| Culture and recreation | 4,164,605 | - | - | - |
| Physical environment | - | - | - | - |
| Total restricted fund balances | 4,164,605 | - | 596,008 | 1,109,279 |
| **Committed:** | | | | |
| Culture and recreation | - | - | - | - |
| Physical environment | - | 1,226,867 | - | - |
| Total committed fund balances | - | 1,226,867 | - | - |
| **Assigned:** | | | | |
| Capital outlay/projects | - | - | - | - |
| Total assigned fund balances | - | - | - | - |
| Total fund balances | 4,164,605 | 1,226,867 | 596,008 | 1,109,279 |
| Total liabilities and fund balances | $ 4,164,605 | $ 1,230,766 | $ 596,008 | $ 1,109,279 |

Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2025
(Continued)

| | Special Revenue Funds | | | Capital Projects Funds |
|---|---|---|---|---|
| | Transportation Impact Fees Fund | Lake Districts Fund | Community Redevelopment Area | Municipal Complexes Fund |
| **ASSETS** | | | | |
| Cash and cash equivalents | $ - | $ 102,670 | $ 2,866,922 | $ 7,384,867 |
| Interest Receivable | - | 477 | 10,723 | 34,971 |
| Due from other governments | - | - | - | - |
| Total assets | - | 103,147 | 2,877,645 | 7,419,838 |
| **LIABILITIES** | | | | |
| Accounts payable | - | - | 8,484 | 109,653 |
| Due to other funds | - | - | - | - |
| Due to other governments | - | - | - | - |
| Unearned revenues | - | - | - | - |
| Total liabilities | - | - | 8,484 | 109,653 |
| **FUND BALANCES (DEFICITS)** | | | | |
| **Restricted:** | | | | |
| Public safety | - | - | - | - |
| Highways and streets | - | - | 2,869,161 | - |
| Culture and recreation | - | - | - | - |
| Physical environment | - | 103,147 | - | - |
| Total restricted fund balances | - | 103,147 | 2,869,161 | - |
| **Committed:** | | | | |
| Culture and recreation | - | - | - | - |
| Physical environment | - | - | - | - |
| Total committed fund balances | - | - | - | - |
| **Assigned:** | | | | |
| Capital outlay/projects | - | - | - | 7,310,185 |
| Total assigned fund balances | - | - | - | 7,310,185 |
| Total fund balances | - | 103,147 | 2,869,161 | 7,310,185 |
| Total liabilities and fund balances | $ - | $ 103,147 | $ 2,877,645 | $ 7,419,838 |

Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2025
(Continued)

| | Capital Projects Funds | |
|---|---|---|
| | Park Projects Fund | Total Nonmajor Governmental Funds |
| **ASSETS** | | |
| Cash and cash equivalents | $ 5,498,698 | $ 26,767,815 |
| Interest Receivable | 30,160 | 122,833 |
| Due from other governments | - | 611,925 |
| Total assets | 5,528,858 | 27,502,573 |
| **LIABILITIES** | | |
| Accounts payable | - | 628,184 |
| Due to other funds | - | 229,722 |
| Due to other governments | - | 735,632 |
| Unearned revenues | - | 2,205,783 |
| Total liabilities | - | 3,799,321 |
| **FUND BALANCES (DEFICITS)** | | |
| **Restricted:** | | |
| Public safety | - | 2,473,287 |
| Highways and streets | - | 2,896,303 |
| Culture and recreation | - | 4,164,605 |
| Physical environment | - | 103,147 |
| Total restricted fund balances | - | 9,637,342 |
| **Committed:** | | |
| Culture and recreation | 5,528,858 | 5,528,858 |
| Physical environment | - | 1,226,867 |
| Total committed fund balances | 5,528,858 | 6,755,725 |
| **Assigned:** | | |
| Capital outlay/projects | - | 7,310,185 |
| Total assigned fund balances | - | 7,310,185 |
| Total fund balances | 5,528,858 | 23,703,252 |
| Total liabilities and fund balances | $ 5,528,858 | $ 27,502,573 |

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

| | Special Revenue Funds | | | |
|---|---|---|---|---|
| | Former Special Revenue Fund Stormwater Utility Fund | Fire/Rescue Service Impact Fees Funds | State Housing Initiatives Partnership Fund | Community Development Block Grant Fund |
| **REVENUES** | | | | |
| Property taxes | $ - | $ - | $ - | $ - |
| Intergovernmental | - | - | 1,089,641 | 826,538 |
| Charges for services | - | - | - | - |
| Impact fees | - | 41,955 | - | - |
| Interest income | - | 34,466 | 156,775 | - |
| Total revenues | - | 76,421 | 1,246,416 | 826,538 |
| **EXPENDITURES** | | | | |
| Operating: | | | | |
| General government | - | - | - | - |
| Highways and streets | - | - | - | - |
| Economic environment | - | - | 1,246,416 | 525,128 |
| Physical environment | - | - | - | - |
| Capital outlay: | | | | |
| General government | - | - | - | 249,360 |
| Public safety | - | - | - | - |
| Highways and streets | - | - | - | - |
| Culture and recreation | - | - | - | - |
| Physical environment | - | - | - | 52,050 |
| Total expenditures | - | - | 1,246,416 | 826,538 |
| Excess (deficiency) of revenues over expenditures | - | 76,421 | - | - |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Transfer(s) in | - | - | - | - |
| Transfer(s) out | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - |
| Net change in fund balances | - | 76,421 | - | - |
| Fund balances - beginning | 7,792,798 | 691,579 | - | - |
| Restatement - move from governmental to business-type activities | (7,792,798) | - | - | - |
| Fund balances - beginning (as restated) | - | 691,579 | - | - |
| Fund balances - ending | $ - | $ 768,000 | $ - | $ - |

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

| | Special Revenue Funds | | | |
|---|---|---|---|---|
| | Streetlighting Districts Fund | Park Impact Fees Fund | Tree Replacement Fees Fund | Law Enforcement Impact Fees Fund |
| **REVENUES** | | | | |
| Property taxes | $ - | $ - | $ - | $ - |
| Intergovernmental | - | - | - | - |
| Charges for services | 187,160 | - | 29,442 | - |
| Impact fees | - | 205,723 | - | 21,490 |
| Interest income | 3,608 | 186,944 | 56,400 | 26,994 |
| Total revenues | 190,768 | 392,667 | 85,842 | 48,484 |
| **EXPENDITURES** | | | | |
| Operating: | | | | |
| General government | - | - | - | - |
| Highways and streets | 180,558 | - | - | - |
| Economic environment | - | - | - | - |
| Physical environment | - | - | 19,455 | - |
| Capital outlay: | | | | |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Highways and streets | - | - | - | - |
| Culture and recreation | - | - | - | - |
| Physical environment | - | - | - | - |
| Total expenditures | 180,558 | - | 19,455 | - |
| Excess (deficiency) of revenues over expenditures | 10,210 | 392,667 | 66,387 | 48,484 |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Transfer(s) in | - | - | - | - |
| Transfer(s) out | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - |
| Net change in fund balances | 10,210 | 392,667 | 66,387 | 48,484 |
| Fund balances - beginning | 16,932 | 3,771,938 | 1,160,480 | 547,524 |
| Restatement - move from governmental to business-type activities | - | - | - | - |
| Fund balances - beginning (as restated) | 16,932 | 3,771,938 | 1,160,480 | 547,524 |
| Fund balances - ending | $ 27,142 | $ 4,164,605 | $ 1,226,867 | $ 596,008 |

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

| | Special Revenue Funds | | | |
|---|---|---|---|---|
| | Building Inspections Fund | Transportation Impact Fees Fund | Lake Districts Fund | Community Redevelopment Area |
| **REVENUES** | | | | |
| Property taxes | $ - | $ - | $ - | $ 427,516 |
| Intergovernmental | - | - | - | 180,415 |
| Charges for services | - | - | 9,454 | - |
| Impact fees | - | 195,536 | - | - |
| Interest income | - | 380 | 4,802 | 122,562 |
| Total revenues | - | 195,916 | 14,256 | 730,493 |
| **EXPENDITURES** | | | | |
| Operating: | | | | |
| General government | 1,309,241 | - | - | - |
| Highways and streets | - | - | - | - |
| Economic environment | - | - | - | - |
| Physical environment | - | - | 6,751 | - |
| Capital outlay: | | | | |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Highways and streets | - | - | - | 9,820 |
| Culture and recreation | - | - | - | - |
| Physical environment | - | - | - | - |
| Total expenditures | 1,309,241 | - | 6,751 | 9,820 |
| Excess (deficiency) of revenues over expenditures | (1,309,241) | 195,916 | 7,505 | 720,673 |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Transfer(s) in | 2,418,520 | - | - | - |
| Transfer(s) out | - | (195,916) | - | - |
| Total other financing sources (uses) | 2,418,520 | (195,916) | - | - |
| Net change in fund balances | 1,109,279 | - | 7,505 | 720,673 |
| Fund balances - beginning | - | - | 95,642 | 2,148,488 |
| Restatement - move from governmental to business-type activities | - | - | - | - |
| Fund balances - beginning (as restated) | - | - | 95,642 | 2,148,488 |
| Fund balances - ending | $ 1,109,279 | $ - | $ 103,147 | $ 2,869,161 |

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

| | Capital Projects Funds | | |
|---|---|---|---|
| | Municipal Complexes Fund | Park Projects Fund | Total Nonmajor Governmental Funds |
| **REVENUES** | | | |
| Property taxes | $ - | $ - | $ 427,516 |
| Intergovernmental | - | - | 2,096,594 |
| Charges for services | - | - | 226,056 |
| Impact fees | - | - | 464,704 |
| Interest income | 23,481 | 20,251 | 636,663 |
| Total revenues | 23,481 | 20,251 | 3,851,533 |
| **EXPENDITURES** | | | |
| Operating: | | | |
| General government | - | - | 1,309,241 |
| Highways and streets | - | - | 180,558 |
| Economic environment | - | - | 1,771,544 |
| Physical environment | - | - | 26,206 |
| Capital outlay: | | | |
| General government | 21,690 | - | 271,050 |
| Public safety | 119,415 | - | 119,415 |
| Highways and streets | - | - | 9,820 |
| Culture and recreation | - | 596,518 | 596,518 |
| Physical environment | - | - | 52,050 |
| Total expenditures | 141,105 | 596,518 | 4,336,402 |
| Excess (deficiency) of revenues over expenditures | (117,624) | (576,267) | (484,869) |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfer(s) in | 391,000 | - | 2,809,520 |
| Transfer(s) out | - | - | (195,916) |
| Total other financing sources (uses) | 391,000 | - | 2,613,604 |
| Net change in fund balances | 273,376 | (576,267) | 2,128,735 |
| Fund balances - beginning | 7,036,809 | 6,105,125 | 29,367,315 |
| Restatement - move from governmental to business-type activities | - | - | (7,792,798) |
| Fund balances - beginning (as restated) | 7,036,809 | 6,105,125 | 21,574,517 |
| Fund balances - ending | $ 7,310,185 | $ 5,528,858 | $ 23,703,252 |

Fire/Rescue Service Impact Fees Funds
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended September 30, 2025

| | Final | Actual | Variance With Final Budget |
|---|---|---|---|
| **REVENUES** | | | |
| Impact fees | $ 92,000 | $ 41,955 | $ (50,045) |
| Interest income | 1,000 | 34,466 | 33,466 |
| Total revenues | 93,000 | 76,421 | (16,579) |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Reserve for Contingency | (93,000) | - | 93,000 |
| Total other financing source (uses) | (93,000) | - | 93,000 |
| Net change in fund balances | - | 76,421 | 76,421 |
| Fund balance, beginning | - | 691,579 | 691,579 |
| Fund balance, ending | $ - | $ 768,000 | $ 768,000 |

State Housing Initiatives Partnership Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended September 30, 2025

| | Final | Actual | Variance With Final Budget |
|---|---|---|---|
| **REVENUES** | | | |
| Intergovernmental | $ 1,500,000 | $ 1,089,641 | $ (410,359) |
| Interest income | - | 156,775 | 156,775 |
| Total revenues | 1,500,000 | 1,246,416 | (253,584) |
| **EXPENDITURES** | | | |
| Operating: | | | |
| Economic environment | 1,500,000 | 1,246,416 | 253,584 |
| Total operating | 1,500,000 | 1,246,416 | 253,584 |
| Total expenditures | 1,500,000 | 1,246,416 | 253,584 |
| Net change in fund balances | - | - | - |
| Fund balance, beginning | - | - | - |
| Fund balance, ending | $ - | $ - | $ - |

Community Development Block Grant Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended September 30, 2025

| | Final | Actual | Variance With Final Budget |
|---|---|---|---|
| **REVENUES** | | | |
| Intergovernmental | $ 1,120,410 | $ 826,538 | $ (293,872) |
| Total revenues | 1,120,410 | 826,538 | (293,872) |
| **EXPENDITURES** | | | |
| Operating: | | | |
| Economic environment | 819,000 | 525,128 | 293,872 |
| Total operating | 819,000 | 525,128 | 293,872 |
| Capital outlay: | | | |
| General government | - | 249,360 | (249,360) |
| Physical environment | 301,410 | 52,050 | 249,360 |
| Total capital outlay | 301,410 | 301,410 | - |
| Total expenditures | 1,120,410 | 826,538 | 293,872 |
| Net change in fund balances | - | - | - |
| Fund balance, beginning | - | - | - |
| Fund balance, ending | $ - | $ - | $ - |

Streetlighting Districts Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended September 30, 2025

| | Final | Actual | Variance With Final Budget |
|---|---|---|---|
| **REVENUES** | | | |
| Charges for services | $ 193,700 | $ 187,160 | $ (6,540) |
| Interest income | - | 3,608 | 3,608 |
| Total revenues | 193,700 | 190,768 | (2,932) |
| **EXPENDITURES** | | | |
| Operating: | | | |
| Highways and streets | 184,700 | 180,558 | 4,142 |
| Total operating | 184,700 | 180,558 | 4,142 |
| Total expenditures | 184,700 | 180,558 | 4,142 |
| Excess (deficiency) of revenues over expenditures | 9,000 | 10,210 | 1,210 |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfer(s) out | (9,000) | - | 9,000 |
| Total other financing source (uses) | (9,000) | - | 9,000 |
| Net change in fund balances | - | 10,210 | 10,210 |
| Fund balance, beginning | - | 16,932 | 16,932 |
| Fund balance, ending | $ - | $ 27,142 | $ 27,142 |

Park Impact Fees Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended September 30, 2025

| | Final | Actual | Variance With Final Budget |
|---|---|---|---|
| **REVENUES** | | | |
| Impact fees | $ 240,000 | $ 205,723 | $ (34,277) |
| Interest income | 10,000 | 186,944 | 176,944 |
| Total revenues | 250,000 | 392,667 | 142,667 |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Reserve for Contingency | (250,000) | - | 250,000 |
| Total other financing source (uses) | (250,000) | - | 250,000 |
| Net change in fund balances | - | 392,667 | 392,667 |
| Fund balance, beginning | - | 3,771,938 | 3,771,938 |
| Fund balance, ending | $ - | $ 4,164,605 | $ 4,164,605 |

Tree Replacement Fees Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended September 30, 2025

| | Final | Actual | Variance With Final Budget |
|---|---|---|---|
| **REVENUES** | | | |
| Charges for services | $ 35,000 | $ 29,442 | $ (5,558) |
| Interest income | - | 56,400 | 56,400 |
| Total revenues | 35,000 | 85,842 | 50,842 |
| **EXPENDITURES** | | | |
| Operating: | | | |
| Physical environment | 35,000 | 19,455 | 15,545 |
| Total operating | 35,000 | 19,455 | 15,545 |
| Total expenditures | 35,000 | 19,455 | 15,545 |
| Excess (deficiency) of revenues over expenditures | - | 66,387 | 66,387 |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfer(s) in | - | - | - |
| Total other financing source (uses) | - | - | - |
| Net change in fund balances | - | 66,387 | 66,387 |
| Fund balance, beginning | - | 1,160,480 | 1,160,480 |
| Fund balance, ending | $ - | $ 1,226,867 | $ 1,226,867 |

Law Enforcement Impact Fees Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended September 30, 2025

| | Final | Actual | Variance With Final Budget |
|---|---|---|---|
| **REVENUES** | | | |
| Impact fees | $ 24,500 | $ 21,490 | $ (3,010) |
| Interest income | 500 | 26,994 | 26,494 |
| Total revenues | 25,000 | 48,484 | 23,484 |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfer(s) in | - | - | - |
| Transfer(s) out | - | - | - |
| Reserve for Contingency | (25,000) | - | 25,000 |
| Total other financing source (uses) | (25,000) | - | 25,000 |
| Net change in fund balances | - | 48,484 | 48,484 |
| Fund balance, beginning | - | 547,524 | 547,524 |
| Fund balance, ending | $ - | $ 596,008 | $ 596,008 |

Building Inspections Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended September 30, 2025

| | Final | Actual | Variance With Final Budget |
|---|---|---|---|
| **EXPENDITURES** | | | |
| General government | $ 50,000 | $ 1,309,241 | $ (1,259,241) |
| Physical environment | 439,837 | - | 439,837 |
| Total expenditures | 489,837 | 1,309,241 | (819,404) |
| Excess (deficiency) of revenues over expenditures | (489,837) | (1,309,241) | (819,404) |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfer(s) in | 2,418,520 | 2,418,520 | - |
| Reserve for Contingency | (1,928,683) | - | 1,928,683 |
| Total other financing source (uses) | 489,837 | 2,418,520 | 1,928,683 |
| Net change in fund balances | - | 1,109,279 | 1,109,279 |
| Fund balance, beginning | - | - | - |
| Fund balance, ending | $ - | $ 1,109,279 | $ 1,109,279 |

Transportation Impact Fees Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended September 30, 2025

| | Final | Actual | Variance With Final Budget |
|---|---|---|---|
| **REVENUES** | | | |
| Impact fees | $ 195,536 | $ 195,536 | $ - |
| Interest income | 4,464 | 380 | (4,084) |
| Total revenues | 200,000 | 195,916 | (4,084) |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfer(s) out | (200,000) | (195,916) | 4,084 |
| Total other financing source (uses) | (200,000) | (195,916) | 4,084 |
| Net change in fund balances | - | - | - |
| Fund balance, beginning | - | - | - |
| Fund balance, ending | $ - | $ - | $ - |

Lake Districts Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended September 30, 2025

| | Final | Actual | Variance With Final Budget |
|---|---|---|---|
| **REVENUES** | | | |
| Charges for services | $ 9,700 | $ 9,454 | $ (246) |
| Interest income | 500 | 4,802 | 4,302 |
| Total revenues | 10,200 | 14,256 | 4,056 |
| **EXPENDITURES** | | | |
| Operating: | | | |
| Physical environment | 17,300 | 6,751 | 10,549 |
| Total operating | 17,300 | 6,751 | 10,549 |
| Total expenditures | 17,300 | 6,751 | 10,549 |
| Excess (deficiency) of revenues over expenditures | (7,100) | 7,505 | 14,605 |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfer(s) in | 12,100 | - | (12,100) |
| Transfer(s) out | (5,000) | - | 5,000 |
| Total other financing source (uses) | 7,100 | - | (7,100) |
| Net change in fund balances | - | 7,505 | 7,505 |
| Fund balance, beginning | - | 95,642 | 95,642 |
| Fund balance, ending | $ - | $ 103,147 | $ 103,147 |

Community Redevelopment Area (CRA)
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended September 30, 2025

| | Final | Actual | Variance With Final Budget |
|---|---|---|---|
| **REVENUES** | | | |
| Property taxes | $ 426,100 | $ 427,516 | $ 1,416 |
| Intergovernmental | 181,800 | 180,415 | (1,385) |
| Interest income | - | 122,562 | 122,562 |
| Total revenues | 607,900 | 730,493 | 122,593 |
| **EXPENDITURES** | | | |
| Capital outlay: | | | |
| General government | 150,000 | - | 150,000 |
| Highways and streets | - | 9,820 | (9,820) |
| Physical environment | 2,162,500 | - | 2,162,500 |
| Total capital outlay | 2,312,500 | 9,820 | 2,302,680 |
| Total expenditures | 2,312,500 | 9,820 | 2,302,680 |
| Excess (deficiency) of revenues over expenditures | (1,704,600) | 720,673 | 2,425,273 |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfer(s) in | 2,150,000 | - | (2,150,000) |
| Reserve for Contingency | (445,400) | - | 445,400 |
| Total other financing source (uses) | 1,704,600 | - | (1,704,600) |
| Net change in fund balances | - | 720,673 | 720,673 |
| Fund balance, beginning | - | 2,148,488 | 2,148,488 |
| Fund balance, ending | $ - | $ 2,869,161 | $ 2,869,161 |

Capital Improvement Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended September 30, 2025

| | Final | Actual | Variance With Final Budget |
|---|---|---|---|
| **REVENUES** | | | |
| Interest income | $ - | $ 23,481 | $ 23,481 |
| Total revenues | - | 23,481 | 23,481 |
| **EXPENDITURES** | | | |
| Capital outlay: | | | |
| General government | - | 21,690 | (21,690) |
| Public safety | - | 119,415 | (119,415) |
| Physical environment | 249,857 | - | 249,857 |
| Total capital outlay | 249,857 | 141,105 | 108,752 |
| Total expenditures | 249,857 | 141,105 | 108,752 |
| Excess (deficiency) of revenues over expenditures | (249,857) | (117,624) | 132,233 |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfer(s) in | 249,857 | 391,000 | 141,143 |
| Total other financing source (uses) | 249,857 | 391,000 | 141,143 |
| Net change in fund balances | - | 273,376 | 273,376 |
| Fund balance, beginning | - | 7,036,809 | 7,036,809 |
| Fund balance, ending | $ - | $ 7,310,185 | $ 7,310,185 |

Capital Projects - Park Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended September 30, 2025

| | Final | Actual | Variance With Final Budget |
|---|---|---|---|
| **REVENUES** | | | |
| Interest income | $ - | $ 20,251 | $ 20,251 |
| Total revenues | - | 20,251 | 20,251 |
| **EXPENDITURES** | | | |
| Capital outlay: | | | |
| Culture and recreation | 596,517 | 596,518 | (1) |
| Physical environment | - | - | - |
| Total capital outlay | 596,517 | 596,518 | (1) |
| Total expenditures | 596,517 | 596,518 | (1) |
| Excess (deficiency) of revenues over expenditures | (596,517) | (576,267) | 20,250 |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfer(s) in | 596,517 | - | (596,517) |
| Total other financing source (uses) | 596,517 | - | (596,517) |
| Net change in fund balances | - | (576,267) | (576,267) |
| Fund balance, beginning | - | 6,105,125 | 6,105,125 |
| Fund balance, ending | $ - | $ 5,528,858 | $ 5,528,858 |

## Notes to the Supplemental Information
## September 30, 2025

**Note 1**

Budgetary Data

The City adopts an annual budget for each of its governmental funds and for its Proprietary Funds. Budgetary comparisons of the City's General and major Special Revenue Funds are presented as part of the Required Supplementary Information section of this report. The City is not required to present budgetary comparisons for the Proprietary funds. Budgetary comparisons for the non-major Special Revenue and Capital Projects Funds are presented as part of the Supplemental Information section. The basis of budgeting for these funds is the same as GAAP. .

The process for adopting the annual budget for each fund is described in Note 1 to the Required Supplementary Information. The legal level of control is the fund, except for major capital projects accounted for in certain Capital Projects Funds, which are subject to budgetary control at the project level. The activities of each non-major Special Revenue fund are contained wholly within a single City department, so budgetary comparisons are presented at fund and function level only.

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Combining Statement of Net Position
Internal Service Fund
September 30, 2025

| | Fleet Maintenance Fund | Information Technology Fund | Total |
|---|---|---|---|
| **ASSETS** | | | |
| Current assets: | | | |
| Cash and cash equivalents | $ 37,579 | $ 1,571,467 | $ 1,609,046 |
| Total current assets | 37,579 | 1,571,467 | 1,609,046 |
| Total assets | 37,579 | 1,571,467 | 1,609,046 |
| **DEFERRED OUTFLOWS OF RESOURCES** | | | |
| Deferred amounts related to pensions | 67,728 | 161,257 | 228,985 |
| Deferred amounts related to OPEB | 18,916 | 45,036 | 63,952 |
| Total deferred outflow of resources | 86,644 | 206,293 | 292,937 |
| Total assets and deferred outflow of resources | $ 124,223 | $ 1,777,760 | $ 1,901,983 |
| **LIABILITIES** | | | |
| Current liabilities payable from current assets: | | | |
| Long term liabilities - current portion | $ 38,717 | $ 76,069 | $ 114,786 |
| Total current liabilities payable from current assets | 38,717 | 76,069 | 114,786 |
| Total current liabilities | 38,717 | 76,069 | 114,786 |
| Long-term liabilities: | | | |
| Compensated absences | 156,856 | 278,171 | 435,027 |
| Other post employment benefits | 23,119 | 55,044 | 78,163 |
| Net pension liability | 206,723 | 492,190 | 698,913 |
| Total long-term liabilities | 386,698 | 825,405 | 1,212,103 |
| Total liabilities | 425,415 | 901,474 | 1,326,889 |
| **DEFERRED INFLOWS OF RESOURCES** | | | |
| Deferred amounts related to pension | 54,986 | 130,917 | 185,903 |
| Deferred amounts related to OPEB | 22,670 | 53,975 | 76,645 |
| Total deferred inflows of resources | 77,656 | 184,892 | 262,548 |
| Total liabilities and deferred inflow of resources | 503,071 | 1,086,366 | 1,589,437 |
| **NET POSITION** | | | |
| Unrestricted | (378,848) | 691,394 | 312,546 |
| Total net position | $ (378,848) | $ 691,394 | $ 312,546 |

The notes to the financial statements are an integral part of the financial statements.

Combining Statement of Revenues, Expenditures and Changes in Net Position
Internal Service Fund
For the Fiscal Year Ended September 30, 2025

| | Fleet Maintenance Fund | Information Technology Fund | Total |
|---|---|---|---|
| **Operating revenues:** | | | |
| Charges for Services Internal Service Funds | $ 460,880 | $ 2,316,313 | $ 2,777,193 |
| Total operating revenues | 460,880 | 2,316,313 | 2,777,193 |
| **Operating expenses:** | | | |
| Personnel services | 677,507 | 1,039,491 | 1,716,998 |
| Operating expenses | 502,431 | 1,238,154 | 1,740,585 |
| Professional services | - | 94,167 | 94,167 |
| Total operating expenses | 1,179,938 | 2,371,812 | 3,551,750 |
| Operating income (loss) | (719,058) | (55,499) | (774,557) |
| **Nonoperating revenues (expenses):** | | | |
| Investment income: | | | |
| Transfers from other funds | 721,448 | 1,574,143 | 2,295,591 |
| Total nonoperating revenue (expenses) | 721,448 | 1,574,143 | 2,295,591 |
| Change in net position | 2,390 | 1,518,644 | 1,521,034 |
| Net position: | | | |
| Beginning of year | - | - | - |
| Restatement - impact of Long-term Liabilities | (381,238) | (827,250) | (1,208,488) |
| Beginning of year, restated | (381,238) | (827,250) | (1,208,488) |
| End of year | $ (378,848) | $ 691,394 | $ 312,546 |

The notes to the financial statements are an integral part of the financial statements.

Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended September 30, 2025

| | Fleet Maintenance Fund | Information Technology Fund | Total |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Cash received from internal users | $ 460,880 | $ 2,316,313 | $ 2,777,193 |
| Cash received from other funds | - | - | - |
| Other operating receipts | - | - | - |
| Cash payments to suppliers for goods and services | (502,431) | (1,332,321) | (1,834,752) |
| Cash payments for employee services | (642,975) | (986,668) | (1,629,643) |
| Net cash provided by operating activities | (684,526) | (2,676) | (687,202) |
| **Cash flows from noncapital financing activities** | | | |
| Transfers to Other Funds | $ - | $ - | $ - |
| Transfers from Other Funds | 721,448 | 1,574,143 | 2,295,591 |
| Net cash used in noncapital financing activities | 721,448 | 1,574,143 | 2,295,591 |
| **Cash flows from capital and related financing activities** | | | |
| Acquisition and construction of capital assets | - | - | - |
| Proceeds from sales of capital assets | - | - | - |
| Proceeds from capital contributions | - | - | - |
| Net cash used in capital and related financing activities | - | - | - |
| **Cash flows from investing activities** | | | |
| Interest | - | - | - |
| Net cash provided by investing activities | - | - | - |
| Net increase (decrease) in cash and cash equivalents | 36,922 | 1,571,467 | 1,608,389 |
| Cash and cash equivalents - beginning of year | - | - | - |
| Cash and cash equivalents - end of year | $ 37,579 | $ 1,571,467 | $ 1,609,046 |

The notes to the financial statements are an integral part of the financial statements.

Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended September 30, 2025
*(Continued)*

| | Fleet Maintenance Fund | Information Technology Fund | Total |
|---|---|---|---|
| **Reconciliation of cash and cash equivalents to the Statement of Net Position:** | | | |
| Cash and cash equivalents | $ 37,579 | $ 1,571,467 | $ 1,609,046 |
| Cash and cash equivalents, end of year | $ 37,579 | $ 1,571,467 | $ 1,609,046 |
| **Reconciliation of operating income to net cash provided by operating activities** | | | |
| Operating income | $ (719,058) | $ (55,499) | $ (774,557) |
| Adjustments to reconcile operating income to cash provided by operating activities: | | | |
| Depreciation | - | - | - |
| (Increase) decrease in assets: | | | |
| Accounts receivable | - | - | - |
| Inventories | - | - | - |
| (Increase) decrease in deferred outflow of resources: | (15,209) | (34,647) | (49,856) |
| Increase (decrease) in liabilities: | | | |
| Accounts payable | - | - | - |
| Utility deposits | - | - | - |
| Accrued expenses | - | - | - |
| Net pension liability | (26,518) | (63,138) | (89,656) |
| Compensated absences | 54,164 | 98,003 | 152,167 |
| Subscription based technology arrangements | - | - | - |
| Other post employment benefits | 5,912 | 14,075 | 19,987 |
| (Increase) decrease in deferred inflow of resources: | 16,183 | 38,530 | 54,713 |
| Net cash provided by operating activities | $ (684,526) | $ (2,676) | $ (687,202) |

The notes to the financial statements are an integral part of the financial statements.

This part of the City of Deltona's Annual Comprehensive Financial Report presents unaudited 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.

**Page**

**Financial Trends**

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

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Changes in Net Position ..... 142
Fund Balances of Governmental Funds ..... 146
Changes in Fund Balances of Governmental Funds ..... 148
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**Revenue Capacity**

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

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Direct and Overlapping Property Tax Rates ..... 152
Principal Taxpayers ..... 153
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**Debt Capacity**

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

Ratios of Outstanding Debt by Type ..... 155
Direct and Overlapping Governmental Activities Debt ..... 156
Pledged-Revenues Coverage ..... 157

**Demographic and Economic Information**

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

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## Operating Information

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

Full-time Equivalent City Government Employees by Function/Program .....161
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Water Sold by Type of Customer .....163
Wastewater Sold by Type of Customer.....164
Principal Employers .....165

*Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.*

# STATISTICAL TABLES

## NET POSITION BY COMPONENT
## LAST TEN FISCAL YEARS

| | Fiscal Year Ending 9/30/2016 | 9/30/2017 | 9/30/2018 | 9/30/2019 |
|---|---|---|---|---|
| **Governmental activities** | | | | |
| Net investment in capital assets | $ 105,221,673 | $ 101,069,631 | $ 99,095,304 | $ 96,724,458 |
| Restricted | 1,887,349 | 6,730,311 | 9,329,975 | 12,607,482 |
| Unrestricted | 15,686,772 | 14,563,146 | 11,781,629 | 18,869,555 |
| Total governmental activities net position | 122,795,794 | 122,363,088 | 120,206,908 | 128,201,495 |
| **Business-type activities** | | | | |
| Net investment in capital assets | 9,179,533 | 11,508,363 | 14,523,669 | 13,877,566 |
| Restricted | 2,562,000 | 3,753,847 | 3,840,878 | 5,139,604 |
| Unrestricted | 16,321,569 | 14,134,062 | 16,501,927 | 18,879,185 |
| Total business-type activities net position | 28,063,102 | 29,396,272 | 34,866,474 | 37,896,355 |
| **Primary government** | | | | |
| Net investment in capital assets | 114,401,206 | 112,577,994 | 113,618,973 | 110,602,024 |
| Restricted | 4,449,349 | 10,484,158 | 13,170,853 | 17,747,086 |
| Unrestricted | 32,008,341 | 28,697,208 | 28,283,556 | 37,748,740 |
| Total primary government net position | $ 150,858,896 | $ 151,759,360 | $ 155,073,382 | $ 166,097,850 |

| 9/30/2020 | 9/30/2021 | 9/30/2022 | 9/30/2023 | 9/30/2024 | 9/30/2025 |
|---|---|---|---|---|---|
| $ 93,763,813 | $ 94,980,502 | $ 93,156,845 | $ 90,008,360 | $ 88,184,252 | $ 85,810,204 |
| 17,034,381 | 26,113,093 | 33,943,627 | 34,929,581 | 15,004,215 | 40,891,544 |
| 25,747,689 | 34,676,912 | 41,024,910 | 52,037,495 | 69,542,976 | 83,185,793 |
| 136,545,883 | 155,770,507 | 168,125,382 | 176,975,436 | 172,731,443 | 209,887,541 |
| 17,945,449 | 21,037,223 | 23,804,994 | 36,366,083 | 41,343,300 | 48,738,367 |
| 5,529,066 | 1,286,000 | 1,331,000 | 1,475,000 | 1,573,000 | 2,313,306 |
| 17,679,747 | 27,770,245 | 35,426,087 | 41,518,665 | 46,515,214 | 62,110,596 |
| 41,154,262 | 50,093,468 | 60,562,081 | 79,359,748 | 89,431,514 | 113,162,269 |
| 111,709,262 | 116,017,725 | 116,961,839 | 126,374,443 | 129,527,552 | 134,548,571 |
| 22,563,447 | 27,339,093 | 35,274,627 | 36,404,581 | 16,577,215 | 43,442,509 |
| 43,427,436 | 62,447,157 | 76,450,997 | 93,556,160 | 116,058,190 | 145,103,722 |
| $ 177,700,145 | $ 205,803,975 | $ 228,687,463 | $ 256,335,184 | $ 262,162,957 | $ 323,094,802 |

## CHANGES IN NET POSITION
## LAST TEN FISCAL YEARS

| | Fiscal Year Ending 9/30/2016 | 9/30/2017 | 9/30/2018 | 9/30/2019 |
|---|---|---|---|---|
| **Expenses** | | | | |
| Governmental activities: | | | | |
| General government | $ 9,871,687 | $ 9,663,089 | $ 9,925,730 | $ 11,304,730 |
| Public safety | 20,172,859 | 20,860,782 | 21,268,214 | 22,765,508 |
| Highways and Streets | 6,998,228 | 5,286,799 | 6,585,923 | 6,158,939 |
| Culture and recreation | 3,461,263 | 3,643,807 | 5,014,201 | 4,810,073 |
| Economic environment | 1,211,567 | 1,123,193 | 603,734 | 411,574 |
| Physical environment | 10,028,308 | 12,373,464 | 14,815,727 | 11,604,617 |
| Interest on long-term debt | 1,063,855 | 1,414,625 | 1,105,150 | 1,065,755 |
| Total governmental activities | 52,807,767 | 54,365,759 | 59,318,679 | 58,121,196 |
| Business-type activities: | | | | |
| Personnel services | 4,739,631 | 4,539,029 | 4,893,378 | 5,243,935 |
| Operating expenses | 3,683,026 | 3,494,403 | 3,964,286 | 4,104,257 |
| Professional services | 89,925 | 176,818 | 179,322 | 194,629 |
| Depreciation | 3,415,578 | 5,360,478 | 5,160,240 | 5,078,200 |
| Insurance | 210,048 | 246,082 | 248,284 | 246,463 |
| Bad debts | 46,413 | 69,262 | 31,962 | 23,688 |
| Total business-type activities | 12,184,621 | 13,886,072 | 14,477,472 | 14,891,172 |
| Total primary government expenses | 64,992,388 | 68,251,831 | 73,796,151 | 73,012,368 |
| **Program revenues** | | | | |
| Governmental activities: | | | | |
| Charges for services: | | | | |
| General government | 1,472,403 | 1,592,496 | 2,380,318 | 2,293,251 |
| Public safety | 86,010 | 110,117 | 189,088 | 431,022 |
| Transportation | - | - | - | 242,920 |
| Culture and recreation | 87,335 | 83,266 | 254,627 | 341,785 |
| Physical environment | 9,884,780 | 9,914,862 | 9,930,744 | 10,972,570 |
| Operating grants and contributions | 2,387,961 | 3,029,544 | 4,126,128 | 7,266,096 |
| Capital grants and contributions | 802,528 | 1,967,287 | 2,116,024 | 1,819,572 |
| Total governmental activities program revenues | 14,721,017 | 16,697,572 | 18,996,929 | 23,367,216 |
| Business-type activities: | 27969631 | 31802648 | 35613540 | 44441181 |
| Charges for services: | | | | |
| Water | 11,236,728 | 12,039,375 | 11,532,682 | 13,495,703 |
| Wastewater | 6,627,115 | 7,021,658 | 7,344,660 | 7,713,908 |
| Connection fees | 237,845 | 210,595 | 203,035 | 197,365 |
| Solid Waste | - | - | - | - |
| Capital grants and contributions | 629,774 | 724,619 | 3,746,715 | 1,513,141 |
| Total business-type activities program revenues | 18,731,462 | 19,996,247 | 22,827,092 | 22,920,117 |
| Total primary government program revenues | 33,452,479 | 36,693,819 | 41,824,021 | 46,287,333 |
| | 61422110 | 68496467 | 77437561 | 90728514 |
| **Net (expenses) revenues** | | | | |
| Governmental activities | (38,086,750) | (37,668,187) | (40,321,750) | (34,753,980) |
| Business-type activities | 6,546,841 | 6,110,175 | 8,349,620 | 8,028,945 |
| Total primary government net (expenses) revenues | $ (31,539,909) | $ (31,558,012) | $ (31,972,130) | $ (26,725,035) |

| 9/30/2020 | 9/30/2021 | 9/30/2022 | 9/30/2023 | 9/30/2024 | 9/30/2025 |
|---|---|---|---|---|---|
| $ 12,291,428 | $ 13,302,302 | $ 14,790,090 | $ 19,607,578 | $ 15,150,690 | $ 19,530,245 |
| 25,318,259 | 22,695,563 | 27,491,279 | 27,180,328 | 28,287,566 | 30,510,009 |
| 4,753,089 | 3,594,963 | 3,696,417 | 10,674,737 | 5,533,537 | 4,288,967 |
| 4,347,312 | 4,822,599 | 5,859,621 | 5,951,025 | 6,107,272 | 7,397,645 |
| 1,098,328 | 1,340,566 | 432,249 | 600,912 | 751,052 | 2,010,791 |
| 11,939,299 | 11,803,473 | 12,207,539 | 13,348,843 | 13,388,162 | 26,206 |
| 1,277,657 | 1,226,684 | 303,739 | 248,331 | 205,218 | 992,602 |
| 61,025,372 | 58,786,150 | 64,780,934 | 77,611,754 | 69,423,497 | 64,756,465 |
| 5,447,500 | 4,977,170 | 5,861,380 | 6,176,836 | 6,368,509 | 10,067,922 |
| 3,815,120 | 4,239,165 | 4,934,255 | 6,577,925 | 5,442,119 | 18,277,690 |
| 351,037 | 410,568 | 167,677 | 150,441 | 606,318 | 485,255 |
| 7,564,362 | 6,009,016 | 5,930,494 | 6,053,284 | 6,107,679 | 7,806,670 |
| 217,527 | 255,197 | 295,429 | 388,497 | 729,238 | 573,545 |
| 196,746 | 49,718 | 163,487 | 7,635 | 542,068 | 790,118 |
| 17,592,292 | 15,940,834 | 17,352,722 | 19,354,618 | 19,795,931 | 38,001,200 |
| 78,617,664 | 74,726,984 | 82,133,656 | 96,966,372 | 89,219,428 | 102,757,665 |
| 2,775,088 | 3,092,212 | 3,601,325 | 10,116,856 | 8,028,841 | 9,050,048 |
| 741,244 | 1,066,357 | 1,292,673 | 1,795,852 | 1,978,766 | 2,860,177 |
| 257,253 | 272,032 | 272,460 | 215,416 | 123,685 | 54,554 |
| 223,884 | 342,500 | 567,754 | 525,512 | 594,405 | 603,024 |
| 11,808,202 | 12,020,815 | 12,316,291 | 12,613,429 | 12,614,158 | - |
| 6,004,326 | 3,505,229 | 3,516,095 | 2,561,665 | 7,734,832 | 5,315,556 |
| 3,597,593 | 9,409,068 | 3,348,124 | 1,658,275 | 1,273,373 | 356,297 |
| 25,407,590 | 29,708,213 | 24,914,722 | 29,487,005 | 32,348,060 | 18,239,656 |
| 48040092 | 56324214 | 46228119 | | | |
| 15,273,236 | 16,705,725 | 17,676,534 | 743,784 | 1,284,986 | 18,092,787 |
| 8,291,125 | 8,961,402 | 9,305,268 | - | - | 12,000,193 |
| 183,925 | 186,585 | 185,428 | 167,420 | 147,876 | 142,975 |
| - | - | - | - | - | 180,163 |
| 2,276,174 | 2,278,457 | 4,976,407 | 12,361,904 | 2,025,321 | 16,173,467 |
| 26,024,460 | 28,132,169 | 32,143,637 | 13,273,108 | 3,458,183 | 46,589,585 |
| 51,432,050 | 57,840,382 | 57,058,359 | 42,760,113 | 35,806,243 | 64,829,241 |
| 99472142 | 114164596 | 103286478 | | | |
| (35,617,782) | (29,077,936) | (407,352,714) | (48,993,808) | (37,944,496) | (46,442,047) |
| 8,432,168 | 12,191,334 | 14,790,915 | 17,162,593 | 8,364,710 | 8,588,385 |
| $ (27,185,614) | $ (16,886,602) | $ (392,561,799) | $ (31,831,215) | $ (29,579,786) | $ (37,853,662) |

## CHANGES IN NET POSITION
## LAST TEN FISCAL YEARS
## (Continued)

| | Fiscal Year Ending 9/30/2016 | 9/30/2017 | 9/30/2018 | 9/30/2019 |
|---|---|---|---|---|
| **General revenues & other changes in net position** | | | | |
| **Governmental activities:** | | | | |
| Taxes: | | | | |
| Property taxes | $ 13,771,773 | $ 14,770,931 | $ 16,050,125 | $ 17,925,314 |
| Franchise fees | 3,605,362 | 3,735,850 | 4,019,845 | 4,197,228 |
| Public service tax | 7,499,797 | 7,127,906 | 7,321,620 | 7,559,957 |
| Sales tax | 4,678,595 | 4,876,557 | 5,177,402 | 5,230,594 |
| Local option gas taxes | 2,274,920 | 2,342,719 | 2,372,411 | 2,426,376 |
| State revenue sharing | 2,887,043 | 3,158,126 | 3,315,348 | 3,489,272 |
| Investment earnings | 332,012 | 370,353 | 484,257 | 1,211,566 |
| Miscellaneous income | 841,477 | 888,039 | 591,425 | 708,260 |
| Transfers out | - | (35,000) | (2,200,000) | - |
| Total governmental activities | 35,890,979 | 37,235,481 | 37,132,433 | 42,748,567 |
| **Business-type activities:** | | | | |
| Investment earnings | 140,317 | 44,199 | 31,962 | 514,364 |
| Gain on sale of capital assets | 9,467 | (2,841) | 25,962 | 69,857 |
| Interest expense and issue costs | (5,728,589) | (5,751,540) | (6,218,021) | (5,583,285) |
| Miscellaneous income | 894,738 | 898,177 | 1,029,018 | - |
| Transfers in | - | 35,000 | 2,200,000 | - |
| Transfers out | - | - | - | - |
| Total business-type activities | (4,684,067) | (4,777,005) | (2,931,079) | (4,999,064) |
| Total primary government | 31,206,912 | 32,458,476 | 34,201,354 | 37,749,503 |
| **Change in net position** | | | | |
| Governmental activities | (2,195,771) | (432,706) | (3,189,317) | 19,423,112 |
| Business-type activities | 1,862,774 | 1,333,170 | 5,418,541 | 9,500,610 |
| Total primary government | $ (332,997) | $ 900,464 | $ 2,229,224 | $ 28,9230,722 |

| 9/30/2020 | 9/30/2021 | 9/30/2022 | 9/30/2023 | 9/30/2024 | 9/30/2025 |
|---|---|---|---|---|---|
| $ 20,061,820 | $ 22,333,526 | $ 25,522,507 | $ 29,187,545 | $ 32,898,194 | $ 35,420,590 |
| 4,225,503 | 4,347,280 | 4,694,765 | - | - | - |
| 7,856,175 | 8,073,033 | 8,395,262 | 9,456,641 | 9,529,653 | 9,677,642 |
| 5,106,467 | 5,918,048 | 6,532,623 | 6,627,061 | 6,309,103 | 5,806,530 |
| 2,106,284 | 2,385,289 | 2,407,904 | 2,495,255 | 2,835,037 | 2,633,951 |
| 3,088,019 | 3,695,615 | 4,697,047 | 4,990,459 | 4,775,606 | 5,813,423 |
| 872,167 | 83,917 | - | 4,476,504 | 7,297,840 | 5,851,694 |
| 645,735 | 1,465,854 | 1,709,097 | 610,397 | 1,027,192 | 1,151,330 |
| - | - | - | - | - | - |
| 43,962,170 | 48,302,562 | 53,959,205 | 57,843,862 | 64,672,625 | 66,355,160 |
| 308,674 | - | - | 1,635,075 | 2,707,756 | 3,132,449 |
| 116,294 | 47,675 | 21,578 | - | 35,300 | 177,623 |
| (5,599,229) | (3,299,804) | (3,299,804) | (3,708,204) | (3,673,444) | (3,615,506) |
| - | - | - | - | - | 682,659 |
| - | - | - | - | - | - |
| - | - | - | - | - | 535,000 |
| (5,174,261) | (3,252,129) | (3,278,226) | (2,073,129) | (930,388) | 912,225 |
| 38,787,909 | 45,050,433 | 50,680,979 | 55,770,733 | 63,742,237 | 67,267,385 |
| 8,344,388 | 19,224,624 | 12,354,875 | 8,850,054 | 27,764,129 | 19,378,113 |
| 3,257,907 | 8,939,206 | 10,468,612 | 18,797,668 | 10,071,766 | 9,500,610 |
| $ 11,602,295 | $ 28,163,830 | $ 22,823,487 | $ 27,647,722 | $ 37,835,895 | $ 28,878,723 |

## FUND BALANCES, GOVERNMENTAL FUNDS
## LAST TEN FISCAL YEARS

| | Fiscal Years Ending September 30 | | | |
|---|---|---|---|---|
| | 2016 | 2017 | 2018 | 2019 |
| **General fund** | | | | |
| Reserved | $ - | $ - | $ - | $ - |
| Non-spendable / prepaid items | 14,851 | 18,745 | 32,436 | 16,366 |
| Restricted | - | - | - | - |
| Committed | 41,147 | 41,312 | 41,583 | 42,022 |
| Assigned | 16,589,108 | 14,474,475 | 15,510,536 | 16,626,834 |
| Unassigned | 9,635,529 | 12,567,773 | 9,447,435 | 15,592,763 |
| Total general fund | 26,280,635 | 27,102,305 | 25,031,990 | 32,277,985 |
| | | | | |
| **All other governmental funds** | | | | |
| Reserved | - | - | - | - |
| Non-spendable / prepaid items | | | | |
| Special revenue funds | - | - | - | - |
| Capital projects funds | - | - | - | - |
| Restricted | | | | |
| Special revenue funds | 21,011,880 | 21,474,149 | 21,864,240 | 22,807,450 |
| Capital projects funds | 7,561,453 | - | - | - |
| Committed | | | | |
| Special revenue funds | 526,313 | 502,478 | 426,812 | 849,423 |
| Capital projects funds | 233,166 | 527,996 | 586,072 | 443,654 |
| Assigned | | | | |
| Special revenue funds | - | - | - | - |
| Capital projects funds | 1,235,001 | 2,508,010 | 837,775 | 912,349 |
| Unassigned reported in: | | | | |
| Special revenue funds | - | - | - | - |
| Capital projects funds | - | - | - | - |
| Total all other governmental funds | $ 30,567,813 | $ 25,012,633 | $ 23,714,899 | $ 25,012,876 |

| 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| $ - | $ - | $ - | $ - | $ - | $ - |
| 16,454 | 22,759 | 36,045 | 804,399 | 1,993,576 | 984,739 |
| - | - | - | - | - | - |
| 42,383 | 20,216 | 20,299 | 63,011 | 65,766 | - |
| 17,849,268 | 19,254,003 | 34,730,669 | 37,626,284 | 50,215,147 | 51,857,030 |
| 24,414,794 | 34,616,368 | 22,728,938 | 29,718,832 | 25,954,189 | 35,545,395 |
| 42,322,899 | 53,913,346 | 57,515,951 | 68,212,526 | 78,228,678 | 88,387,164 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 24,369,034 | 26,113,093 | 33,943,626 | 34,929,581 | 47,012,337 | 41,129,203 |
| - | - | - | - | - | - |
| 901,413 | 961,171 | 1,025,706 | 1,090,165 | 1,160,480 | 1,226,867 |
| 794,950 | 855,921 | 2,385,785 | 4,558,600 | 6,105,125 | 5,528,858 |
| - | - | - | - | - | - |
| 957,267 | 387,937 | 1,350,609 | 1,044,617 | 7,036,809 | 7,310,185 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| $ 27,022,664 | $ 28,318,122 | $ 38,705,726 | $ 41,622,963 | $ 61,314,751 | $ 55,195,113 |

## CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
## LAST TEN FISCAL YEARS
## (Modified Accrual Basis of Accounting)

| | Fiscal Years Ending September 30 | | | |
|---|---|---|---|---|
| | 2016 | 2017 | 2018 | 2019 |
| **Revenues:** | | | | |
| Property taxes | $ 13,771,773 | $ 14,770,931 | $ 16,050,125 | $ 17,925,314 |
| Franchise fees | 3,605,362 | 3,735,850 | 4,019,845 | 4,197,228 |
| Public service tax | 7,499,797 | 7,127,906 | 7,321,620 | 7,559,957 |
| State revenue sharing | 3,812,168 | 4,173,536 | 4,356,464 | 4,555,855 |
| Intergovernmental | 8,042,853 | 10,063,162 | 11,149,718 | 13,188,854 |
| Charges for services | 11,994,146 | 12,086,231 | 13,202,430 | 14,623,008 |
| Fines and forfeitures | 228,067 | 234,579 | 153,437 | 144,815 |
| Impact fees | 483,530 | 503,993 | 1,053,958 | 1,409,676 |
| Interest income | 332,011 | 370,353 | 484,257 | 1,211,566 |
| Miscellaneous | 842,290 | 901,512 | 537,509 | 1,207,646 |
| Total revenues | 50,611,997 | 53,968,053 | 58,329,363 | 66,023,919 |
| **Expenditures:** | | | | |
| General government | 8,241,710 | 8,224,597 | 8,594,368 | 9,265,463 |
| Public safety | 19,786,845 | 20,179,572 | 20,777,602 | 21,889,343 |
| Highways and Streets | 2,083,596 | 2,066,471 | 2,119,725 | 2,441,266 |
| Culture/Recreation | 2,451,590 | 2,524,211 | 3,036,194 | 3,151,541 |
| Economic environment | 552,472 | 1,165,616 | 429,791 | 905,224 |
| Physical environment | 8,101,164 | 10,245,545 | 12,624,119 | 9,518,935 |
| Capital outlay | 9,154,776 | 11,872,669 | 9,527,373 | 7,921,059 |
| Debt service | | | | |
| Interest | 860,435 | 1,509,843 | 1,465,914 | 1,419,769 |
| Principal | 1,214,449 | 878,038 | 922,326 | 967,348 |
| Total expenditures | 52,447,037 | 58,666,562 | 59,497,412 | 57,479,948 |
| **Excess (deficiency) of revenues over (under) expenditures** | (1,835,040) | (4,698,509) | (1,168,049) | 8,543,971 |
| **Other financing sources (uses):** | | | | |
| Proceeds from issuance of debt | 35,277,003 | - | - | - |
| Premium on revenue bonds | 2,293,694 | - | - | - |
| Escrow payments to retire old bonds | (12,436,515) | - | - | - |
| Revenue bonds proceeds from debt service agreement | - | - | - | - |
| Transfers from other funds | 1,545,580 | 1,061,389 | 3,097,521 | 3,594,150 |
| Transfers to other funds | (1,545,580) | (1,096,389) | (5,297,521) | (3,594,150) |
| Total other financing sources (uses) | 25,134,182 | (35,000) | (2,200,000) | - |
| **Net change in fund balances** | $ 23,299,142 | $ (4,733,509) | $ (3,368,049) | $ 8,543,971 |
| *** Debt service as a percentage of noncapital expenditures** | 4.8% | 5.0% | 4.6% | 4.7% |

* Note: Calculation excludes non-capitalized capital.

| 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| $ 20,061,820 | $ 22,333,526 | $ 25,522,507 | $ 29,187,545 | $ 32,898,194 | $ 34,993,074 |
| 4,225,504 | 4,347,280 | 4,694,765 | 5,515,518 | 5,135,686 | 5,422,188 |
| 7,856,175 | 8,073,033 | 8,395,262 | 9,456,641 | 9,529,653 | 9,677,642 |
| 4,011,548 | 4,813,245 | 603 | 6,095,578 | 5,799,157 | 5,800,203 |
| 13,932,527 | 11,863,225 | 12,041,820 | 10,541,155 | 15,857,343 | 13,509,556 |
| 16,127,252 | 17,057,995 | 18,288,575 | 19,692,541 | 18,215,512 | 7,247,620 |
| 166,581 | 187,830 | 261,252 | 222,464 | 440,369 | 421,105 |
| 1,647,119 | 1,411,499 | 2,154,954 | 1,493,280 | 1,072,414 | 464,704 |
| 872,167 | 83,918 | - | 5,345,561 | 8,166,897 | 5,851,694 |
| 561,729 | 1,285,045 | 1,483,243 | 649,639 | 774,513 | 1,281,789 |
| 69,462,422 | 71,456,596 | 72,842,981 | 88,199,922 | 97,889,738 | 84,669,575 |
| | | | | | |
| 9,295,438 | 9,689,699 | 12,672,501 | 13,922,707 | 12,424,431 | 16,388,167 |
| 22,527,037 | 23,927,309 | 25,177,735 | 25,860,439 | 27,706,448 | 29,561,553 |
| 2,752,814 | 3,250,667 | 3,065,952 | 7,790,108 | 4,621,729 | 3,533,344 |
| 2,969,177 | 3,368,906 | 4,548,470 | 4,474,579 | 4,762,826 | 5,922,398 |
| 800,049 | 1,113,067 | 432,249 | 520,088 | 751,052 | 1,771,544 |
| 9,637,591 | 9,718,468 | 10,409,626 | 11,627,627 | 12,108,866 | 26,206 |
| 7,035,304 | 5,112,397 | 6,188,071 | 8,062,951 | 4,449,486 | 8,775,121 |
| | | | | | |
| 1,371,371 | 1,320,431 | 1,266,909 | 1,211,885 | 1,153,099 | 1,034,271 |
| 1,018,142 | 1,069,747 | 1,122,206 | 1,180,561 | 1,239,861 | 890,000 |
| 57,406,923 | 58,570,691 | 64,883,719 | 74,650,945 | 69,217,798 | 67,902,604 |
| | | | | | |
| 12,055,499 | 12,885,905 | 7,959,262 | 13,548,977 | 28,671,940 | 16,766,971 |
| | | | | | |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| | | | | | |
| - | - | - | - | - | - |
| 3,258,275 | 1,470,210 | 9,690,996 | 7,272,172 | 22,421,856 | 14,931,035 |
| (3,258,275) | (1,470,210) | (9,690,996) | (7,272,172) | (21,385,856) | (17,761,626) |
| | | | | | |
| - | - | - | - | 1,036,000 | (2,830,591) |
| | | | | | |
| $ 12,055,499 | $ 12,885,905 | $ 7,959,262 | $ 13,548,977 | $ 29,707,940 | $ 13,936,380 |
| | | | | | |
| 4.7% | 4.4% | 4.1% | 3.3% | 3.6% | 3.0% |

**TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS**
**LAST TEN FISCAL YEARS**
***(Modified Accrual Basis of Accounting)***
***(Amounts Expressed in Thousands)***

| Fiscal Year | Ad Valorem Tax | Franchise Fees | | Public Service Tax | | | Total |
|---|---|---|---|---|---|---|---|
| | | Electric | Other | Electric | Telecom-munication | Gas | |
| 2016 | 13,772 | 3,560 | 46 | 5,125 | 2,257 | 118 | 24,878 |
| 2017 | 14,767 | 3,677 | 59 | 4,913 | 2,087 | 128 | 25,631 |
| 2018 | 16,026 | 3,950 | 70 | 5,099 | 2,089 | 133 | 27,367 |
| 2019 | 17,911 | 4,137 | 60 | 5,459 | 1,971 | 130 | 29,668 |
| 2020 | 19,934 | 4,101 | 124 | 5,758 | 1,960 | 137 | 32,014 |
| 2021 | 22,303 | 4,287 | 213 | 5,972 | 1,956 | 145 | 34,876 |
| 2022 | 25,458 | 4,634 | 253 | 6,131 | 2,106 | 158 | 38,740 |
| 2023 | 29,169 | 5,459 | 336 | 7,013 | 2,255 | 188 | 44,420 |
| 2024 | 32,164 | 5,049 | 323 | 6,928 | 2,409 | 193 | 47,066 |
| 2025 | 34,577 | 5,374 | 229 | 7,162 | 2,351 | 165 | 49,858 |
| Change 2016-2025 | 151.1% | 51.0% | 397.8% | 39.7% | 4.2% | 39.8% | 100.4% |

**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**
**LAST TEN FISCAL YEARS**
***(Modified Accrual Basis of Accounting)***
***(Amounts Expressed in Thousands)***

| Fiscal Year Beginning | Real Property | Personal Property | Total Assessed Valuation | Total Direct Rate | Total Estimated Actual Value | Assessed Value as a Percentage of Actual Value |
|---|---|---|---|---|---|---|
| 2016 | 3,098,720 | 115,403 | 3,214,123 | 7.9500 | 3,833,028 | 83.9% |
| 2017 | 3,428,497 | 120,726 | 3,549,223 | 7.8500 | 4,449,555 | 79.8% |
| 2018 | 3,834,440 | 121,495 | 3,955,935 | 7.8500 | 5,201,004 | 76.1% |
| 2019 | 4,187,860 | 124,544 | 4,312,404 | 7.8500 | 5,807,862 | 74.3% |
| 2020 | 4,540,927 | 136,562 | 4,677,489 | 7.8500 | 6,229,613 | 75.1% |
| 2021 | 3,647,833 | 249,063 | 3,896,896 | 7.8500 | 3,943,041 | 98.8% |
| 2022 | 5,933,192 | 217,073 | 6,150,265 | 7.6500 | 8,875,770 | 69.3% |
| 2023 | 6,805,052 | 223,035 | 7,028,087 | 7.3500 | 10,391,923 | 67.6% |
| 2024 | 7,394,332 | 231,578 | 7,625,910 | 7.0000 | 10,911,952 | 69.9% |
| 2025 | 7,906,847 | 243,669 | 8,150,516 | 6.7000 | 11,343,254 | 71.9% |

Source: County of Volusia Property Appraiser.

## DIRECT AND OVERLAPPING PROPERTY TAX RATES
## LAST TEN FISCAL YEARS
***(Per One Thousand Dollars of Taxable Value)***

| | | ** Overlapping Rates | | | | | |
|---|---|---|---|---|---|---|---|
| Fiscal Year Beginning | City of Deltona | County of Volusia | Volusia County School Board | St. Johns River Water Management District | Florida Inland Navigation District | West Volusia Hospital Authority | Total |
| 2016 | 7.95000 | 7.05200 | 6.84800 | 0.28850 | 0.03200 | 1.59000 | 23.76050 |
| 2017 | 7.85000 | 7.05200 | 6.52000 | 0.27240 | 0.03200 | 2.36600 | 24.09240 |
| 2018 | 7.85000 | 6.64640 | 6.28100 | 0.25620 | 0.03200 | 2.17510 | 23.24070 |
| 2019 | 7.85000 | 6.54200 | 6.08100 | 0.24140 | 0.03200 | 1.90800 | 22.65440 |
| 2020 | 7.85000 | 6.15090 | 5.90700 | 0.22870 | 0.03200 | 1.50350 | 21.67210 |
| 2021 | 7.85000 | 6.29860 | 5.80200 | 0.21890 | 0.03200 | 1.40730 | 21.60880 |
| 2022 | 7.65000 | 5.71340 | 5.48200 | 0.19740 | 0.03200 | 1.08160 | 20.15640 |
| 2023 | 7.35000 | 5.67080 | 5.40900 | 0.17930 | 0.02880 | 0.98060 | 19.61850 |
| 2024 | 7.00000 | 5.58920 | 5.28500 | 0.17930 | 0.02880 | 1.04800 | 19.13030 |
| 2025 | 6.70000 | 5.56980 | 5.27900 | 0.17930 | 0.02700 | 0.98970 | 18.74480 |

* The City of Deltona has no General Obligation debt, therefore the direct rate has no components.

** The overlapping rate represents agencies which have taxing authority within the area. These rates plus the City rate is the total mileage rate attributable to property within the City.

## PRINCIPAL TAXPAYERS
## CURRENT AND NINE YEARS AGO
## FISCAL YEARS ENDING

| | September 30, 2016 | | | September 30, 2025 | | |
|---|---|---|---|---|---|---|
| Taxpayer | Assessed Valuation (in 1000's) | Rank | Percentage of Total Taxable Assessed Value | Assessed Valuation (in 1,000's) | Rank | Percentage of Total Taxable Assessed Value |
| USEF I-4 Logistics Deltona Building | $ - | | 0.0% | $ 84,022 | 1 | 1.5% |
| LIT Deltona Logistics LLC | $ - | | 0.0% | 75,306 | 2 | 1.3% |
| Florida Power & Light Company | 21,939 | 2 | 1.1% | 51,754 | 3 | 0.9% |
| Integra Myst LP | | | 0.0% | 44,215 | 4 | 0.8% |
| Amazon.com Services LLC | | | 0.0% | 42,263 | 6 | 0.7% |
| Duke Energy Florida LLC | 27,997 | 1 | 1.5% | 43,251 | 5 | 0.8% |
| Upward America SE Property Owner | | | 0.0% | 23,673 | 7 | 0.4% |
| Walmart Stores East LP | 14,575 | 3 | 0.8% | 18,094 | 8 | 0.3% |
| Residential Home Buyer Orlando LLC | | | 0.0% | 17,504 | 9 | 0.3% |
| 2015-3 IH2 Borrower LP | 7,161 | 7 | 0.4% | - | | 0.0% |
| 2018-3 IH Borrower LP | | | 0.0% | 16,114 | 10 | 0.3% |
| Lowes Home Centers Inc | 8,370 | 5 | 0.4% | - | | 0.0% |
| Publix Super Markets Inc | 8,797 | 4 | 0.5% | | | 0.0% |
| Bright House Networks LLC | 7,904 | 6 | 0.4% | | | 0.0% |
| D O T Properties N V | 6,941 | 8 | 0.4% | | | 0.0% |
| Deltona Partners, LLC | 6,596 | 10 | 0.3% | | | 0.0% |
| IH3 Property Florida LP | 6,783 | 9 | 0.4% | | | 0.0% |
| All Others | 1,801,131 | | 93.9% | 5,262,017 | | 92.7% |
| | $ 1,918,194 | | 100.0% | $ 5,678,213 | | 100.0% |

Source: County of Volusia Property Appraiser.

## PROPERTY TAX LEVIES AND COLLECTIONS
## LAST TEN FISCAL YEARS

| Fiscal Year Ended | Total Tax Levy | Current Levy Collections | Percent of Levy Collected | Delinquent Tax Collections | Total Tax Collections | Percent Total Collections To Levy |
|---|---|---|---|---|---|---|
| 2016 | 14,250,718 | 13,771,773 | 96.6% | - | 13,771,773 | 96.6% |
| 2017 | 15,207,700 | 14,767,290 | 97.1% | 3,641 | 14,770,931 | 97.1% |
| 2018 | 16,560,083 | 16,026,183 | 96.8% | 23,942 | 16,050,125 | 96.9% |
| 2019 | 18,474,255 | 17,910,773 | 96.9% | 14,541 | 17,925,314 | 97.0% |
| 2020 | 20,574,753 | 19,934,192 | 96.9% | 127,629 | 20,061,821 | 97.5% |
| 2021 | 22,990,429 | 22,303,382 | 97.0% | 30,143 | 22,333,525 | 97.1% |
| 2022 | 26,415,611 | 25,457,589 | 96.4% | 64,918 | 25,522,507 | 96.6% |
| 2023 | 30,266,750 | 29,168,656 | 96.4% | 18,889 | 29,187,545 | 96.4% |
| 2024 | 33,770,703 | 32,164,029 | 95.2% | 734,165 | 32,898,194 | 97.4% |
| 2025 | 35,989,463 | 34,576,641 | 96.1% | 843,950 | 35,420,591 | 98.4% |

Florida Statute 197.012 allows a discount for early payment of taxes of 4% in November, 3% in December, 2% in January and 1% in February. Taxes become delinquent on April 1 each year.

The County Tax Collector is responsible for collecting and remitting all property taxes. They do not keep track of amounts which are past due on a regular basis. Once a year they consolidate all past due amounts and have a tax certificate sale. The money obtained from this sale is then distributed to the proper taxing authority.

## RATIOS OF OUTSTANDING DEBT BY TYPE
## LAST TEN FISCAL YEARS

| | Governmental Activities | | Business-Type Activities | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Year Ended | Capital Improvement Bond (2) (3) | Other Government Debt (4) | Stormwater Bank Note (5) | 2013 Utility System Refunding Bonds (2) | 2014 Utility System Revenue Bonds (2) | 2021 Utility System Revenue Bonds | State Revolving Fund Loan | Other Business Debt (4) | Total Primary Government Debt | Per Capita Debt | Debt as a Percentage of Personal Income (1) |
| 2016 | 37,074,738 | 4,968,568 | - | 78,611,908 | 23,184,143 | - | 27,871,882 | - | 171,711,239 | 1,931 | 5.11% |
| 2017 | 36,398,913 | 4,690,530 | - | 76,932,950 | 22,689,787 | - | 27,041,208 | - | 167,753,388 | 1,864 | 4.80% |
| 2018 | 35,693,088 | 4,398,204 | - | 74,973,993 | 22,655,431 | - | 29,922,218 | - | 167,642,934 | 1,842 | 4.53% |
| 2019 | 34,957,263 | 4,090,856 | - | 72,945,036 | 22,146,074 | - | 32,083,364 | - | 166,222,593 | 1,816 | 4.15% |
| 2020 | 34,186,438 | 3,767,714 | - | 70,836,078 | 21,626,717 | - | 30,610,068 | - | 161,027,015 | 1,719 | 3.84% |
| 2021 | 33,380,613 | 3,427,967 | - | - | - | 98,690,000 | 28,924,016 | - | 164,422,596 | 1,732 | 3.73% |
| 2022 | 32,539,788 | 3,070,761 | - | - | - | 97,150,000 | 27,211,861 | - | 159,972,410 | 1,670 | 3.15% |
| 2023 | 29,915,000 | 4,558,007 | - | - | - | 94,485,000 | 28,060,033 | 10,199 | 157,028,239 | 1,637 | 3.06% |
| 2024 | 29,070,000 | 4,036,836 | - | - | - | 91,815,000 | 26,294,370 | 5,186 | 151,221,392 | 1,538 | 2.76% |
| 2025 | 28,225,000 | 1,609,007 | 1,885,188 | - | - | 89,135,000 | 24,404,595 | - | 120,854,195 | 1,471 | 2.48% |

(1) Source for Per Capita Income - US Dept. of Commerce, Bureau of Economic Analysis (Florida Research Economic Database)

(2) Figures include relevant premiums.

(3) Capital Improvement Revenue Refunding Bonds, Series 2016, refunded Transportation Bonds, Series 2006

(4) Debt Service Deposit Agreement, Unamortized Premium, Right to use asset-SBITA

(5) Stormwater Bank Note moved to Business-type activities in Fiscal 2025.

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**
**AS OF SEPTEMBER 30, 2025**

| Taxing Authority | Debt Outstanding | Percentage Applicable to Deltona | Amount Applicable to Deltona |
|---|---|---|---|
| City of Deltona (1) | $ 29,834,007 | 100% | $ 29,834,007 |
| County of Volusia (2) | 6,036,152 | 0% | - |
| Volusia County School Board (3) | 212,881,000 | 0% | - |
| Total Direct and Overlapping Debt | $ 248,751,159 | | $ 29,834,007 |

(1) Governmental debt only; excludes business-type activities debt.

(2) Source: County of Volusia Finance Department; percentage based on Deltona's total taxable property value compared to Volusia County's total taxable property value.

(3) Source: Volusia County School Board June 2025-26 Budget Pg 88 ACFR.

## PLEDGED-REVENUE COVERAGE
## LAST FOUR FISCAL YEARS

| | Water and Sewer Revenue Bonds | | | | | |
|---|---|---|---|---|---|---|
| Fiscal Year Ended | (1) Utility Revenues | (2) Less Operating Expenses | Net Available Revenue | Principal | Interest | Coverage |
| 2022 | 27,167,230 | 11,824,499 | 15,342,731 | 1,540,000 | 2,088,401 | 4.23 |
| 2023 | 27,863,511 | 11,488,571 | 16,374,940 | 2,665,000 | 2,083,341 | 3.45 |
| 2024 | 29,476,985 | 10,522,580 | 18,954,405 | 2,670,000 | 2,075,765 | 3.99 |
| 2025 | 30,778,662 | 9,526,001 | 21,252,661 | 2,680,000 | 2,065,770 | 4.48 |

| | Water and Sewer - State Revolving Fund (3) | | | | | |
|---|---|---|---|---|---|---|
| Fiscal Year Ended | Utility Revenues | Less Operating Expenses (3) | Net Available Revenue | Principal | Interest | Coverage |
| 2022 | $ 27,167,230 | $ 15,452,900 | 11,714,330 | 1,712,155 | 432,190 | 5.46 |
| 2023 | $ 27,863,511 | $ 16,236,912 | 11,626,599 | 1,738,684 | 405,661 | 5.42 |
| 2024 | $ 29,476,985 | $ 15,268,345 | 14,208,640 | 1,765,662 | 378,683 | 6.63 |
| 2025 | $ 30,778,662 | $ 14,271,771 | 16,506,891 | 1,793,095 | 175,625 | 8.38 |

| | Capital Improvement Revenue Refunding Bonds Series 2016 | | | | | |
|---|---|---|---|---|---|---|
| | Pledged Revenues | | Total | | | |
| | 1/2 Cent Sales Tax | Service Taxes | Revenue | Principal | Interest | Coverage |
| 2022 | 6,532,623 | 8,395,262 | 14,927,885 | 765,000 | 1,095,169 | 8.03 |
| 2023 | 6,627,061 | 9,456,641 | 16,083,702 | 805,000 | 1,056,919 | 8.64 |
| 2024 | 6,380,373 | 9,661,326 | 16,041,699 | 845,000 | 1,016,669 | 8.62 |
| 2025 | 5,806,530 | 9,256,284 | 15,062,814 | 890,000 | 974,419 | 8.08 |

| | Stormwater Bank Note | | | | | |
|---|---|---|---|---|---|---|
| | Stormwater Assessments | | Total | | | |
| | Improved | Unimproved | Revenue | Principal | Interest | Coverage |
| 2022 | 4,780,088 | 371,762 | 5,151,850 | 357,206 | 171,741 | 9.74 |
| 2023 | 4,847,567 | 350,795 | 5,198,362 | 375,561 | 153,845 | 9.82 |
| 2024 | 4,901,791 | 341,948 | 5,243,739 | 394,861 | 135,030 | 9.90 |
| 2025 | 6,596,692 | 389,970 | 6,986,662 | 415,151 | 115,247 | 13.17 |

(1) For purposes of debt coverage all water and sewer revenues are included and water and sewer impact fees are excluded. Interest income is included.

(2) Operating expenses do not include depreciation.

(3) Repayment of the State Revolving Fund (SRF) loan, which is subordinate to the 2021 revenue bond. The Net Available Revenue presented in this table is comprised of pledged revenues less operating expenses, which include debt service on the 2021 bond to reflect the SRF loan's subordinate status.

## DEMOGRAPHIC AND ECONOMIC STATISTICS
## LAST TEN FISCAL YEARS

| Year | Florida | Lake | Orange | Seminole | Sumter | Marion | Volusia |
|---|---|---|---|---|---|---|---|
| 2015-16 | 44,429 | 37,698 | 39,591 | 42,851 | 39,012 | 33,800 | 37,802 |
| 2016-17 | 45,953 | 38,266 | 41,515 | 44,703 | 39,534 | 34,765 | 38,807 |
| 2017-18 | 47,684 | 40,541 | 42,541 | 46,231 | 43,464 | 35,864 | 40,658 |
| 2018-19 | 50,070 | 42,190 | 44,647 | 49,049 | 46,100 | 36,997 | 42,374 |
| 2019-20 | 52,426 | 43,425 | 46,250 | 51,156 | 48,387 | 38,293 | 44,180 |
| 2020-21 | 55,675 | 46,563 | 49,390 | 53,403 | 54,533 | 41,553 | 46,475 |
| 2021-22 | 62,270 | 49,831 | 54,979 | 58,539 | 64,282 | 45,152 | 52,964 |
| 2022-23 | 64,806 | 52,291 | 55,374 | 59,581 | 69,224 | 44,521 | 53,559 |
| 2023-24 | 68,703 | 55,387 | 59,767 | 62,804 | 71,231 | 46,682 | 55,824 |
| 2024-25 | 70,390 | 58,161 | 62,855 | 65,730 | 76,421 | 49,299 | 59,259 |

(1) Source US Department of Commerce, Bureau of Economic Analysis (Florida Research Economic Database)
(2) Source USDA, Economic Research Service, County-level Data Sets

**DEMOGRAPHIC AND ECONOMIC STATISTICS**
**LAST TEN FISCAL YEARS**
***(Continued)***

| Year | Volusia | Lake | Orange | Seminole | Marion |
|---|---|---|---|---|---|
| 2015-16 | 5.10 | 4.90 | 4.40 | 4.30 | 5.80 |
| 2016-17 | 4.30 | 4.10 | 3.70 | 3.60 | 4.90 |
| 2017-18 | 3.70 | 3.40 | 3.10 | 3.10 | 4.20 |
| 2018-19 | 3.70 | 3.50 | 3.20 | 3.20 | 4.30 |
| 2019-20 | 5.90 | 7.40 | 9.80 | 6.00 | 5.30 |
| 2020-21 | 4.30 | 4.30 | 4.50 | 3.80 | 4.70 |
| 2021-22 | 4.60 | 4.70 | 5.20 | 4.10 | 4.90 |
| 2022-23 | 3.40 | 3.30 | 3.00 | 2.90 | 3.90 |
| 2023-24 | 3.40 | 3.30 | 2.90 | 2.90 | 3.80 |
| 2024-25 | 3.80 | 3.50 | 3.30 | 3.10 | 4.20 |

(1) Source Florida Polytechnic University, Director of Economic Analysis, "The 2023 Florida Price Level Index"
(2) U.S. Dept. of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics

## DEMOGRAPHIC AND ECONOMIC STATISTICS
## LAST TEN FISCAL YEARS
*(Concluded)*

| Fiscal Year | Population (1) | | | Unemployment Rate (2) | School (3) | | Personal Income (4) Deltona / Daytona Beach / Ormond Beach (millions of dollars) |
|---|---|---|---|---|---|---|---|
| | Deltona | County | % of City | | Enrollment | Attendance | |
| 2016 | 88,922 | 517,411 | 17.19% | 5.2% | 12,351 | 96.6% | $ 23,994 |
| 2017 | 89,984 | 523,405 | 17.19% | 4.6% | 13,152 | 95.5% | $ 24,924 |
| 2018 | 91,007 | 531,062 | 17.14% | 3.8% | 12,218 | 96.3% | $ 26,703 |
| 2019 | 91,520 | 538,763 | 16.99% | 3.6% | 13,035 | 94.4% | $ 28,381 |
| 2020 | 93,677 | 549,786 | 17.04% | 6.7% | 10,106 | 94.4% | $ 29,917 |
| 2021 | 94,953 | 561,625 | 16.91% | 4.7% | 11,146 | - | $ 32,089 |
| 2022 | 95,782 | 564,412 | 16.97% | 3.0% | 11,788 | - | $ 36,707 |
| 2023 | 95,918 | 572,815 | 16.75% | 3.0% | 11,774 | - | $ 38,660 |
| 2024 | 98,312 | 553,543 | 17.76% | 4.2% | 11,547 | - | $ 41,344 |
| 2025 | 98,792 | 604,533 | 16.34% | 3.8% | 12,635 | - | $ 35,720 |

(1) Source: Office of Economic & Demographic Research.
(2) City of Deltona Unemployment Rate. Source: U.S. Dept. of Labor, Bureau of Labor Statistics.
(3) Source: Volusia County School Board. *The Volusia County School Board does not provide the Attendance Percentage any longer.
(4) Source: U.S. Dept. of Commerce, Bureau of Economic Analysis.

## FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

| Function/Program | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| City Commission | 1.0 | 1.0 | 0.5 | 0.5 | 0.5 | 1.0 | 1.5 | 1.5 | 1.5 | 1.0 |
| City Manager | 8.0 | 7.0 | 9.0 | 10.0 | 10.0 | 10.5 | 9.5 | 9.0 | 11.5 | 4.0 |
| Economic Development | | | | | | | | | | 1.0 |
| City Clerk | 5.5 | 5.5 | 5.5 | 5.0 | 5.0 | 6.0 | 7.0 | 5.0 | 5.0 | 5.5 |
| Communications | | | | | | | | | | 4.0 |
| Finance | 11.0 | 11.0 | 11.0 | 11.0 | 9.0 | 9.0 | 9.8 | 13.8 | 14.0 | 14.0 |
| Information Technology Services | 7.0 | 8.0 | 8.0 | 7.0 | 7.0 | 7.0 | 9.0 | 9.0 | 8.0 | 7.3 |
| System Administration | | | | | | | | | | 2 |
| Community Development | | | | | | | | | 4 | 0 |
| City Attorney | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | - | - | - | 1 |
| Planning & Development Services | 10.0 | 10.0 | 11.0 | 11.0 | 13.0 | 12.0 | 12.0 | 13.0 | 11.0 | 10.0 |
| Building & Zoning Services | 7.5 | 7.5 | 12.5 | 16.5 | 20.0 | 18.7 | 19.0 | 19.0 | 20.0 | 14.0 |
| Human Resources | 4.5 | 4.5 | 5.0 | 4.5 | 5.5 | 6.5 | 7.0 | 7.0 | 8.0 | 6.0 |
| General Government | 1.0 | 1.0 | 1.0 | 1.0 | 2.0 | 1.0 | 2.0 | 1.0 | 1.0 | |
| Enforcement Services | 19.0 | 19.0 | 19.0 | 17.0 | 16.0 | 16.3 | 23.0 | 24.0 | 20.0 | 24.0 |
| Parks & Recreation | 29.0 | 31.0 | 30.0 | 30.0 | 31.0 | 31.0 | 44.5 | 31.0 | 31.0 | 41.0 |
| The Center at Deltona | - | - | 7.0 | 8.5 | 8.5 | 7.5 | 7.5 | 7.0 | 7.0 | 8.0 |
| State Housing Initiative Partnership | - | - | - | - | - | - | - | - | - | 2.0 |
| Community Development Block Grant | - | - | | - | - | - | - | - | - | 2.0 |
| Total general government | 105.5 | 106.5 | 120.5 | 123.0 | 128.5 | 127.5 | 151.8 | 140.3 | 142.0 | 146.8 |
| *Police Officers | 76.0 | 76.0 | 76.0 | 79.0 | 83.0 | 83.0 | 83.0 | 83.0 | 85.0 | 89.0 |
| Fire & Rescue: | | | | | | | | | | |
| Firefighters | 69.0 | 69.0 | 72.0 | 72.0 | 78.0 | 78.0 | 78.0 | 78.0 | 84.0 | 90.9 |
| Administration & Communication | 11.0 | 11.0 | 11.0 | 13.0 | 13.0 | 13.0 | 14.0 | 15.0 | 15.0 | 14.6 |
| Total Fire & Rescue | 80.0 | 80.0 | 83.0 | 85.0 | 91.0 | 91.0 | 92.0 | 93.0 | 99.0 | 105.5 |
| Total public safety | 156.0 | 156.0 | 159.0 | 164.0 | 174.0 | 174.0 | 175.0 | 176.0 | 184.0 | 194.5 |
| Public Works | 29.0 | 31.0 | 31.0 | 33.0 | 36.0 | 30.9 | 30.9 | 30.0 | 31.0 | 40.6 |
| Stormwater | 28.0 | 30.0 | 33.0 | 36.0 | 36.0 | 38.5 | 38.5 | 37.6 | 37.6 | 38.5 |
| Grant funded positions | - | - | - | - | - | - | - | - | - | - |
| Total public services | 57.0 | 61.0 | 64.0 | 69.0 | 72.0 | 69.4 | 69.4 | 67.6 | 68.6 | 79.1 |
| Water/Sewer utility | 78.0 | 82.0 | 82.0 | 87.0 | 92.0 | 93.5 | 94.5 | 92.7 | 93.7 | 95.8 |
| Solid Waste | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | |
| Total public services | 80.0 | 83.0 | 83.0 | 88.0 | 93.0 | 94.5 | 95.5 | 93.7 | 94.7 | 95.8 |
| Total government employees | 398.5 | 406.5 | 426.5 | 444.0 | 467.5 | 465.4 | 491.7 | 477.6 | 489.3 | 516.2 |

* Law enforcement services contracted with Volusia County Sheriff's Office
Source: City Finance Department

## VARIOUS INDICATORS BY FUNCTION/PROGRAM
## LAST TEN FISCAL YEARS

| | Fiscal Year 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| **General** | | | | | | | | | | |
| Last charter amendment | | | | | | | | | | |
| Number of Commissioners | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Form of government | | | | | | | | | | |
| Municipal boundaries (1) | 41 | 41 | 41 | 41 | 41 | 41 | 41 | 41 | 41 | 41 |
| **Police** | | | | | | | | | | |
| Number of stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of Police officers | 76 | 76 | 76 | 79 | 83 | 83 | 83 | 83 | 85 | 89 |
| Number of patrol vehicles | 76 | 76 | 76 | 79 | 83 | 83 | 83 | 83 | 85 | 89 |
| Number of arrests | 3,142 | 2,963 | 2,506 | 2,139 | 2,810 | 1,667 | 1,810 | 4,350 | 2,149 | 1,974 |
| **Fire** | | | | | | | | | | |
| Number of stations | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Number of vehicles (engines) | 9 | 9 | 9 | 9 | 8 | 9 | 9 | 9 | 9 | 10 |
| Number of calls | 9,987 | 10,876 | 10,618 | 10,185 | 10,462 | 11,144 | 11,980 | 11,738 | 11,697 | 11,900 |
| Number of vehicles responding | | | | | | | | 19234 | 19096 | 19,400 |
| **Building** | | | | | | | | | | |
| Building permits issued | 5,072 | 7,130 | 8,557 | 6,712 | 9,983 | 9,991 | 10,383 | 10,769 | 7,268 | 6,915 |
| Average price of single family Residential construction | 329,098 | 266,490 | 265,753 | 265,930 | 277,308 | 294,707 | 303,906 | 387,791 | 437,559 | 394,018 |
| Value of permits issued ($1,000's of dollars) | 61,401 | 107,779 | 192,812 | 118,919 | 297,505 | 244,076 | 446,630 | 369,211 | 191,948 | 179,135 |
| **Recreation** | | | | | | | | | | |
| Number of parks | 20 | 21 | 21 | 21 | 23 | 23 | 24 | 24 | 24 | 24 |
| Acres maintained | 314 | 317 | 317 | 317 | 352 | 352 | 352 | 362 | 362 | 354 |
| Number of buildings | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 29 | 29 | 29 |
| Number of people served | 315,000 | 315,000 | 350,000 | 350,000 | 365,000 | 385,000 | 395,000 | 395,000 | 398,000 | 400,000 |
| **Library** | | | | | | | | | | |
| Number of libraries | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| **Public Works** | | | | | | | | | | |
| Miles of streets | 423.54 | 423.54 | 423.54 | 437.30 | 437.30 | 442.00 | 467.00 | 467.00 | 467.00 | 467.00 |
| Number of street lighting districts | 42 | 44 | 37 | 44 | 45 | 45 | 45 | 45 | 45 | 45 |
| Number of city maintained traffic signals | 18 | 20 | 20 | 20 | 22 | 22 | 22 | 26 | 28 | 27 |
| Number of school signals | 34 | 34 | 34 | 34 | 34 | 32 | 32 | 34 | 34 | 34 |
| Number of buildings | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Number of pedestrian crosswalk flashing lights | - | - | - | - | - | - | 30 | 30 | 30 | 30 |
| **Water** | | | | | | | | | | |
| Number of units served | 33,646 | 33,743 | 33,889 | 34,394 | 34,389 | 34,177 | 34,512 | 36,069 | 36,257 | 36,373 |
| Average daily flow (2) | 9.86 | 9.55 | 8.95 | 8.95 | 7.44 | 7.56 | 7.48 | 7.80 | 7.82 | 7.93 |
| Miles of water main | 501 | 501 | 454 | 457 | 457 | 464 | 469 | 472 | 476 | 476 |
| Number of plants | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 16 |
| Number of vehicles | 50 | 51 | 48 | 48 | 48 | 48 | 57 | 51 | 40 | 40 |
| Number of buildings | 29 | 29 | 29 | 29 | 29 | 29 | 29 | 29 | 39 | 39 |
| Reclaimed Main (AWS) Alternative Water Supply | | 33 | 33 | 35 | 35 | 39 | 44 | 44 | 46 | 46 |
| **Wastewater** | | | | | | | | | | |
| Miles of sanitary sewers | 93 | 93 | 91 | 93 | 93 | 94 | 91 | 102 | 103 | 103 |
| Number of vehicles | 11 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 28 |
| Number of buildings | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Number of plants | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |

(1) Square miles.
(2) Millions of gallons.

Source: Various City Departments

## WATER RELATED INDICATORS - LAST THREE FISCAL YEARS
## WATER SOLD BY CUSTOMER TYPE
## (In Millions of Gallons)

| Type of Customer | Fiscal Year 2023 | 2024 | 2025 |
|---|---|---|---|
| Single / Multi Family Residences | 2,128.38 | 2,080.71 | 2,211.96 |
| Commercial / Multi Family Commercial | 99.30 | 103.40 | 102.32 |
| Hydrant | 2.65 | 1.26 | 1.45 |
| Bulk | 41.49 | 31.57 | 46.77 |
| Irrigation | 47.38 | 33.87 | 45.06 |
| Totals | 2,319.20 | 2,250.81 | 2,407.56 |

**WATER RATES BY CUSTOMER TYPE**

| Type of Customer | 2022 Fiscal Year Eff. 12/1/21 | |
|---|---|---|
| **Water Rates (Per 1,000 gallons consumed)** | Inside City Limits | Outside City Limits |
| **Residential** | | |
| 0 - 5,000 | 2.25 | 2.81 |
| 5,001 - 10,000 | 4.54 | 5.67 |
| 10,001 - 20,000 | 7.95 | 9.93 |
| over 20,001 | 15.91 | 19.88 |
| **Commercial** | | |
| Rates apply to all usage - no cap | 4.34 | 5.42 |
| **Irrigation Rates (Per 1,000 gallons consumed)** | | |
| 0 - 10,000 | 4.54 | 5.67 |
| 10,001 - 20,000 | 7.95 | 9.93 |
| over 20,001 | 15.91 | 19.88 |

| Type of Customer | 2023 Fiscal Year Eff. 12/1/2022 | |
|---|---|---|
| **Water Rates (Per 1,000 gallons consumed)** | Inside City Limits | Outside City Limits |
| **Residential** | | |
| 0 - 5,000 | 2.36 | 2.95 |
| 5,001 - 10,000 | 4.76 | 5.95 |
| 10,001 - 20,000 | 8.34 | 10.42 |
| over 20,001 | 16.70 | 20.87 |
| **Commercial** | | |
| Rates apply to all usage - no cap | 4.55 | 5.69 |
| **Irrigation Rates (Per 1,000 gallons consumed)** | | |
| 0 - 10,000 | 4.76 | 5.95 |
| 10,001 - 20,000 | 8.34 | 10.42 |
| over 20,001 | 16.70 | 20.87 |

| Type of Customer | 2024 Fiscal Year Eff. 12/01/2023 | |
|---|---|---|
| **Water Rates (Per 1,000 gallons consumed)** | Inside City Limits | Outside City Limits |
| **Residential** | | |
| 0 - 5,000 | 2.47 | 3.08 |
| 5,001 - 10,000 | 4.99 | 6.23 |
| 10,001 - 20,000 | 8.75 | 10.93 |
| over 20,001 | 17.53 | 21.91 |
| **Commercial** | | |
| Rates apply to all usage - no cap | 4.77 | 5.96 |
| **Irrigation Rates (Per 1,000 gallons consumed)** | | |
| 0 - 10,000 | 4.99 | 6.23 |
| 10,001 - 20,000 | 8.75 | 10.93 |
| over 20,001 | 17.53 | 21.91 |

(1) The City had both a rate structure and a rate change effective with bills dated on or after December 1, 2024.

## WASTEWATER RELATED INDICATORS - LAST THREE FISCAL YEARS
## WASTEWATER SOLD BY CUSTOMER TYPE
## (In Millions of Gallons)

| Type of Customer | Fiscal Year 2023 | 2024 | 2025 |
|---|---|---|---|
| Single / Multi Family Residences | 270.76 | 283.49 | 299.00 |
| Multi Family Residences | - | - | - |
| Commercial / Multi Family Commercial | 82.27 | 87.53 | 88.78 |
| Bulk | 16.72 | 13.64 | 18.04 |
| Reclaimed - Residential & Commercial | 325.15 | 316.71 | 301.47 |
| Totals | 694.90 | 701.37 | 707.29 |

**WASTEWATER RATES BY CUSTOMER TYPE**

| Type of Customer | 2022 Fiscal Year Eff. 12/1/21 | |
|---|---|---|
| **Sewer Rates (Per 1,000 gallons consumed)** | Inside City Limits | Outside City Limits |
| **Residential** | | |
| 0 - 2,000 | - | - |
| 2,001 - 5,000 | 16.91 | 21.13 |
| 5,000+ | 21.99 | 27.48 |
| **Commercial** | | |
| Rates apply to all usage - no cap | 18.27 | 22.83 |
| **Reclaimed (Per 1,000 gallons consumed)** | | |
| Rates apply to all usage - no cap | 1.81 | 2.26 |

| Type of Customer | 2023 Fiscal Year Eff. 12/1/22 | |
|---|---|---|
| **Sewer Rates (Per 1,000 gallons consumed)** | Inside City Limits | Outside City Limits |
| **Residential** | | |
| 0 - 2,000 | - | - |
| 2,001 - 5,000 | 17.75 | 22.18 |
| 5,000+ | 23.08 | 28.85 |
| **Commercial** | | |
| Rates apply to all usage - no cap | 20.13 | 23.97 |
| **Reclaimed (Per 1,000 gallons consumed)** | | |
| Rates apply to all usage - no cap | 1.90 | 2.37 |

| Type of Customer | 2024 Fiscal Year Eff. 12/1/23 | |
|---|---|---|
| **Sewer Rates (Per 1,000 gallons consumed)** | Inside City Limits | Outside City Limits |
| **Residential** | | |
| 0 - 2,000 | - | - |
| 2,001 - 5,000 | 18.63 | 23.28 |
| 5,000+ | 24.23 | 30.28 |
| **Commercial** | | |
| Rates apply to all usage - no cap | 20.13 | 25.16 |
| **Reclaimed (Per 1,000 gallons consumed)** | | |
| Rates apply to all usage - no cap | 1.99 | 2.48 |

(1) The City had a rate change effective with bills dated on or after December 1, 2023.

## PRINCIPAL EMPLOYERS
## CURRENT AND NINE YEARS AGO

| | 2025 (1) | | | 2016 (2) | | |
|---|---|---|---|---|---|---|
| Employer | Employees | Rank | Percentage of Total City Employment | Employees | Rank | Percentage of Total City Employment |
| Amazon | 1429 | 1 | 14.36% | | | 0.00% |
| Publix Supermarkets | 592 | 2 | 5.95% | 470 | 2 | 4.37% |
| Walmart | 502 | 3 | 5.05% | 404 | 3 | 3.76% |
| City of Deltona | 389 | 4 | 3.70% | 320 | 4 | 2.98% |
| Methodist Children's Home | 256 | 5 | 2.57% | | | 0.00% |
| McDonalds | 193 | 6 | 1.94% | 211 | 5 | 1.96% |
| Winn Dixie | - | | | 123 | 6 | 1.14% |
| Lowes | 139 | 7 | 1.40% | | - | 0.00% |
| Deltona Operating | 128 | 8 | 1.29% | | - | 0.00% |
| USPS | 88 | 9 | 0.88% | 90 | 9 | 0.84% |
| Southern Building Services | 83 | 10 | 0.83% | | | 0.00% |
| Wendy's | | | | 80 | 10 | 0.00% |
| Daytona State College | | | | 1,256 | 1 | 11.69% |
| Deltona Family YMCA | | | | 98 | 8 | 0.91% |
| Deltona Health Care Center | | | | 108 | 7 | 1.01% |
| Total | 3,799 | | 37.97% | 3,160 | | 28.66% |

(1) Source: Department of Economic Opportunity, Bureau of Workforce Statistics & Economic Research
(2) Source: City's Comprehensive Annual Financial Report for FYE 09/30/16

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# ADDITIONAL ELEMENTS OF REPORT PREPARED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS,* ISSUED BY THE COMPTROLLER GENERAL OF THE UNITED STATES AND THE *RULES OF THE AUDITOR GENERAL* OF THE STATE OF FLORIDA

## CITY OF DELTONA, FLORIDA
## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
## FOR THE YEAR ENDED SEPTEMBER 30, 2025

| Grantor/Pass-Through Grantor/Program Title | Grant Number | Assistance Listing Number | Program or Award Amount | Expenses | Subrecipient Award Amount |
|---|---|---|---|---|---|
| **FEDERAL AWARDS** | | | | | |
| **United States Department of Housing and Urban Development** | | | | | |
| Community Development Block Grant | B-20-MC-12-0049 | 14.218 | 738,809 | 335,612 | - |
| Community Development Block Grant | B-22-MC-12-0049 | 14.218 | 558,558 | 15,038 | - |
| Community Development Block Grant | B-23-MW-12-0049 | 14.218 | 521,246 | 40,050 | - |
| Community Development Block Grant | B-24-MW-12-0049 | 14.218 | 519,094 | 435,838 | 70,659 |
| **Total United States Department of Housing and Urban Development:** | | | | 826,538 | 70,659 |
| **United States Department of the Treasury** | | | | | |
| COVID-19 Coronavirus State and Local Recovery Funds | SLT-2324 | 21.027 | 13,972,193 | 492,712 | - |
| **Total United States Department of Treasury:** | | | | 492,712 | - |
| **United States Department of Homeland Security** | | | | | |
| *Passed Through State of Florida Division of Emergency Management* | | | | | |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters) | 4673 | 97.036 | | 352,469 | - |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters) | 4834 | 97.036 | | 498,252 | - |
| **Total United States Department of Homeland Security** | | | | 850,721 | - |
| **TOTAL EXPENDITURES OF FEDERAL AWARDS** | | | | $ 2,169,971 | $ 70,659 |
| **STATE FINANCIAL ASSISTANCE** | | | | | |
| **Florida Housing Finance Corp.** | | | | | |
| State Housing Initiatives Partnership Program | FY2024 /2025 | 40.901 | 739,431 | 1,246,416 | - |
| **Total Florida Housing Finance Corp:** | | | | 1,246,416 | - |
| **TOTAL STATE FINANCIAL ASSISTANCE** | | | | $ 1,246,416 | $ - |
| **TOTAL FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE** | | | | $ 3,416,387 | $ 70,659 |

### Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance

**Note 1. Basis of Presentation**

The accompanying Schedule of Federal Awards of the City of Deltona, Florida is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Uniform Guidance.

**Note 2. Indirect Cost Rate**

The City has elected not to use the 10% de minimus indirect cost rate as allowed under the Uniform Guidance.

**Note 3. Disaster Grants - Public Assistance**

Expenditures reported in the schedule for ALN #97.036, Disaster Grants - Public Assistance, include $801,888 of expenditures incurred by the City in prior years and was awarded during the year ended September 30, 2025. These grants are as follows:

| | | |
|---|---|---|
| Grant Number 4673 | Hurricane Ian | $ 331,930 |
| Grant Number 4834 | Hurricane Milton | $ 469,958 |

**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 City Commissioners
City of Deltona
Deltona, Florida

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Deltona, Florida (the City) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 30, 2026.

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

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

Honorable Mayor and City Commissioners
City of Deltona
Deltona, Florida

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

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

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

Purvis Gray

April 30, 2026
Ocala, Florida

PURVIS GRAY

**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 AUDITOR GENERAL***

Honorable Mayor and City Commissioners
City of Deltona
Deltona, Florida

**Report on Compliance for Each Major Federal Program and State Project**

***Opinion on Each Major Federal Program and State Project***
We have audited the City of Deltona, Florida's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the requirements described in the Department of Financial Services, *State Compliance Supplement,* that could have a direct and material effect on each of the City's major federal programs and state projects for the year ended September 30, 2025. The City'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 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 Auditor General.* Our responsibilities under those standards and the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Honorable Mayor and City Commissioners
City of Deltona
Deltona, Florida

## 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 AUDITOR GENERAL*

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

**Auditor's Responsibilities for the Audit of Compliance**
Our objectives are to obtain reasonable assurance about whether material non-compliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General* will always detect material non-compliance when it exists. The risk of not detecting material non-compliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City'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 Auditor General*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material non-compliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Honorable Mayor and City Commissioners
City of Deltona
Deltona, Florida

**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 AUDITOR GENERAL***

**Report on Internal Control Over Compliance**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program and state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program and 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.

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

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

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

Purvis Gray

April 30, 2026
Ocala, Florida

# DRAFT

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**
**FEDERAL AWARD AND STATE AWARDS PROGRAMS**
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**
**CITY OF DELTONA, FLORIDA**

## 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 reported |
| Non-compliance material to financial statements noted? | No |

### Federal Awards and State Projects

| | |
|---|---|
| Internal Control over Major Programs/Projects: | |
| Material weakness(es) identified? | No |
| Significant deficiency(ies) identified? | None reported |
| Type of Auditor's Report Issued on Compliance for Major Programs/Projects: | Unmodified |
| Any audit findings disclosed that are required to be reported in accordance with CFR 200.516(A), or Chapter 10.557 for local government entities? | No |

Identification of Major Programs:

**Federal Program**

| | |
|---|---|
| U.S. Department of Homeland Security | |
| Disaster Grants – Public Assistance (Presidentially Declared Disasters) | AL No. 97.036 |
| Dollar Threshold Used to Distinguish Between Type A and Type B Programs – Federal Programs | $1,000,000 |
| Auditee qualified as low-risk auditee pursuant to the Uniform Guidance? | Yes |

**State Projects**

| | |
|---|---|
| **Florida Housing Finance Corporation** | |
| State Housing Initiatives Partnerships Program (SHIP) | CSFA No. 40.901 |
| Dollar Threshold Used to Distinguish Between Type A and Type B Programs – State Projects | $373,925 |

### Other Issues

- No summary schedule of prior audit findings is required because there were no prior audit findings related to federal programs and state projects.

PURVIS GRAY

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

Honorable Mayor and City Commissioners
City of Deltona
Deltona, Florida

We have examined the City of Deltona, Florida's (the City) compliance with requirements of Section 218.415, Florida Statutes as of and for the year ended September 30, 2025, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

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

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

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

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

*Purvis Gray*

April 30, 2026
Ocala, Florida

**MANAGEMENT LETTER**

Honorable Mayor and City Commissioners
City of Deltona
Deltona, Florida

**Report on the Financial Statements**
We have audited the financial statements of the City of Deltona, Florida (the City) as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated April 30, 2026.

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

**Other Reporting Requirements**
We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and on Internal Control Over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with American Institute of Certified Public Accountants Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated April 30, 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. No findings were included in the preceding financial audit report.

**Official Title and Legal Authority**
Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government be disclosed in the management letter, unless disclosed in the notes to the financial statements (see Note I of the City's basic financial statements as of and for the year ended September 30, 2025, for this information).

Honorable Mayor and City Commissioners
City of Deltona
Deltona, Florida

**MANAGEMENT LETTER**

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

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

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

**Property Assessed Clean Energy (PACE) Programs**
As required by Section 10.554(1)(i)6.a., *Rules of the Auditor General*, the City stated they did not operate a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, within the City's geographical boundaries during the fiscal year under audit.

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

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, *Rules of the Auditor General*, the Southwest Deltona Community Redevelopment Agency (CRA) reported this information in the CRA's separately issued financial statements.

**Additional Matters**
Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate non-compliance with provisions of contracts or grant agreements, or fraud, waste or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

**Purpose of this Letter**
Our management letter is intended solely for the information 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 Honorable Mayor and City Commissioners, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Honorable Mayor and City Commissioners
City of Deltona
Deltona, Florida

**MANAGEMENT LETTER**

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, accompanying reports, or other matters.

*Purvis Gray*

April 30, 2026
Ocala, Florida

# AFFIDAVIT OF COMPLIANCE

BEFORE ME, the undersigned authority, personally appeared Jonathan C. McKinney, who being duly sworn, deposes and says on oath that:

1. I am the Chief Financial Officer of the City of Deltona, which is a local governmental entity of the State of Florida.

2. The governing body of the City of Deltona adopted Ordinance No. 96-38 and 96-39 implementing impact fees, and Ordinances No. 28-2006, 19-2011, 04-2016, and 28-2016 amending the impact fees.

3. The City of Deltona has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT

John McKinney, Finance Director

SUBSCRIBED AND SWORN before me by means of [XX] physical presence or [ ] online notarization on the **20** day of **April 2026** by John McKinney, Finance Director of the City of Deltona, Florida, who is personally known to me.

Notary Public State of Florida
Elizabeth Keys
My Commission
HH 250468
Exp. 6/26/2026

Elizabeth Keys
Notary Public, State of Florida
*Printed name, commission and expiration of commission term*

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