

# City of Port Orange, Florida

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

## For the Fiscal Year Ended September 30, 2025




**THIS PAGE INTENTIONALLY LEFT BLANK**

Cover photo provided by: Michael McDermott, Community Development.

# CITY OF PORT ORANGE, FLORIDA

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

# FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Prepared by:
Finance Department
Linda Truitt, Assistant Finance Director




**THIS PAGE INTENTIONALLY LEFT BLANK**

# Table of Contents

## Introductory Section


Table of Contents ..... i - ii
Principal City Officials ..... 1
Letter of Transmittal ..... 2 - 5
Organizational Chart ..... 6
Certificate of Achievement for Excellence in Financial Reporting ..... 7 - 8


## Financial Section


Independent Auditors' Report ..... 9 - 11
Management's Discussion and Analysis ..... 12 - 24
Basic Financial Statements
- Government-wide Financial Statements
  - Statement of Net Position ..... 26
  - Statement of Activities ..... 27
- Fund Financial Statements
  - Balance Sheet—Governmental Funds ..... 28
  - Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position ..... 29
  - Statement of Revenues, Expenditures and Changes in Fund Balances—Governmental Funds ..... 30
  - Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities ..... 31
  - Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund ..... 32
  - Eastport Business Center CRA ..... 33
  - Town Center CRA ..... 34
  - Parks Bond Capital Projects Fund ..... 35
  - Statement of Net Position – Proprietary Funds ..... 36
  - Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds ..... 37
  - Statement of Cash Flows – Proprietary Funds ..... 38
  - Statement of Fiduciary Net Position – Fiduciary Funds ..... 39
  - Statement of Changes in Fiduciary Net Position – Fiduciary Funds ..... 40
- Notes to Financial Statements ..... 41 - 86

Required Supplementary Information
- Schedule of Changes in Total OPEB Liability and Related Ratios ..... 87
- Schedule of Changes in Net Pension Liability and Related Ratios – General Employees Plan ..... 88
- Schedule of Changes in Net Pension Liability and Related Ratios – Police Plan ..... 89
- Schedule of Changes in Net Pension Liability and Related Ratios – Fire Plan ..... 90
- Schedule of Contributions – General Employees Plan ..... 91
- Schedule of Contributions – Police Plan ..... 92
- Schedule of Contributions – Fire Plan ..... 93
- Schedules of Investment Returns ..... 94

Combining Nonmajor Fund Financial Statements and Other Schedules
- Combining Balance Sheet – Nonmajor Governmental Funds ..... 96 - 97
- Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds ..... 98 - 99
- Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual –
  - Business Development ..... 100
  - Recreation Facilities ..... 101
  - Community Development Building ..... 102
  - Debt Service Funds ..... 103
  - General Construction ..... 104
  - Transportation Capital Projects ..... 105
  - Police Impact ..... 106
  - Fire Impact ..... 107

Transportation Impact ..... 108
General Obligation Capital Projects ..... 109
Capital Replacement ..... 110
Economic Development Capital ..... 111
2014 Capital Improvement Bond Projects ..... 112
Recreation Impact ..... 113
Combining Statement of Net Position – Internal Service Funds ..... 114
Combining Statement of Revenues, Expenses and Changes in Net Position – Internal Service Funds ..... 115
Combining Statement of Cash Flows – Internal Service Funds ..... 116

**Statistical Section**

Table I Net Position by Component – Last Ten Fiscal Years ..... 118
Table II Changes in Net Position – Last Ten Fiscal Years ..... 119
Table III Fund Balances – Governmental Funds – Last Ten Fiscal Years ..... 120
Table IV Changes in Fund Balances – Governmental Funds – Last Ten Fiscal Years ..... 121
Table V Tax Revenues by Source – Governmental Funds – Last Ten Fiscal Years ..... 122
Table VI Assessed Value and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years ..... 123
Table VII Property Tax Rates and Tax Levies – All Direct and Overlapping Governments - Last Ten Fiscal Years ..... 124
Table VIII Principal Property Taxpayers – Current and Nine Years Ago ..... 125
Table IX Property Tax Levies and Collections – Last Ten Fiscal Years ..... 126
Table X Ratios of Outstanding Debt by Type – Last Ten Fiscal Years ..... 127
Table XI Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years ..... 128
Table XII Direct and Overlapping Governmental Activities Debt ..... 129
Table XIII Pledged Revenue Coverage – Last Ten Fiscal Years ..... 130
Table XIV Demographic and Economic Statistics – Last Ten Fiscal Years ..... 131
Table XV Principal Employers ..... 132
Table XVI Full-Time Equivalent Government Employees by Function/Program - Last Ten Fiscal Years ..... 133
Table XVII Operating Indicators by Function/Program – Last Ten Fiscal Years ..... 134
Table XVIII Capital Asset Statistics by Function/Program – Last Ten Fiscal Years ..... 135

**Single Audit**

Schedule of Expenditures of Federal Awards and State Financial Assistance ..... 136
Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance ..... 137-138
Schedule of Findings and Questioned Costs ..... 139-140
Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control Over Compliance in Accordance with the Uniform Guidance and Chapter 10.550, Rules of the Auditor General ..... 141- 143

**Other Reports**

Independent Auditors' 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* ..... 144 - 145
Independent Auditors' Management Letter Required by Chapter 10.550, Rules of the State of Florida Office of the Auditor General ..... 146 - 148
Independent Accountants' Examination Report ..... 149

# City of Port Orange, Florida

# Annual Comprehensive Financial Report

# For the Fiscal Year Ended September 30, 2025

*Elected Officials as of the Financial Statement Date*

**Mayor**

Scott Stiltner

**Council Members**

District 1—Jonathan Reed Foley

District 2—Tracy Grubbs

District 3—Shawn Goepfert

District 4—Lance Green

*Principal Officials as of the Issuance Date*

**City Manager**

Wayne Clark

**City Attorney**

Matthew Jones

**Finance Director**

Sue Wang




**THIS PAGE INTENTIONALLY LEFT BLANK**

CITY OF PORT ORANGE

1000 CITY CENTER CIRCLE
PORT ORANGE, FL 32129-4144

March 31, 2026

**To the Honorable Mayor, Members of the City Council, and Citizens of Port Orange.**

State law requires that all general-purpose local governments publish within nine months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed, certified public accountants. We hereby issue the Annual Comprehensive Financial Report of the City of Port Orange for the fiscal year ended September 30, 2025.

This report consists of management's representations concerning the finances of the City of Port Orange. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, the management of the City of Port Orange has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Port Orange's financial statements in conformity with GAAP. The cost of internal controls should not outweigh their benefits. Thus, the City of Port Orange designed a comprehensive framework of internal controls to provide reasonable rather than an absolute assurance that the financial statements will be free from material misstatement. As management, we assert that this financial report is complete and reliable in all material respects to the best of our knowledge and belief.

James Moore & Co., P.L., licensed, certified public accountants, has audited the City of Port Orange's financial statements. The independent audit's goal was to provide reasonable assurance that the City of Port Orange's financial statements for the fiscal year ended September 30, 2025, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation.

Based on the audit, the independent auditors concluded that there was a reasonable basis for rendering an unmodified opinion that the City of Port Orange's financial statements for the fiscal year ended September 30, 2025, are fairly presented in conformity with GAAP. We present the independent auditor's report as the first component of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it.

## Profile of Government

The City of Port Orange, incorporated in 1925, is in east-central Florida just south of Daytona Beach, in Volusia County. In 2025, Port Orange had a population of over 65,000 and occupies a land area of 28.86 square miles.

The City of Port Orange operates under the council-manager form of government with a City Council consisting of the Mayor and four other members. The Mayor and Council members are non-partisan and elected to serve four-year staggered terms. The Council is the governing board and has legislative responsibilities, including setting policy, adopting ordinances and resolutions, adopting an annual millage rate and budget, appointing committees, and appointing both the City Manager and City Attorney. The City Manager is responsible for carrying out the governing body's policies and ordinances, overseeing the City's day-to-day operations, and appointing the heads of various departments.

Port Orange provides a full range of services, including police, fire and rescue, street construction and maintenance, planning and zoning, parks and recreation, cultural events, and general administrative services. The City provides water and sewer service, solid waste collection, stormwater, and a golf course utilizing an Enterprise Fund concept with user charges established by the City Council to ensure adequate operating expenses and outstanding debt payments. Vehicle Maintenance, Information Technology, Lease and Replacement, Risk, and loan pool activities are provided through Internal Service Funds. The City of Port Orange delivers water and sewer service outside the city limits, including the City of Daytona Beach Shores, the Town of Ponce Inlet, and certain unincorporated parts of Volusia County. The City of Port Orange contracts with a private enterprise for solid waste collection.

The annual budget serves as the foundation for the City of Port Orange’s financial planning and control. All City of Port Orange cost centers are required to submit requests for appropriation to the City Manager. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager reviews the submissions, modifies as necessary, and then presents the reviewed budget to the City Council for consideration. The City Council must hold two public hearings on the proposed budget and adopt a final budget no later than September 30, the close of the City of Port Orange’s fiscal year. The appropriated budget is prepared by fund, function, and cost center. Subject to City Manager approval, cost center managers may make transfers of appropriations within a cost center (department). However, transfers of appropriations between cost centers require the approval of the City Council. This report provides budget-to-actual comparisons. The general fund, major special revenue funds, and major capital project fund comparisons are presented as part of the City's basic financial statements. The combining and individual fund statements section show such comparisons for all other governmental funds with legally adopted budgets. See Note 1(f) for further discussion of budget procedures.

These financial statements also include all financial reporting for two blended component units: the Port Orange Town Center Community Redevelopment Agency and the Eastport Business Center Community Redevelopment Agency.

## Factors Affecting Financial Condition

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

**Local economy:** The City of Port Orange currently enjoys a favorable economic environment, and regional indicators point to continued stability. Rising property values led to a taxable value increase of 6.42% for the year ended September 30, 2025. The City's business district is expected to maintain its current occupancy rate with various stores, specialty shops, and commercial businesses. Residential growth is stable. The City expects the development and construction of commercial retail space to be steady during the foreseeable future, fueled by permitting activity and local and regional population growth.

**Financial policies:** The City has adopted a fund balance and working capital policy of maintaining an unassigned fund balance of between 23% and 28% of operating expenditures (less transfers) in the General Fund. If the General Fund unassigned ending fund balance falls below 23% of operating expenditures (less transfers), the City shall work to restore the fund balance to at least 23% within 3 years. Proprietary Funds will maintain working capital of between 25% and 30% of operating expenses (less transfers), excluding the Golf Course Fund.

The City's investment policy's foremost objective is ensuring the safety of the portfolio's principal. The portfolio is managed to maintain liquidity for reasonably anticipated cash flow requirements and attain a market rate of return throughout budgetary and economic cycles. Other than pension funds held by the government, most investments during the fiscal year ended September 30, 2025, are classified low risk as defined by the Governmental Accounting Standards Board.

**Risk Management:** The Risk Management Program includes coverage for exposure regarding Workers' Compensation, Property Damage, General Liability, Pollution, Errors and Omission, Crime, Boiler and Machinery, Accidental Death and Dismemberment, and Health Maintenance Options. Based on conservative projections, adequate reserves are in place to meet loss expectations.

**Pension Trust Fund Operations:** Contracted investment firms overseen by the respective pension boards manage the Municipal Firefighter's, Police Officer's, and General Employee's Pension Trust Funds. An annual actuarial evaluation determines the pension plans' required funding levels. The City funds these plans based on future benefit obligations. Please see Notes to these financial statements for more information.

**Awards:** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Port Orange for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2024. To be awarded the Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

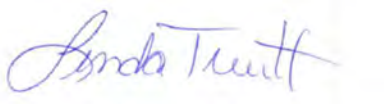
A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

**Acknowledgments:** The Annual Comprehensive Financial Report's preparation was made possible by the dedicated and efficient services of the Finance Department's entire staff. We would like to express our sincere appreciation to each member of the Finance Department team for their contributions to this report's preparation.

In closing, we wish to express our appreciation to the Mayor and Council for their dedication and leadership.

Respectfully submitted,

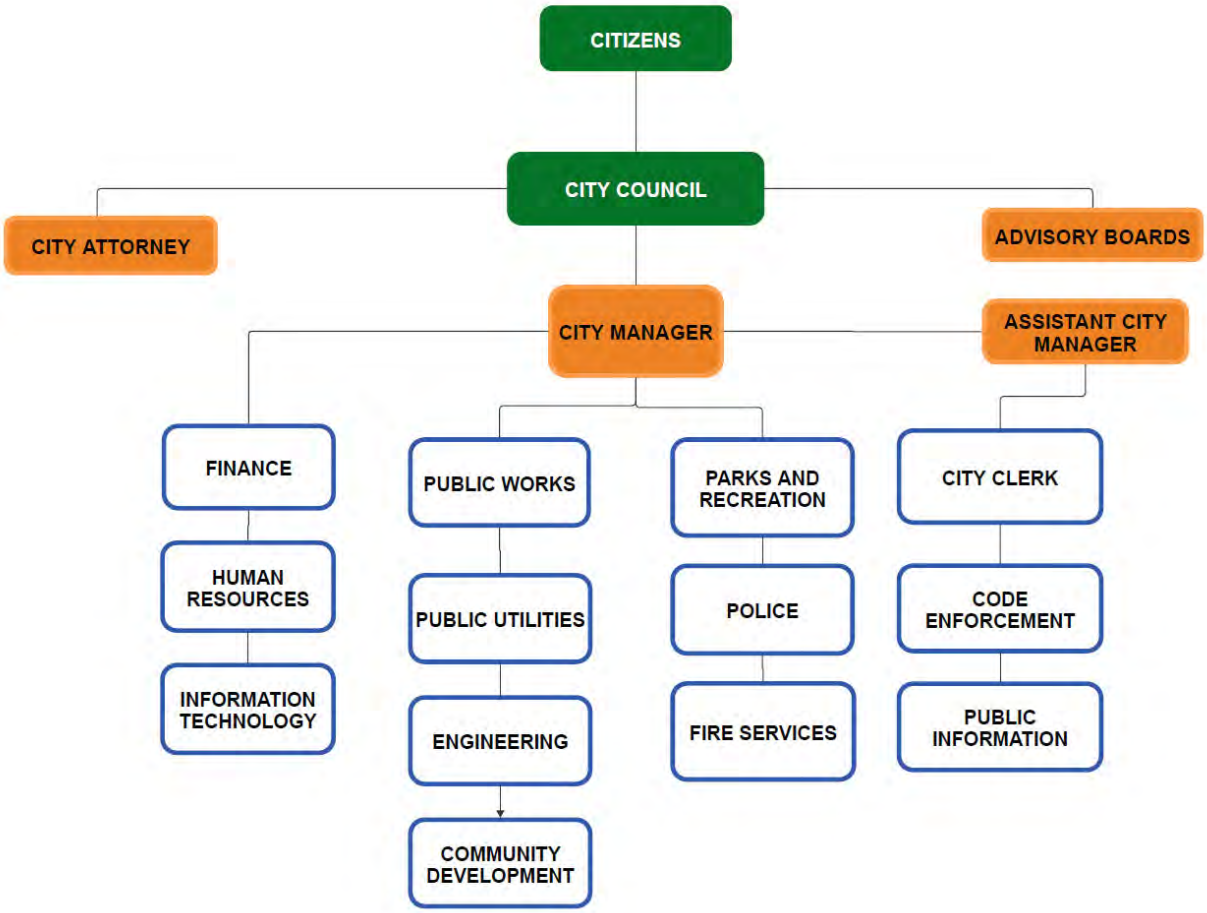




Wayne Clark
City Manager

Linda Truitt
Assistant Finance Director

# City of Port Orange Organizational Chart



## CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Port Orange, Florida for its annual comprehensive financial report for the fiscal year ended September 30, 2024.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Government Finance Officers Association

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

**City of Port Orange**
**Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morrill

Executive Director/CEO




**THIS PAGE INTENTIONALLY LEFT BLANK**

JAMESMOORE

# INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and City Council,
City of Port Orange, Florida:

## Report on the Audit of the Financial Statements

### *Opinions*

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

In our opinion, the accompanying financial statements 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' 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 these 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.

***Auditors' 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 auditors' 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 GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

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

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

***Required Supplementary Information***

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

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules and schedule of expenditures of federal awards and state financial assistance as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Section 215.97, Florida Statutes, *Florida Single Audit Act*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and other schedules and schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate 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 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.

***Other Information Included in the Annual Comprehensive Financial Report***

Management is responsible for the other information included in the annual comprehensive financial report (ACFR). The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' 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 March 31, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

James Moore & Co., P.L.

Daytona Beach, Florida
March 31, 2026

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As the financial managers of the City of Port Orange, Florida, (hereinafter referred to as the "City"), we offer the readers of these financial statements this narrative overview and analysis of the City's financial activities for the fiscal year ended September 30, 2025.

We encourage readers to consider the information presented herein in conjunction with additional information furnished in our letter of transmittal on pages 2-4 of this report.

### Financial Highlights

- The City's net position on September 30, 2025, was $447,073,948. Of this amount, $53,990,734 (unrestricted) may be used to meet the government's ongoing obligations to citizens and creditors. The City Council has adopted a policy that the General Fund balance should be approximately 23%-28% of operating expenditures (less transfers). For the enterprise funds, excluding the Golf Course, the City will maintain working capital (defined as current assets minus current liabilities) between 25% and 30% of operating expenditures (less transfers). As of September 30, 2025, the City's reserves exceeded these minimum thresholds.

- During the fiscal year, the City's total net position increased by $15,315,140. Of this amount, $7,276,391 was from governmental sources. Business-type (Enterprise) funds produced the remainder of the increase of $8,038,749. The governmental sources increase was due to the sale of capital assets and issuance of financed purchases for vehicles and equipment. The business-type sources increase was consistent with the FY 2024 increase and was due to additional funding for stormwater construction and increased water and sewer, solid waste, and stormwater rates.

- The City's governmental funds reported combined ending fund balances of $90,369,675, increasing $32,054,458. This increase is consistent with the addition of the major fund "Parks Bond Capital Projects Funds" that is used to track the spending of the Parks Bond funds. This change compares to an increase in fund balance of $5,770,033 in FY2024. Approximately $13,325,534 (14.7%) is unassigned and available for spending at the City's discretion. Non-spendable amounts representing investments in inventory and prepaid expenses and advances to other funds totaled $4,285,883, while amounts restricted by enabling legislation and external purposes totaled $45,504,060.

- The City's proprietary funds reported a combined ending net position of $314,466,631 in FY2025. This is an increase of $7,021,442 or 2.3%, compared to an increase of $10,868,984 in the prior year. Approximately 13.7% of the combined ending net position amount, or $43,094,671, is unrestricted. Net investment in capital assets totaled $213,010,531 at year-end, compared to $215,123,932 one year earlier. Other amounts restricted by enabling legislation and external covenants totaled $58,361,429, compared to $40,984,430 one year earlier.

- Excluding original issue discounts and premiums, the City's FY2025 debt principal increased by $50,372,120. The primary reason for the increase was the issuance of Series 2025 General Obligation Bonds and the Series 2025 Capital Improvement Refunding Revenue Bonds which included Water and Sewer additional debt of $21,575,000.

**Overview of the Financial Statements**

The discussion and analysis provided herein serve as an introduction to the City's basic financial statements. The City's basic financial statements have three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

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

The *statement of net position* presents information on all the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a helpful indicator of whether the City's financial position is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the City principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The City's governmental activities include general government, public safety, public works, and culture and recreation. The business-type activities of the City include water and sewer, solid waste, stormwater, and the golf course. The government-wide financial statements can be found in the "Financial Section" immediately after this Management's Discussion and Analysis.

**Fund financial statements** A *fund* is a grouping of related accounts used to control resources segregated for specific activities or objectives. Like other state and local governments, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the City's funds are divided into governmental funds, proprietary funds, and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is helpful to compare the information presented for *governmental funds* with similar information presented for *governmental* activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains eighteen individual governmental funds. Fourteen of these governmental funds are classified as non-major and summarized under this heading in the governmental funds presentation.

Information is presented separately in the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance for the General Fund, other major funds, and non-major governmental funds, all combined into a single, aggregated presentation. Individual fund data for non-major governmental funds is provided in combining statements elsewhere in this report. The basic Governmental Fund financial statements are on pages 26-40 of this report.

The City legally adopts an annual appropriated budget for its General Fund and other governmental funds. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with this budget.

***Proprietary funds*** The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer, solid waste, stormwater, and golf course activities. *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 data processing, vehicle maintenance, risk management, lease and replacement of vehicles and equipment, and loan pool activities. Because these services predominantly benefit governmental rather than business-type functions, they are included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide a separate report on the Water and Sewer, Solid Waste, Stormwater, and Golf Course activities, all considered major City funds. Conversely, the internal service funds combine into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for internal service funds is provided in combining statements elsewhere in this report. The basic proprietary fund financial statements are on pages 36-38 of this report.

***Fiduciary funds*** Fiduciary funds account for resources held for the benefit of parties outside the City. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are not available to support the City's programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The fiduciary fund financial statements are on pages 39 and 40 of this report.

**Notes to the financial statements** The notes provide additional information essential to acquire a complete understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 41-86 of this report.

**Other information** Besides the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension and OPEB benefits to its employees. Required Supplementary Information (RSI) is on pages 87-94 of this report. The combining statements concerning non-major governmental and internal service funds immediately follow the RSI on pensions and OPEB. Combining and individual fund statements and schedules are on pages 96-116 of this report.

**Government-wide financial analysis** As noted earlier, net position may serve over time as a helpful indicator of a City's financial position. At the close of the fiscal year, the City's total net position was $447,073,948. The largest component of the City's net position (71.6%) reflects its investment in capital assets (e.g., land, buildings, infrastructure, and equipment), less any related debt used to acquire those assets that is still outstanding. These assets are used to provide services to citizens are not available for spending.

Although the City's investment in capital assets is reported net of related debt, this debt must be repaid from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

The table below summarizes the City's net position as of September 30, 2025, and 2024:

(Amounts in $$$)

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| Assets | | | | | | |
| Current and Other Assets | $ 103,511 | $ 72,467 | $ 115,098 | $ 95,392 | $ 218,609 | $ 167,859 |
| Capital Assets | 144,871 | 136,850 | 225,191 | 215,404 | 370,062 | 352,254 |
| Total Assets | 248,382 | 209,317 | 340,289 | 310,796 | 588,671 | 520,113 |
| Deferred outflow of Resources | 8,494 | 6,379 | 372 | 237 | 8,866 | 6,616 |
| Liabilities | | | | | | |
| Long-term liabilities | $ 84,577 | $ 56,326 | $ 30,102 | $ 9,848 | $ 114,679 | $ 66,174 |
| Other Liabilities | 8,084 | 5,928 | 9,592 | 8,178 | 17,676 | 14,106 |
| Total Liabilities | 92,661 | 62,254 | 39,694 | 18,026 | 132,355 | 80,280 |
| Deferred inflow of resources | 16,379 | 12,882 | 1,730 | 1,808 | 18,109 | 14,690 |
| Net Position: | | | | | | |
| Investment in Capital Assets | 116,877 | 111,815 | 203,179 | 207,257 | 320,056 | 319,072 |
| Restricted | 14,666 | 13,690 | 58,361 | 40,985 | 73,027 | 54,675 |
| Unrestricted | 16,293 | 15,055 | 37,697 | 42,957 | 53,990 | 58,012 |
| Total Net Position | $ 147,836 | $ 140,560 | $ 299,237 | $ 291,199 | $ 447,073 | $ 431,759 |

A portion of the City's net position (16.3%) represents resources subject to external restrictions on use. Total restricted net position increased by $18,353,697 primarily due to Stormwater renewal and replacement and Water and Sewer debt service. The remaining balance of unrestricted net position, $53,990,734, may be used to meet the government's ongoing obligations and increased due to current year revenues over expenses.

At the end of the current fiscal year, the City can report positive balances in restricted categories of net position, both for the government and governmental activities. The business-type activities report positive balances in restricted categories of net position, as well. The same situation held for the prior fiscal year.

The total net position for the City increased by $15,315,140 for the period ending September 30, 2025. The reasons for the overall increase are discussed in the following sections for governmental activities and business-type activities.

The following table summarizes changes in net position for governmental and business-type activities for the past two fiscal years.

**Governmental activities** During the current fiscal year, governmental activities increased the City's net position by $7,276,391 compared to an increase of $4,899,498 in the prior year, or a change of $2,376,893.

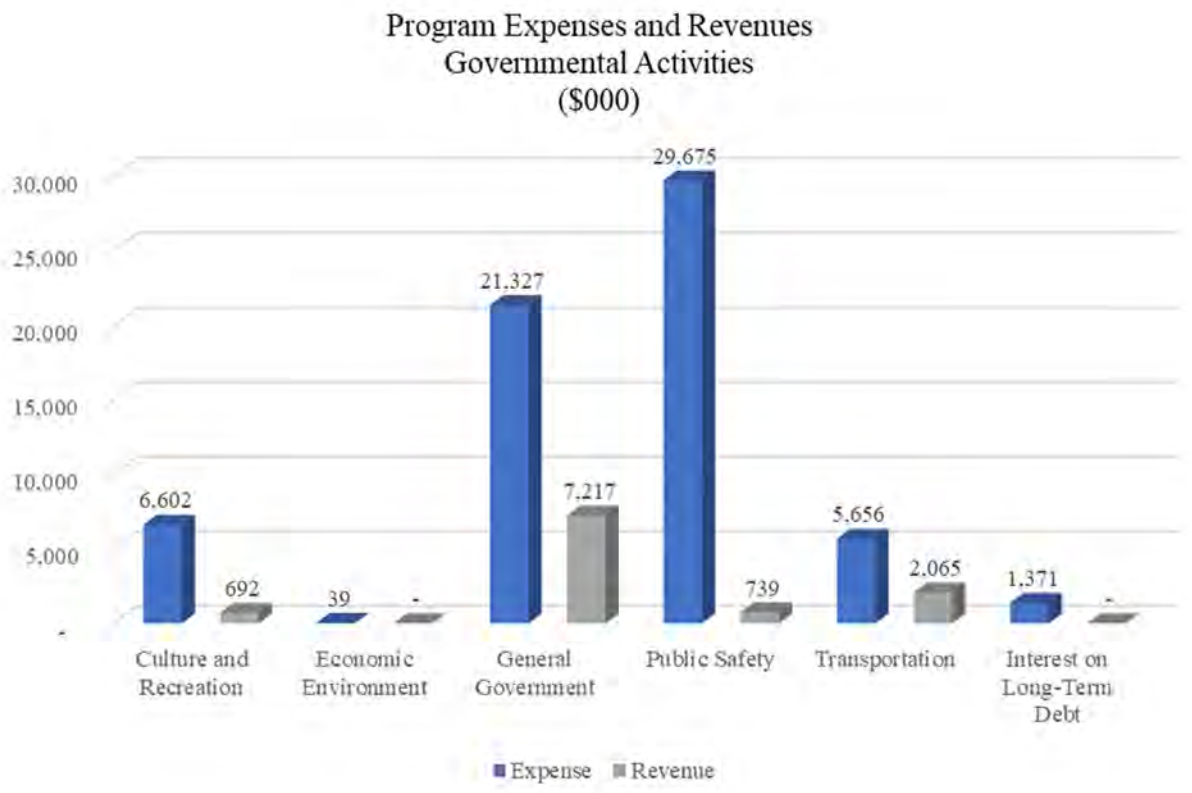
**Business-type activities** The results for the City's business-type activities were positive, with an ending Total Net Position of $299,237,942, an increase of $8,038,749.

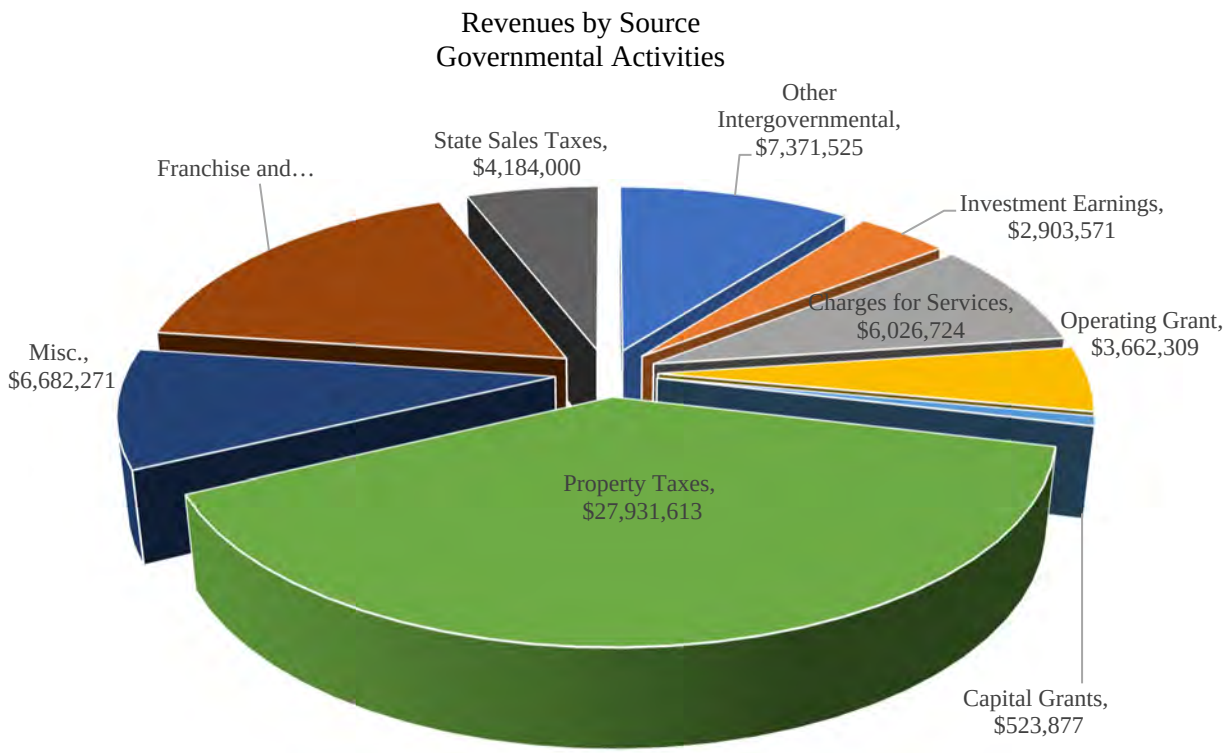
**Statement of Changes in Net Position**
Year Ended September 30, xxxx
(Amounts in $000)

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| Revenues | | | | | | |
| Program Revenues: | | | | | | |
| Charges for services | $ 6,027 | $ 7,845 | $ 50,352 | $ 47,614 | $ 56,379 | $ 55,459 |
| Operating grants/contributions | 3,662 | 3,281 | - | - | 3,662 | 3,281 |
| Capital grants/contributions | 524 | 1,577 | 3,018 | 2,646 | 3,542 | 4,223 |
| General Revenues: | | | | | | |
| Property taxes | 27,932 | 25,756 | - | - | 27,932 | 25,756 |
| Franchise and utility taxes | 12,080 | 11,522 | - | - | 12,080 | 11,522 |
| State Sales Tax | 4,184 | 4,223 | - | - | 4,184 | 4,223 |
| Other intergovernmental | 7,371 | 7,160 | - | - | 7,371 | 7,160 |
| Investment earnings | 2,904 | 3,285 | 3,478 | 4,053 | 6,382 | 7,338 |
| Miscellaneous | 6,682 | 387 | | 1,013 | 6,682 | 1,400 |
| Total revenues | $ 71,366 | $ 65,036 | $ 56,848 | $ 55,326 | $ 128,214 | $ 120,362 |
| Expenses | | | | | | |
| General government | $ 21,327 | $ 16,232 | $ - | $ - | $ 21,327 | $ 16,232 |
| Public safety | 29,675 | 32,403 | - | - | 29,675 | 32,403 |
| Transportation | 5,656 | 6,495 | - | - | 5,656 | 6,495 |
| Economic environment | 39 | 21 | - | - | 39 | 21 |
| Culture and recreation | 6,602 | 6,058 | - | - | 6,602 | 6,058 |
| Interest on long-term debt | 1,371 | 910 | - | - | 1,371 | 910 |
| Water and sewer | - | - | 31,605 | 27,042 | 31,605 | 27,042 |
| Solid waste | - | - | 8,491 | 8,030 | 8,491 | 8,030 |
| Stormwater | - | - | 5,643 | 5,991 | 5,643 | 5,991 |
| Golf course | - | - | 2,491 | 2,543 | 2,491 | 2,543 |
| Total Expenses | $ 64,670 | $ 62,119 | $ 48,230 | $ 43,606 | $ 112,900 | $ 105,725 |
| Change in net position before transfers | $ 6,696 | $ 2,917 | $ 8,618 | $ 11,720 | $ 15,314 | $ 14,637 |
| Transfers | 580 | 1,983 | (580) | (1,983) | - | - |
| Change in net position | $ 7,276 | $ 4,900 | $ 8,038 | $ 9,737 | $ 15,314 | $ 14,637 |
| Net Position - Beginning | 140,560 | 135,660 | 291,199 | 281,462 | 431,759 | 417,122 |
| Net Position - Ending | $ 147,836 | $ 140,560 | $ 299,237 | $ 291,199 | $ 447,073 | $ 431,759 |

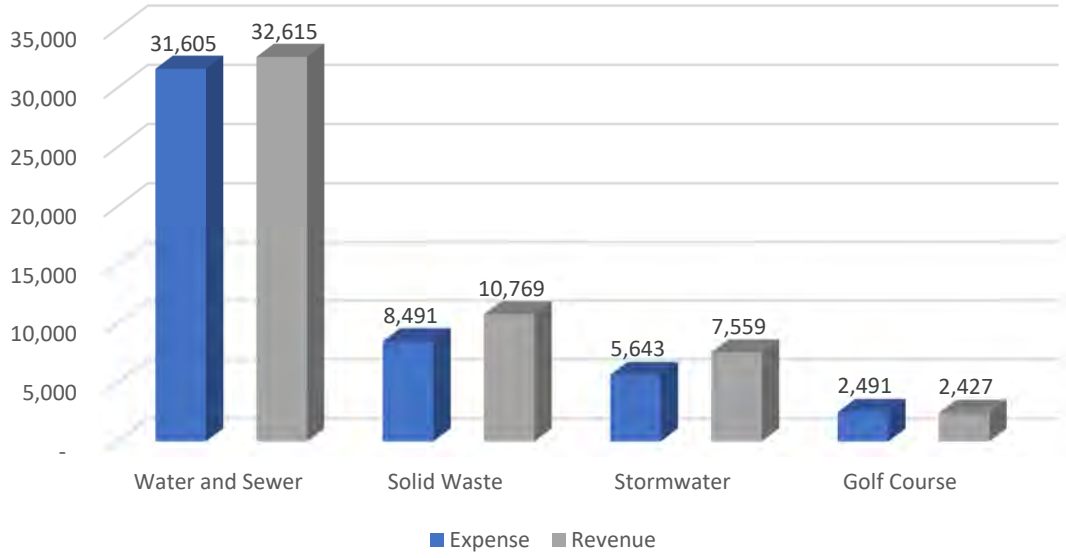
Total revenues from governmental activities increased by $6,329,759 or 9.7%, while total expenditures increased by $2,550,723 or 4.1%. The City experienced an increase in taxable property values over the previous year and approved a millage rate at 4.10% above the rolled-back rate for FY2025, generating an increase in property tax revenue.

Total charges for services from business-type activities were the primary reason for the increase in business-type revenues. The increase was due to water and sewer, solid waste, and stormwater rates, increasing which are further explained in the "Economic Factors and Next Year's Budgets and Rates" section on pages 22-23. The increase in capital grants was due to the Jackson Stormwater Improvement Project.

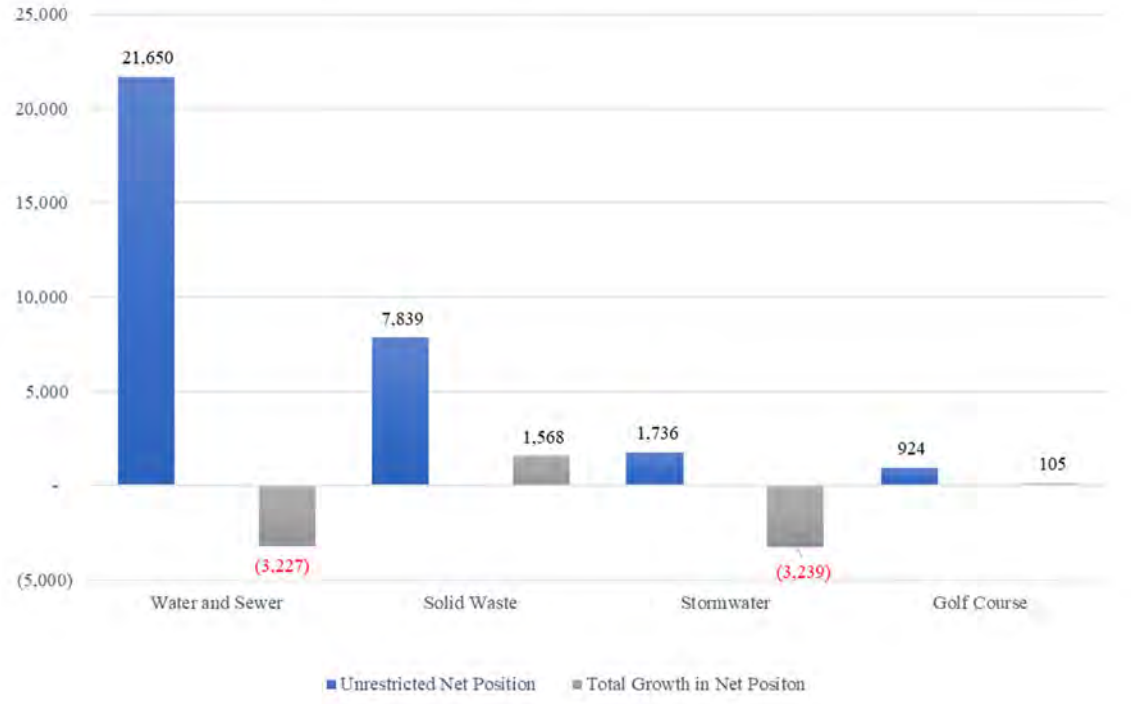

Program Expenses and Revenues
Governmental Activities
($000)
30,000
25,000
20,000
15,000
10,000
5,000
-
6,602
692
39
-
21,327
7,217
29,675
739
5,656
2,065
1,371
-
Culture and Recreation
Economic Environment
General Government
Public Safety
Transportation
Interest on Long-Term Debt
Expense
Revenue

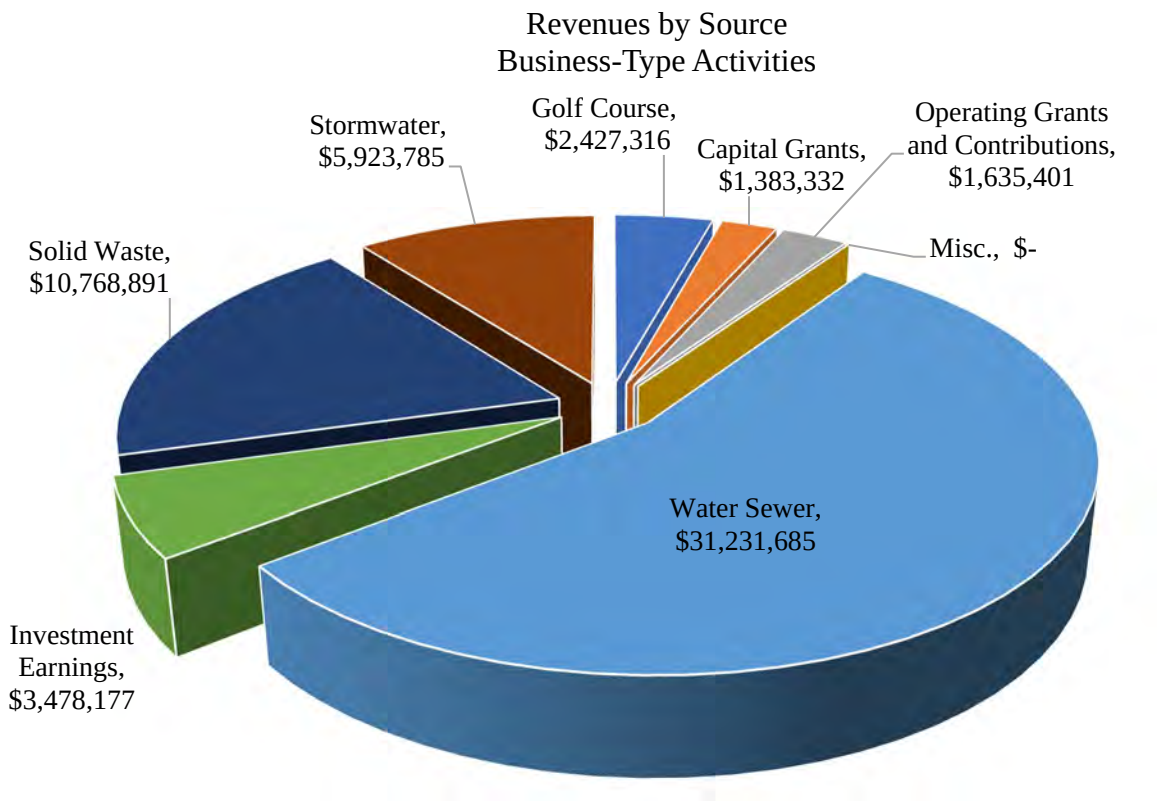

Revenues by Source
Governmental Activities
Other Intergovernmental, $7,371,525
State Sales Taxes, $4,184,000
Franchise and…
Investment Earnings, $2,903,571
Charges for Services, $6,026,724
Operating Grant, $3,662,309
Misc., $6,682,271
Property Taxes, $27,931,613
Capital Grants, $523,877

Program Expenses and Revenues
Business-Type Activities
($000)




Unrestricted and Total Growth in Net Position
Business Type Activities
($000)






**Financial analysis of the City's funds**, The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds** The City's *governmental funds* focus on near-term inflows, outflows, and balances of spendable resources. Such information helps assess the City's financing requirements. Unassigned fund balance may serve as a key measure of the City's net resources available for discretionary use.

The City's governmental funds reported a combined ending fund balance of $90,369,675, representing an increase of $32,054,458 compared to the prior year's increase of $5,770,033.

Of the total fund balance, $13,325,534 or 14.8%, is classified as unassigned and is available for spending at the City's discretion. The remaining $77,044,141 (85.2%) is constrained for specific purposes including non-spendable items such as inventory and prepaid expenditures; amounts legally restricted by enabling legislation or other legal requirements; amounts committed by formal action of City Council or assigned by the City for specific purposes.

The General Fund, the City's primary operating fund, reported a total fund balance of $38,339,964, of which $17,851,230 is unassigned. The City maintains a strong liquidity position, with unassigned fund balance representing approximately 26.8% of total General Fund expenditures and transfers, while total fund balance represents approximately 57.5% of the same measure.

General Fund revenues increased by 4.9% compared to the prior fiscal year, primarily due to growth in tax revenues. The net effect of revenues, expenditures, and transfers resulted in an increase in fund balance of $897,862, or 2.4%. This moderate growth reflects stable and sustainable financial operations.

The City's special revenue funds, which account for proceeds of specific revenue sources restricted or committed to expenditure for particular purposes, reported mixed results during the fiscal year. Excluding Community Redevelopment Agency (CRA) funds, these funds reported a combined fund balance of $2,278,540 and experienced a net decrease of $571,174, or 20.0%. This decrease is primarily attributable to reduced revenues in the Community Development Building Fund, as the City approaches full development buildout. This trend reflects a structural shift in revenue sources as development activity declines.

The City's CRA funds, including the Eastport Business Center and Town Center districts, continue to be funded primarily through tax increment financing. These funds support economic development initiatives, infrastructure improvements, and business incentives within designated districts. The Eastport Business Center fund balance increased by $418,167 due to the property tax revenues received directly from Volusia County and through General Fund transfers exceeding Eastport Business Center expenditures during the fiscal year. Separate financial statements for these funds are available in the Combining Statements – Non-major Governmental Funds, Special Revenue Category.

The Parks Bond Capital Project Fund, established in 2025, supports the preservation and enhancement of recreational facilities and is funded through a voter-approved 30-year referendum, supplemented by grants and other funding sources.

Other non-major governmental funds include debt service funds and various capital project funds.

Debt service funds reported a fund balance of $2,127,623, with a slight decrease of $49,961 during the fiscal year. These resources are restricted for the repayment of the City's long-term obligations.

Capital projects funds reported a combined fund balance of $22,019,871. These funds are primarily dedicated to infrastructure and facility improvements, including transportation, general obligation projects, and capital replacement initiatives. At fiscal year-end, these balances were restricted or assigned for ongoing and planned capital projects.

Non-major governmental funds collectively reported a fund balance of $24,804,727, reflecting a net increase of $354,418 during the fiscal year.

**Proprietary funds**

Enterprise funds provide services financed primarily through user charges. At the end of the fiscal year, these funds reported unrestricted net position of $32,148,693, representing a decrease of $4,793,011. This decrease was offset by an increase of $8,235,836 in net position restricted for infrastructure and facility improvements, indicating continued investment in capital assets.

Internal service funds reported unrestricted net position of $10,945,978 and experienced a decrease in total net position of $1,484,481, or 6.7%. The City continues to monitor these funds to ensure appropriate cost recovery and long-term sustainability.

## General fund budgetary highlights

The City's General Fund budget was amended during the fiscal year to reflect changes in estimated revenues and appropriations. As a result, variances between the original and final amended budgets occurred. The General Fund reported an increase in fund balance of $897,862, compared to a budgeted decrease of 9,570,010, reflecting an overall favorable budgetary performance. Details of the variance are as follows:

- Actual General Fund revenues for the fiscal year ended September 30, 2025, totaled $59,318,153 which was $3,485,748 less than the final amended budget. This unfavorable variance is primarily attributable to the timing of reimbursements from the Federal Emergency Management Agency (FEMA) related to Hurricane Milton, which were not received prior to fiscal year-end.

- Actual expenditures totaled $58,892,397, resulting in a favorable variance of $6,121,522 compared to the final budget. This variance is largely due to vacancy-related reductions in salary and benefit expenditures, delays in capital projects expenditures and less than anticipated costs for hurricane debris removal and infrastructure repairs.

- Actual net transfers were ($5,580,751), representing a favorable variance of $3,804,241 from the final budget. This variance is largely the result of unspent appropriations for transportation related capital projects. In addition, the City recognized $2,032,200 in proceeds from leases and $4,020,657 in proceeds from the sale of capital assets during the fiscal year.

## Capital Assets and Debt Administration

### Capital Assets

- As of September 30, 2025, the City's investment in capital assets for governmental and business-type activities totaled $370,062,418 (net of accumulated depreciation), representing an increase of $17,808,181, or 5.1 percent, from the prior fiscal year. Capital assets include land, easements, works of art, buildings and improvements, infrastructure, equipment, and construction in progress. Additional information about the City's capital assets are in Note 7 on pages 62-63.

- Significant capital asset activity during the fiscal year included the acquisition of $867,366 in easements and $6,142,258 in buildings and improvements, primarily related to enhancements at the Water Treatment Plant.

- The City also added $10,681,938 in vehicles and equipment, including high water rescue vehicles, cardiac monitors, and street sweepers, net of $2,308,310 in disposals.

- Land acquisitions totaled $3,465,413, primarily for Parks Bond projects and parcels within the Town Center Community Redevelopment Area.

- Construction in progress increased by $16,452,384, ending the fiscal year at $35,319,056. Major projects contributing to this increase include the Public Utilities Operations Building, Parks Office Building, lift station improvements, and stormwater and drainage infrastructure projects.

**Statement of Capital Assets, Net of Depreciation**
September 30, XXXX
($000)

| | Governmental Activities | | Business Type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| Land | $ 28,438 | $ 24,973 | $ 30,424 | $ 30,424 | $ 58,862 | $ 55,397 |
| Easements | 15,801 | 14,934 | - | - | 15,801 | 14,934 |
| Works of Art | 12 | 12 | - | - | 12 | 12 |
| Construction in Prog. | 7,673 | 3,602 | 27,646 | 15,264 | 35,319 | 18,866 |
| Buildings and Impr. | 91,287 | 92,900 | 38,819 | 33,208 | 130,106 | 126,108 |
| Infrastructure | 87,350 | 88,226 | 315,589 | 314,518 | 402,939 | 402,744 |
| Equipment | 48,212 | 43,217 | 14,421 | 11,044 | 62,633 | 54,261 |
| Less: Depreciation | (133,903) | (131,014) | (201,708) | (189,054) | (335,611) | (320,068) |
| Total Capital Assets, Net | $ 144,870 | $ 136,850 | $ 225,191 | $ 215,404 | $ 370,061 | $ 352,254 |

## Long-term liabilities

- At September 30, 2025, the City had outstanding bonds, notes, and financed purchases totaling $85,662,274 along with compensated absences of $4,846,304. Of this amount, $2,789,736 in debt and $1,211,577 of compensated absences are due within one year.

- The general obligation debt, which is backed by the full faith and credit of the government totaled $38,105,000. The remainder of the City's debt represents bonds secured solely by specified revenue sources and other obligations summarized as follows:

**Statement of Outstanding Debt**
September 30, XXXX
($000)

| | Governmental Activities | | Business Type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| General obligation bonds and notes | $ 38,105 | $ 8,695 | $ - | $ - | $ 38,105 | $ 8,695 |
| Revenue bonds and notes | 11,770 | 13,570 | 26,060 | 4,965 | 37,830 | 18,535 |
| Loans from Other Gov. | - | - | 1,748 | 2,939 | 1,748 | 2,939 |
| Less deferred amount | - | - | - | - | - | - |
| Original issue premium | 2,102 | 812 | 1,028 | - | 3,130 | 812 |
| Original issues discount | (29) | (34) | - | (24) | (29) | (58) |
| Total bonds and notes payables | 51,948 | 23,043 | 28,836 | 7,880 | 80,784 | 30,923 |
| Financed Purchases | 4,878 | 2,019 | - | | | |
| Subscription Liabilities | 1,084 | - | - | | | |
| Compensated Absences | 3,940 | 3,672 | 906 | 633 | 4,846 | 4,305 |
| Total long-term liabilities | $ 61,850 | $ 28,734 | $ 29,742 | $ 8,513 | $ 91,592 | $ 37,247 |

- During the fiscal year, total debt principal increased by $50,372,120 primarily due to the issuance of debt for the Parks Bond and financing for the construction of the Public Utility Operations Building.

A summary of the City's approved debt types, related security pledges, and underlying ratings (without regard to credit support bond insurance) is as follows:

| Debt Obligation Type | Pledged Security | Bond Rating as of September 2025 |
|---|---|---|
| General Obligation Bonds | Ad Valorem Taxes | Moody's: Aa2<br>Standard & Poor's: Not rated<br>Fitch: Not rated |
| Capital Improvement Bonds | Excise Taxes | Moody's: Aa3<br>Standard & Poor's: Not rated<br>Fitch: Not rated |
| Drainage Bonds | Stormwater Drainage Revenues | Moody's: Aa3<br>Standard & Poor's: Not rated<br>Fitch: Not rated |
| Florida State Revolving Fund (Intergovernmental) | Water & Sewer Revenues | Not rated |
| Bank Loans, Capital Leases, Conduit Debt, and Special Assessment Financing | Various, including Ad Valorem Tax; Gas Tax; Excise Tax; and unsecured, subject to Budgetary Appropriations. | Not rated |

Additional information on the City's long-term debt is in the notes to these financial statements on pages 64-69 of this report.

**Economic Factors and Next Year's Budgets and Rates**

**Budget Amendments to the FY2025 Adopted General Fund Budget**

| **Description** | **Amount** | **Resolution #** |
|---|---|---|
| Carryforward Projects in Fund 001 | 4,061,756 | 24.47 |
| 1st Quarter Budget Adjustments | 1,671,610 | 25-3 |
| FEMA Memorial Park | 84,060 | 25-11 |
| Mid-Year Adjustment for Cardiac Monitors | 269,000 | 25.23 |
| Hebert St Land Purchase for Bond Project | 230,000 | 25-30 |
| Land Purchase in Town Center, Sandbags | 165,000 | 25-32 |
| Year-End Adjustments | 18,000 | 25.51 |
| Total General Fund Budget Amendments | 6,499,426 | |

- The City considered a number of economic and legislative factors in developing the fiscal year 2026 budget.

- In 2020, Florida voters approved Amendment 2, which provides for incremental increases in the state minimum wage to $15.00 per hour by September 30, 2026, with subsequent annual adjustments tied to the Consumer Price Index. As of October 1, 2025, the City's minimum wage is $16.08 per hour, exceeding the State's required minimum.

- The City's annual average unemployment rate as of September 30, 2025, was 4.4%, representing an increase of 1.0% from the prior year and slightly higher than the statewide average annual unemployment rate of 3.9%.

- The Council adopted an ad valorem tax rate of 4.9750 for FY2026 to fund operating expenditure obligations. This millage tax rate the same as the previous FY2025 tax rate and 4.1% above the "rolled-back rate" of 4.7790. The "rolled-back rate" is the tax rate that would result in the same dollar-amount revenue of the previous year. The required millage on the City's general obligation bonds is 0.1623, decreasing 6.0% from the prior year's millage of 0.1720.

- Public safety pension costs remain a significant long-term financial consideration. The City continues to implement funding strategies, including discretionary contributions, to improve the funded status of its pension plans and manage future liabilities.
- Taxable assessed property values continue to increase, rising from $5,512,602,467 in 2024 to $5,863,214,203 for 2025, an increase of $350,611,736 or 6.4%.

- Stormwater non-ad Valorem rates increased to $145.00 per equivalent residential unit in FY2025 and are scheduled to increase to $160 in fiscal year 2026 to support capital infrastructure needs.

**Financial Position**

- At the close of fiscal year 2025, General Fund reported a total fund balance of $38,339,964 compared to $37,442,102 for the prior fiscal year. This increase reflects continued fiscal stability and prudent financial management. The City maintains adequate reserves to address economic uncertainty, capital needs, and emergency events, positioning it well for future financial sustainability. All appropriations lapse at year-end.

- The City conducted a financial Feasibility Study in FY2023, which resulted in an increase becoming effective in January 2024. An additional increase for water sewer rates became effective in January 2025 and will continue to increase until FY2027.

- Solid waste rates increased by 5% for FY2024 and FY2025 effective in October. The solid waste rates will continue to adjust annually in coming years based on the Consumer Price Index (CPI).

**Requests for Information**

The City designed this financial report to provide a general overview of the City's finances for all those interested in the government's finances. The reader should address questions related to any information provided in this report or requests for additional financial information to the City of Port Orange, Finance Director, 1000 City Center Circle, Port Orange, FL 32129.

**BASIC FINANCIAL STATEMENTS**

These basic financial statements contain Government-wide Financial Statements, Fund Financial Statements and Notes to the Financial Statements.

**CITY OF PORT ORANGE, FLORIDA**
**STATEMENT OF NET POSITION**
**SEPTEMBER 30, 2025**

| | Governmental Activities | Business-type Activities | Total |
|---|---|---|---|
| **ASSETS** | | | |
| Equity in pooled cash and investments | $ 78,612,596 | $ 39,397,004 | $ 118,009,600 |
| Receivables, net | 3,477,631 | 5,315,876 | 8,793,507 |
| Internal balances | (5,548,805) | 5,548,805 | - |
| Due from other governments | 3,384,773 | 262,512 | 3,647,285 |
| Leases receivable | 2,684,585 | 399,012 | 3,083,597 |
| Inventories | 196,461 | 1,089,183 | 1,285,644 |
| Prepaid items | 3,832,460 | 131,157 | 3,963,617 |
| Restricted assets: | | | |
| Equity in pooled cash | 16,367,559 | 62,953,435 | 79,320,994 |
| Investments | 503,959 | - | 503,959 |
| Capital assets: | | | |
| Capital assets, not being depreciated | 51,923,966 | 58,070,182 | 109,994,148 |
| Other capital assets, net of depreciation/amortization | 92,946,814 | 167,121,456 | 260,068,270 |
| Total assets | $ 248,381,999 | $ 340,288,622 | $ 588,670,621 |
| **DEFERRED OUTFLOWS OF RESOURCES** | | | |
| Deferred outflows related to pensions | $ 7,997,185 | $ 226,350 | $ 8,223,535 |
| Deferred outflows related to OPEB | 497,235 | 145,943 | 643,178 |
| Total deferred outflows | $ 8,494,420 | $ 372,293 | $ 8,866,713 |
| **LIABILITIES** | | | |
| Accounts payable and accrued liabilities | $ 2,218,525 | $ 3,783,717 | $ 6,002,242 |
| Customer deposits | 1,236,018 | 3,724,987 | 4,961,005 |
| Unearned revenue | 552,713 | 496,690 | 1,049,403 |
| Accrued interest payable | 439,713 | 136,570 | 576,283 |
| Noncurrent liabilities: | | | |
| Due within one year: | | | |
| Bonds and notes payable | 875,000 | 1,223,041 | 2,098,041 |
| Financed purchases | 691,695 | - | 691,695 |
| Subscription liability | 447,823 | - | 447,823 |
| Compensated absences | 985,004 | 226,573 | 1,211,577 |
| Due in more than one year: | | | |
| Bonds and notes payable | 51,073,186 | 27,612,818 | 78,686,004 |
| Financed purchases | 4,186,534 | - | 4,186,534 |
| Subscription liability | 636,492 | - | 636,492 |
| Compensated absences | 2,955,010 | 679,717 | 3,634,727 |
| Total OPEB liability | 3,267,352 | 958,989 | 4,226,341 |
| Net pension liability | 23,096,333 | 850,186 | 23,946,519 |
| Total liabilities | $ 92,661,398 | $ 39,693,288 | $ 132,354,686 |
| **DEFERRED INFLOWS OF RESOURCES** | | | |
| Deferred inflows related to pensions | $ 10,473,439 | $ 662,689 | $ 11,136,128 |
| Deferred inflows related to OPEB | 2,274,790 | 667,664 | 2,942,454 |
| Deferred amount on refunding | 1,101,817 | - | 1,101,817 |
| Deferred inflows related to leases | 2,528,969 | 399,332 | 2,928,301 |
| Total deferred inflows of resources | $ 16,379,015 | $ 1,729,685 | $ 18,108,700 |
| **NET POSITION** | | | |
| Net investment in capital assets | $ 116,877,034 | $ 203,179,015 | $ 320,056,049 |
| Restricted for: | | | |
| Public safety | 1,148,196 | - | 1,148,196 |
| Community redevelopment projects | 1,352,069 | - | 1,352,069 |
| Transportation | 7,161,899 | - | 7,161,899 |
| Debt service | 1,687,910 | 8,442,370 | 10,130,280 |
| Capital improvements | 2,764,006 | 11,642,415 | 14,406,421 |
| Inspections and other purposes | 551,656 | 38,276,644 | 38,828,300 |
| Unrestricted | 16,293,236 | 37,697,498 | 53,990,734 |
| Total net position | $ 147,836,006 | $ 299,237,942 | $ 447,073,948 |

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

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

| Functions/Programs | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Program Revenues: Capital Grants and Contributions | Net (Expense) Revenue and Changes in Net Position: Governmental Activities | Net (Expense) Revenue and Changes in Net Position: Business-type Activities | Net (Expense) Revenue and Changes in Net Position: Total |
|---|---|---|---|---|---|---|---|
| Governmental activities: | | | | | | | |
| General government | $ 21,327,139 | $ 4,914,369 | $ 2,079,609 | $ 222,717 | $ (14,110,444) | $ - | $ (14,110,444) |
| Public safety | 29,674,904 | 510,441 | 140,848 | 87,890 | (28,935,725) | - | (28,935,725) |
| Transportation | 5,655,778 | 500 | 1,441,852 | 122,542 | (4,090,884) | - | (4,090,884) |
| Economic environment | 39,099 | - | - | - | (39,099) | - | (39,099) |
| Culture and recreation | 6,602,237 | 601,414 | - | 90,728 | (5,910,095) | - | (5,910,095) |
| Interest on long-term debt | 1,370,872 | - | - | - | (1,370,872) | - | (1,370,872) |
| Total governmental activities | 64,670,029 | 6,026,724 | 3,662,309 | 523,877 | (54,457,119) | - | (54,457,119) |
| Business-type activities: | | | | | | | |
| Water and sewer | 31,604,775 | 31,231,685 | - | 1,383,332 | - | 1,010,242 | 1,010,242 |
| Solid waste | 8,490,834 | 10,768,891 | - | - | - | 2,278,057 | 2,278,057 |
| Stormwater | 5,642,887 | 5,923,785 | - | 1,635,401 | - | 1,916,299 | 1,916,299 |
| Golf course | 2,490,860 | 2,427,316 | - | - | - | (63,544) | (63,544) |
| Total business-type activities | 48,229,356 | 50,351,677 | - | 3,018,733 | - | 5,141,054 | 5,141,054 |
| Total primary government | $ 112,899,385 | $ 56,378,401 | $ 3,662,309 | $ 3,542,610 | (54,457,119) | 5,141,054 | (49,316,065) |
| General revenues: | | | | | | | |
| Property taxes | | | | | 27,931,613 | - | 27,931,613 |
| Sales taxes | | | | | 4,184,000 | - | 4,184,000 |
| Casualty and fire insurance premium taxes | | | | | 1,411,053 | - | 1,411,053 |
| Public service taxes | | | | | 7,591,438 | - | 7,591,438 |
| Other taxes | | | | | 2,019,236 | - | 2,019,236 |
| Franchise and utility taxes | | | | | 4,488,610 | - | 4,488,610 |
| State revenue sharing | | | | | 3,941,236 | - | 3,941,236 |
| Investment earnings (loss) | | | | | 2,903,571 | 3,478,177 | 6,381,748 |
| Miscellaneous revenues | | | | | 6,682,271 | - | 6,682,271 |
| Transfers | | | | | 580,482 | (580,482) | - |
| Total general revenues and transfers | | | | | 61,733,510 | 2,897,695 | 64,631,205 |
| Change in net position | | | | | 7,276,391 | 8,038,749 | 15,315,140 |
| Net position - beginning of year | | | | | 140,559,615 | 291,199,193 | 431,758,808 |
| Net position - ending of year | | | | | $ 147,836,006 | $ 299,237,942 | $ 447,073,948 |

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

**CITY OF PORT ORANGE, FLORIDA**
**BALANCE SHEET**
**GOVERNMENTAL FUNDS**
**SEPTEMBER 30, 2025**

| | General Fund | Eastport Business Center CRA Fund | Town Center CRA Fund | Parks Bond Capital Projects Funds | Nonmajor Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | |
| Equity in pooled cash and investments | $ 29,308,095 | $ 1,352,069 | $ - | $ 30,398,611 | $ 26,006,794 | $ 87,065,569 |
| Receivables, net | 3,475,519 | - | - | - | 2,112 | 3,477,631 |
| Due from other governments | 2,909,047 | - | - | - | 475,726 | 3,384,773 |
| Leases receivable | 2,130,994 | - | - | - | 553,591 | 2,684,585 |
| Inventories | 196,461 | - | - | - | - | 196,461 |
| Prepaid items | 2,029,116 | - | - | - | - | 2,029,116 |
| Advances to other funds | 2,060,306 | - | - | - | - | 2,060,306 |
| Total assets | $ 42,109,538 | $ 1,352,069 | $ - | $ 30,398,611 | $ 27,038,223 | $ 100,898,441 |
| **LIABILITIES** | | | | | | |
| Accounts payable and accrued liabilities | $ 1,123,972 | $ - | $ - | $ - | $ 561,398 | $ 1,685,370 |
| Customer deposits | 68,776 | - | - | - | 1,167,242 | 1,236,018 |
| Unearned revenue | 550,601 | - | - | - | 2,112 | 552,713 |
| Due to other funds | - | - | - | - | - | - |
| Advances from other funds | - | - | 4,525,696 | - | - | 4,525,696 |
| Total liabilities | 1,743,349 | - | 4,525,696 | - | 1,730,752 | 7,999,797 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | | | |
| Deferred inflows related to leases | 2,026,225 | - | - | - | 502,744 | 2,528,969 |
| Total deferred inflows of resources | 2,026,225 | - | - | - | 502,744 | 2,528,969 |
| **FUND BALANCES (DEFICITS)** | | | | | | |
| Nonspendable: | | | | | | |
| Inventories | 196,461 | - | - | - | - | 196,461 |
| Prepaid items | 2,029,116 | - | - | - | - | 2,029,116 |
| Advances to other funds | 2,060,306 | - | - | - | - | 2,060,306 |
| Restricted for: | | | | | | |
| Public safety | 802,172 | - | - | - | 346,024 | 1,148,196 |
| Inspections | - | - | - | - | 426,301 | 426,301 |
| Recreation | 125,355 | - | - | - | - | 125,355 |
| Debt service | - | - | - | - | 2,127,623 | 2,127,623 |
| Capital improvements | - | - | - | 30,398,611 | 2,764,006 | 33,162,617 |
| Community redevelopment | - | 1,352,069 | - | - | - | 1,352,069 |
| Transportation projects | - | - | - | - | 4,820,105 | 4,820,105 |
| Transportation impact | - | - | - | - | 2,341,794 | 2,341,794 |
| Committed to: | | | | | | |
| Tree replacement | 294,552 | - | - | - | - | 294,552 |
| ARPA transition projects | 844,635 | - | - | - | - | 844,635 |
| Capital improvements | 4,136,137 | - | - | - | - | 4,136,137 |
| Recreation facility improvements | - | - | - | - | 1,732,829 | 1,732,829 |
| Assigned to: | | | | | | |
| Capital improvements | - | - | - | - | 10,126,635 | 10,126,635 |
| Business development | - | - | - | - | 119,410 | 119,410 |
| City Council projects | 10,000,000 | - | - | - | - | 10,000,000 |
| Unassigned | 17,851,230 | - | (4,525,696) | - | - | 13,325,534 |
| Total fund balances (deficits) | 38,339,964 | 1,352,069 | (4,525,696) | 30,398,611 | 24,804,727 | 90,369,675 |
| Total liabilities, deferred inflows of resources, and fund balances (deficits) | $ 40,083,313 | $ 1,352,069 | $ - | $ 30,398,611 | $ 26,535,479 | $ 98,369,472 |

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

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

| | | |
|---|---|---|
| **Fund balances - total governmental funds** | | $ 90,369,675 |
| Amounts reported for governmental activities in the statement of activities are different because: | | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | | |
| Total governmental capital assets | 239,589,533 | |
| Less: accumulated depreciation | (105,708,730) | 133,880,803 |
| On the governmental fund statements, a net pension liability is not recorded until an amount is due and payable and the pension plan's fiduciary net position is not sufficient for payment of those benefits (no such liability exists at the end of the current fiscal year). On the statement of net position, the City's net pension liability of the defined benefit pension plans is reported as a noncurrent liability. Additionally, deferred outflows and deferred inflows related to pensions are also reported. | | |
| Net pension liability | (23,096,333) | |
| Deferred outflows related to pensions | 7,997,185 | |
| Deferred inflows related to pensions | (10,473,439) | (25,572,587) |
| On the governmental fund statements, a total OPEB liability is not recorded unless an amount is due and payable (no such liability exists at the end of the current fiscal year). On the Statement of Net Position, the City's total OPEB liability is reported as a noncurrent liability. Additionally, deferred outflows and deferred inflows related to OPEB are also reported. | | |
| Total OPEB liability | (3,267,352) | |
| Deferred outflows related to OPEB | 497,235 | |
| Deferred inflows related to OPEB | (2,274,790) | (5,044,907) |
| Internal service funds are used by management to charge the costs of data processing, insurance, fleet lease and maintenance, and internal loans to individual funds. These assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. | | |
| Total net position | 20,777,494 | |
| Less: amounts attributable to business-type activities | (5,548,805) | 15,228,689 |
| Long-term liabilities, including bonds payable and notes payable, are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities, deferred outflows, and other debt-related deferred charges consist of the following: | | |
| Bonds and notes payable | (49,875,000) | |
| Financed purchases | (3,719,768) | |
| Accrued interest payable | (439,713) | |
| Unamortized bond discounts and premiums | (2,073,186) | |
| Unamortized deferred gain on bond refunding | (1,101,817) | |
| Compensated absences | (3,816,183) | (61,025,667) |
| **Net position of governmental activities** | | $ 147,836,006 |

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

**CITY OF PORT ORANGE, FLORIDA**
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**
**GOVERNMENTAL FUNDS**
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

| | General Fund | Eastport Business Center CRA Fund | Town Center CRA Fund | Parks Bond Capital Projects Funds | Nonmajor Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|---|
| **Revenues** | | | | | | |
| Taxes | $ 37,541,513 | $ 272,270 | $ 176,805 | $ - | $ 2,360,510 | $ 40,351,098 |
| Permits and fees | 4,541,802 | - | - | - | 1,978,848 | 6,520,650 |
| Intergovernmental | 9,845,954 | 338,490 | 219,789 | - | 283,235 | 10,687,468 |
| Charges for services | 4,694,423 | - | 2,483 | - | 289,761 | 4,986,667 |
| Fines and forfeitures | 469,534 | - | - | - | - | 469,534 |
| Investment income (loss) | 1,659,725 | 47,147 | 8,643 | - | 860,255 | 2,575,770 |
| Miscellaneous | 565,202 | 5 | 7 | - | 23,278 | 588,492 |
| Total revenues | 59,318,153 | 657,912 | 407,727 | - | 5,795,887 | 66,179,679 |
| **Expenditures** | | | | | | |
| Current: | | | | | | |
| General government | 14,683,387 | - | - | - | 2,560,624 | 17,244,011 |
| Public safety | 29,794,887 | - | - | - | - | 29,794,887 |
| Transportation | 3,413,376 | - | - | - | 1,624,386 | 5,037,762 |
| Economic environment | - | 5,235 | 20,709 | - | - | 25,944 |
| Culture and recreation | 5,571,384 | - | - | 944 | 407,245 | 5,979,573 |
| Capital outlay | 4,971,593 | - | - | 157,953 | 4,894,530 | 10,024,076 |
| Debt service: | | | | | | |
| Principal | 331,915 | - | - | - | 1,780,000 | 2,111,915 |
| Interest and fiscal charges | 125,855 | - | - | - | 903,823 | 1,029,678 |
| Debt issuance costs | - | - | - | - | 322,826 | 322,826 |
| Total expenditures | 58,892,397 | 5,235 | 20,709 | 158,897 | 12,493,434 | 71,570,672 |
| **Excess (deficiency) of revenues over expenditures** | 425,756 | 652,677 | 387,018 | (158,897) | (6,697,547) | (5,390,993) |
| **Other financing sources (uses)** | | | | | | |
| Transfers in | 2,210,068 | - | - | - | 6,797,361 | 9,007,429 |
| Transfers out | (7,790,819) | (234,510) | (401,618) | - | - | (8,426,947) |
| Sale of capital assets | 4,020,657 | - | - | - | - | 4,020,657 |
| Issuance of financed purchases | 2,032,200 | - | - | - | - | 2,032,200 |
| Capital improvement bond issued | - | - | - | 30,557,508 | 254,604 | 30,812,112 |
| Total other financing sources (uses) | 472,106 | (234,510) | (401,618) | 30,557,508 | 7,051,965 | 37,445,451 |
| **Net change in fund balances (deficits)** | 897,862 | 418,167 | (14,600) | 30,398,611 | 354,418 | 32,054,458 |
| **Fund balances (deficits)**, beginning of year | 37,442,102 | 933,902 | (4,511,096) | - | 24,450,309 | 58,315,217 |
| **Fund balances (deficits)**, end of year | $ 38,339,964 | $ 1,352,069 | $ (4,525,696) | $ 30,398,611 | $ 24,804,727 | $ 90,369,675 |

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

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

| | |
|---|---|
| **Net change in fund balances - total governmental funds** | $ 32,054,458 |
| Differences in amounts reported for governmental activities in the statement of activities are: | |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives. | |
| Capital outlay expenditures | 9,728,307 |
| Depreciation expense | (5,696,495) |
| Contributed capital assets | 867,366 |
| The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations, CIP project abandoned) is to decrease net position. | (1,659) |
| Bond and loan proceeds are reported as financing sources in the governmental funds. However, the issuance of debt is reported as long-term debt payable in the statement of net position. Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment of debt principal reduces long-term liabilities in the statement of net position. These amounts are as follows: | |
| Principal repayment of general long-term debt | 2,111,915 |
| Issuance of governmental long-term debt | (32,844,312) |
| Governmental funds report contributions to defined benefit pension plans as expenditures. However, in the statement of activities, the amount contributed to defined benefit pension plans reduces future net pension liability. Also included in pension expense in the statement of activities are amounts required to be amortized. | |
| Change in net pension liability and deferred inflows/outflows related to pensions | 1,741,992 |
| Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. These adjustments are as follows: | |
| Amortization of bond discounts and premiums | (58,026) |
| Change in accrued interest on long-term debt | 39,658 |
| Change in compensated absences liability | (258,774) |
| Change in total OPEB liability and deferred inflows/outflows related to OPEB | 609,268 |
| Internal service funds are used by management to charge the costs of certain activities to individual funds. The portion of net revenue/expense of internal service funds reported within governmental activities for the year. | (1,017,307) |
| **Change in net position of governmental activities** | $ 7,276,391 |

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

**CITY OF PORT ORANGE, FLORIDA**
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**
**BUDGET AND ACTUAL - GENERAL FUND**
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | **Original** | **Final** | **Actual** | **Variance with Final Budget** |
| **Revenues** | | | | |
| Taxes | $ 35,659,745 | $ 35,659,745 | $ 37,541,513 | $ 1,881,768 |
| Permits and fees | 4,203,000 | 4,203,000 | 4,541,802 | 338,802 |
| Intergovernmental | 13,057,544 | 16,977,726 | 9,845,954 | (7,131,772) |
| Charges for services | 5,037,922 | 5,037,922 | 4,694,423 | (343,499) |
| Fines and forfeitures | 392,000 | 392,000 | 469,534 | 77,534 |
| Investment income (loss) | 101,908 | 101,908 | 1,659,725 | 1,557,817 |
| Miscellaneous | 425,100 | 431,600 | 565,202 | 133,602 |
| Total revenues | 58,877,219 | 62,803,901 | 59,318,153 | (3,485,748) |
| **Expenditures** | | | | |
| Current: | | | | |
| General government: | | | | |
| Mayor and Council | 321,130 | 321,130 | 249,977 | 71,153 |
| City Manager | 551,451 | 561,684 | 544,266 | 17,418 |
| Finance and administration | 3,230,170 | 6,498,118 | 6,364,671 | 133,447 |
| Legal | 991,739 | 991,739 | 824,739 | 167,000 |
| Planning and community development | 1,261,548 | 4,552,108 | 4,409,247 | 142,861 |
| Nondepartmental | 6,521,567 | 7,515,056 | 5,843,361 | 1,671,695 |
| Total general government | 12,877,605 | 20,439,835 | 18,236,261 | 2,203,574 |
| Public safety: | | | | |
| Law enforcement | 16,456,289 | 16,834,107 | 16,957,873 | (123,766) |
| Fire safety | 15,219,817 | 15,550,175 | 13,111,041 | 2,439,134 |
| Code enforcement | 761,378 | 768,756 | 634,209 | 134,547 |
| Total public safety | 32,437,484 | 33,153,038 | 30,703,123 | 2,449,915 |
| Transportation | 4,712,393 | 4,762,393 | 3,916,354 | 846,039 |
| Economic environment | - | - | - | - |
| Culture and recreation | 6,315,940 | 6,658,653 | 6,036,659 | 621,994 |
| Total expenditures | 56,343,422 | 65,013,919 | 58,892,397 | 6,121,522 |
| **Excess (deficiency) of revenues over expenditures** | 2,533,797 | (2,210,018) | 425,756 | 2,635,774 |
| **Other financing sources (uses)** | | | | |
| Transfers in | 2,519,393 | 2,749,393 | 2,210,068 | (539,325) |
| Transfers out | (10,283,804) | (12,134,385) | (7,790,819) | 4,343,566 |
| Proceeds from leases | 2,025,000 | 2,025,000 | 2,032,200 | 7,200 |
| Proceeds from sale of capital assets | - | - | 4,020,657 | 4,020,657 |
| Total other financing sources (uses) | (5,739,411) | (7,359,992) | 472,106 | 7,832,098 |
| **Net change in fund balances** | (3,205,614) | (9,570,010) | 897,862 | 10,467,872 |
| **Fund balances**, beginning of year | 37,442,102 | 37,442,102 | 37,442,102 | - |
| **Fund balances**, end of year | $ 34,236,488 | $ 27,872,092 | $ 38,339,964 | $ 10,467,872 |

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

**CITY OF PORT ORANGE, FLORIDA**
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**
**BUDGET AND ACTUAL - EASTPORT BUSINESS CENTER CRA**
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | **Original** | **Final** | **Actual** | **Variance with Final Budget** |
| **Revenues** | | | | |
| Taxes | $ - | $ - | $ 272,270 | $ 272,270 |
| Intergovernmental | 630,796 | 630,796 | 338,490 | (292,306) |
| Investment income (loss) | 2,400 | 2,400 | 47,147 | 44,747 |
| Miscellaneous | - | - | 5 | 5 |
| Total revenues | 633,196 | 633,196 | 657,912 | 24,716 |
| **Expenditures** | | | | |
| Current: | | | | |
| General government: | | | | |
| Nondepartmental | 385,886 | 385,886 | - | 385,886 |
| Economic environment | 12,799 | 12,799 | 5,235 | 7,564 |
| Total expenditures | 398,685 | 398,685 | 5,235 | 393,450 |
| **Excess (deficiency) of revenues over expenditures** | 234,511 | 234,511 | 652,677 | 418,166 |
| **Other financing sources (uses)** | | | | |
| Transfers out | (234,511) | (234,511) | (234,510) | 1 |
| Total other financing sources (uses) | (234,511) | (234,511) | (234,510) | 1 |
| **Net change in fund balances** | - | - | 418,167 | 418,167 |
| **Fund balances**, beginning of year | 933,902 | 933,902 | 933,902 | - |
| **Fund balances**, end of year | $ 933,902 | $ 933,902 | $ 1,352,069 | $ 418,167 |

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

**CITY OF PORT ORANGE, FLORIDA**
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**
**BUDGET AND ACTUAL - TOWN CENTER CRA**
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | **Original** | **Final** | **Actual** | **Variance with Final Budget** |
| **Revenues** | | | | |
| Taxes | $ - | $ - | $ 176,805 | $ 176,805 |
| Intergovernmental | 414,825 | 414,825 | 219,789 | (195,036) |
| Charges for services | 4,000 | 4,000 | 2,483 | (1,517) |
| Investment income (loss) | 1,000 | 1,000 | 8,643 | 7,643 |
| Miscellaneous | - | - | 7 | 7 |
| Total revenues | 419,825 | 419,825 | 407,727 | (12,098) |
| **Expenditures** | | | | |
| Current: | | | | |
| Economic environment | 28,928 | 46,928 | 20,709 | 26,219 |
| Total expenditures | 28,928 | 46,928 | 20,709 | 26,219 |
| **Excess (deficiency) of revenues over expenditures** | 390,897 | 372,897 | 387,018 | 14,121 |
| **Other financing sources (uses)** | | | | |
| Transfers in | 11,472 | 29,472 | - | (29,472) |
| Transfers out | (402,369) | (402,369) | (401,618) | 751 |
| Total other financing sources (uses) | (390,897) | (372,897) | (401,618) | (28,721) |
| **Net change in fund balances (deficits)** | - | - | (14,600) | (14,600) |
| **Fund balances (deficits)**, beginning of year | (4,511,096) | (4,511,096) | (4,511,096) | - |
| **Fund balances (deficits)**, end of year | $ (4,511,096) | $ (4,511,096) | $ (4,525,696) | $ (14,600) |

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

**CITY OF PORT ORANGE, FLORIDA**
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**
**BUDGET AND ACTUAL - PARKS BOND CAPITAL PROJECTS**
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance with Final Budget |
| **Revenues** | | | | |
| Total revenues | $ - | $ - | $ - | $ - |
| **Expenditures** | | | | |
| Current: | | | | |
| Culture and recreation | - | 1,116 | 944 | 172 |
| Capital outlay | - | 998,884 | 157,953 | 840,931 |
| Total expenditures | - | 1,000,000 | 158,897 | 841,103 |
| **Excess (deficiency) of revenues over expenditures** | - | (1,000,000) | (158,897) | 841,103 |
| **Other financing sources (uses)** | | | | |
| Transfers in | - | 10,000,000 | - | (10,000,000) |
| Proceeds from issuance of debt | - | - | 30,557,508 | 30,557,508 |
| Total other financing sources (uses) | - | 10,000,000 | 30,557,508 | 20,557,508 |
| **Net change in fund balances** | - | 9,000,000 | 30,398,611 | 21,398,611 |
| **Fund balances**, beginning of year | - | - | - | - |
| **Fund balances**, end of year | $ - | $ 9,000,000 | $ 30,398,611 | $ 21,398,611 |

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

**CITY OF PORT ORANGE, FLORIDA**
**STATEMENT OF NET POSITION**
**PROPRIETARY FUNDS**
**SEPTEMBER 30, 2025**

| | Business-type Activities - Enterprise Funds | | | | | Governmental Activities - Internal Service Funds |
|---|---|---|---|---|---|---|
| | Water and Sewer | Solid Waste | Stormwater Utility | Golf Course | Total | |
| **ASSETS** | | | | | | |
| Equity in pooled cash and investments | $ 22,079,685 | $ 7,138,651 | $ 7,548,187 | $ 2,630,481 | $ 39,397,004 | $ 8,417,318 |
| Accounts receivable, net | 3,914,133 | 1,355,038 | 45,186 | 1,519 | 5,315,876 | - |
| Due from other governments | 112,526 | - | 149,986 | - | 262,512 | - |
| Leases receivable | 399,012 | - | - | - | 399,012 | - |
| Inventories | 962,783 | - | 643 | 125,757 | 1,089,183 | - |
| Prepaid items | 31,316 | 39,548 | - | 60,293 | 131,157 | 1,803,344 |
| Restricted current assets | | | | | | |
| Equity in pooled cash | 112,547 | - | 24,023 | - | 136,570 | - |
| Total current assets | 27,612,002 | 8,533,237 | 7,768,025 | 2,818,050 | 46,731,314 | 10,220,662 |
| Noncurrent assets: | | | | | | |
| Restricted cash | 62,235,200 | - | 581,665 | - | 62,816,865 | - |
| Capital assets: | | | | | | |
| Land | 16,596,051 | 42,800 | 12,835,980 | 949,209 | 30,424,040 | - |
| Building and improvements | 33,145,154 | 159,441 | - | 5,514,858 | 38,819,453 | 328,078 |
| Infrastructure | 273,437,893 | - | 41,923,780 | 227,243 | 315,588,916 | - |
| Machinery and equipment | 11,252,878 | 738,423 | 2,246,208 | 183,990 | 14,421,499 | 38,855,785 |
| Construction in progress | 22,951,215 | - | 4,694,927 | - | 27,646,142 | - |
| Accumulated depreciation | (179,921,537) | (180,332) | (17,545,489) | (4,061,054) | (201,708,412) | (28,193,886) |
| Total capital assets, net | 177,461,654 | 760,332 | 44,155,406 | 2,814,246 | 225,191,638 | 10,989,977 |
| Advances to other funds | 1,559,061 | - | - | - | 1,559,061 | 2,465,390 |
| Total noncurrent assets | 241,255,915 | 760,332 | 44,737,071 | 2,814,246 | 289,567,564 | 13,455,367 |
| Total assets | $ 268,867,917 | $ 9,293,569 | $ 52,505,096 | $ 5,632,296 | $ 336,298,878 | $ 23,676,029 |
| **DEFERRED OUTFLOWS OF RESOURCES** | | | | | | |
| Deferred outflows related to pensions | $ 183,880 | $ 6,675 | $ 35,795 | $ - | $ 226,350 | $ - |
| Deferred outflows related to OPEB | 127,861 | 1,292 | 16,790 | - | 145,943 | - |
| Total deferred outflows of resources | $ 311,741 | $ 7,967 | $ 52,585 | $ - | $ 372,293 | $ - |
| **LIABILITIES** | | | | | | |
| Current liabilities: | | | | | | |
| Accounts payable and accrued liabilities | $ 2,799,059 | $ 639,342 | $ 212,051 | $ 133,265 | $ 3,783,717 | $ 100,883 |
| Deposits | 3,724,987 | - | - | - | 3,724,987 | - |
| Unearned revenue | 295,416 | - | - | 201,274 | 496,690 | - |
| Estimated claims payable | - | - | - | - | - | 400,000 |
| Compensated absences | 202,823 | 1,067 | 22,683 | - | 226,573 | 30,958 |
| Payable from restricted assets: | | | | | | |
| Current maturities on long-term debt | 761,624 | - | 461,417 | - | 1,223,041 | 216,060 |
| Subscription liability | - | - | - | - | - | 447,823 |
| Accrued interest payable | 112,547 | - | 24,023 | - | 136,570 | 31,045 |
| Total current liabilities | 7,896,456 | 640,409 | 720,174 | 334,539 | 9,591,578 | 1,226,769 |
| Noncurrent liabilities: | | | | | | |
| Bonds, notes, and leases payable, net | 22,377,556 | - | 5,235,262 | - | 27,612,818 | 942,401 |
| Subscription liability | - | - | - | - | - | 636,492 |
| Advances from other funds | - | - | - | 1,559,061 | 1,559,061 | - |
| Compensated absences | 608,468 | 3,200 | 68,049 | - | 679,717 | 92,873 |
| Total OPEB liability | 840,176 | 8,487 | 110,326 | - | 958,989 | - |
| Net pension liability | 690,667 | 25,071 | 134,448 | - | 850,186 | - |
| Total noncurrent liabilities | 24,516,867 | 36,758 | 5,548,085 | 1,559,061 | 31,660,771 | 1,671,766 |
| Total liabilities | $ 32,413,323 | $ 677,167 | $ 6,268,259 | $ 1,893,600 | $ 41,252,349 | $ 2,898,535 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | | | |
| Deferred inflows related to pensions | $ 538,350 | $ 19,542 | $ 104,797 | $ - | $ 662,689 | $ - |
| Deferred inflows related to OPEB | 584,945 | 5,908 | 76,811 | - | 667,664 | - |
| Deferred inflows related to leases | 399,332 | - | - | - | 399,332 | - |
| Total deferred inflows of resources | $ 1,522,627 | $ 25,450 | $ 181,608 | $ - | $ 1,729,685 | $ - |
| **NET POSITION** | | | | | | |
| Net investment in capital assets | $ 161,238,573 | $ 760,332 | $ 38,365,864 | $ 2,814,246 | $ 203,179,015 | $ 9,831,516 |
| Restricted for debt service | 7,860,705 | - | 581,665 | - | 8,442,370 | - |
| Restricted for Wetland Mitigation Credits | 2,563,804 | - | - | - | 2,563,804 | - |
| Restricted for renewal and replacement | 30,288,360 | - | 5,424,480 | - | 35,712,840 | - |
| Restricted for utility plant expansion | 11,642,415 | - | - | - | 11,642,415 | - |
| Unrestricted | 21,649,851 | 7,838,587 | 1,735,805 | 924,450 | 32,148,693 | 10,945,978 |
| Total net position | $ 235,243,708 | $ 8,598,919 | $ 46,107,814 | $ 3,738,696 | 293,689,137 | $ 20,777,494 |
| Cumulative adjustment to reflect consolidation of internal service fund activities related to enterprise funds | | | | | 5,548,805 | |
| Net position, business-type activities | | | | | $ 299,237,942 | |

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

**CITY OF PORT ORANGE, FLORIDA**
**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION**
**PROPRIETARY FUNDS**
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

| | Business-type Activities - Enterprise Funds | | | | | Governmental Activities - Internal Service Funds |
|---|---|---|---|---|---|---|
| | Water and Sewer | Solid Waste | Stormwater Utility | Golf Course | Total | |
| **Operating revenues** | | | | | | |
| Charges for services | $ 31,171,841 | $ 10,768,811 | $ 5,922,331 | $ 2,427,231 | $ 50,290,214 | $ 7,788,197 |
| Other revenues | 59,844 | 80 | 1,454 | 85 | 61,463 | 192,360 |
| Total operating revenues | 31,231,685 | 10,768,891 | 5,923,785 | 2,427,316 | 50,351,677 | 7,980,557 |
| **Operating expenses** | | | | | | |
| Personal services | 7,588,648 | 266,226 | 1,263,030 | - | 9,117,904 | 1,677,975 |
| Contractual services | 3,738,815 | 7,775,629 | 734,444 | 2,279,156 | 14,528,044 | 651,496 |
| Other operating expenses | 9,613,162 | 437,214 | 925,411 | 9,628 | 10,985,415 | 3,983,468 |
| Insurance claims and expenses | - | - | - | - | - | 819,530 |
| Depreciation | 10,032,252 | 11,765 | 2,414,111 | 202,076 | 12,660,204 | 3,115,511 |
| Total operating expenses | 30,972,877 | 8,490,834 | 5,336,996 | 2,490,860 | 47,291,567 | 10,247,980 |
| **Operating income (loss)** | 258,808 | 2,278,057 | 586,789 | (63,544) | 3,060,110 | (2,267,423) |
| **Nonoperating revenues (expenses)** | | | | | | |
| Investment earnings (loss) | 2,764,356 | 278,447 | 349,652 | 85,722 | 3,478,177 | 327,801 |
| Intergovernmental grants | - | - | - | - | - | - |
| Gain (loss) on disposition of capital assets | - | - | - | - | - | 568,635 |
| Interest and amortization expense | (164,724) | - | (305,891) | - | (470,615) | (113,494) |
| Total nonoperating revenues (expenses) | 2,599,632 | 278,447 | 43,761 | 85,722 | 3,007,562 | 782,942 |
| **Income (loss) before contributions and transfers** | 2,858,440 | 2,556,504 | 630,550 | 22,178 | 6,067,672 | (1,484,481) |
| Capital contributions | 383,332 | - | - | - | 383,332 | - |
| Capital grants | 1,000,000 | - | 1,635,401 | - | 2,635,401 | - |
| Transfers in | - | - | 1,721,611 | - | 1,721,611 | - |
| Transfers out | (1,632,784) | (295,196) | (374,113) | - | (2,302,093) | - |
| **Change in net position** | 2,608,988 | 2,261,308 | 3,613,449 | 22,178 | 8,505,923 | (1,484,481) |
| **Net position**, beginning of year | 232,634,720 | 6,337,611 | 42,494,365 | 3,716,518 | 285,183,214 | 22,261,975 |
| **Net position**, end of year | $ 235,243,708 | $ 8,598,919 | $ 46,107,814 | $ 3,738,696 | $ 293,689,137 | $ 20,777,494 |

| | |
|---|---|
| Change in proprietary funds net position | $ 8,505,923 |
| Adjustment to reflect consolidation of internal service fund activities related to enterprise funds | (467,174) |
| Change in net position of business-type activities | $ 8,038,749 |

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

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

| | Business-type Activities - Enterprise Funds | | | | | Governmental Activities - Internal Service Funds |
|---|---|---|---|---|---|---|
| | Water and Sewer | Solid Waste | Stormwater Utility | Golf Course | Total | |
| **Cash flows from operating activities** | | | | | | |
| Cash received from customers | $ 30,523,908 | $ 9,917,582 | $ 5,760,447 | $ 2,443,082 | $ 48,645,019 | $ 7,980,557 |
| Cash paid to employees | (7,985,726) | (317,020) | (1,532,354) | - | (9,835,100) | (1,670,167) |
| Cash paid to suppliers | (11,966,825) | (8,216,798) | (1,723,740) | (2,284,669) | (24,192,032) | (6,720,334) |
| Net cash provided by (used in) operating activities | 10,571,357 | 1,383,764 | 2,504,353 | 158,413 | 14,617,887 | (409,944) |
| **Cash flows from noncapital financing activities** | | | | | | |
| Transfers from other funds | - | - | 1,721,611 | - | 1,721,611 | - |
| Transfers to other funds | (1,632,784) | (295,196) | (374,113) | - | (2,302,093) | - |
| Net cash provided by (used in) noncapital financing activities | (1,632,784) | (295,196) | 1,347,498 | - | (580,482) | - |
| **Cash flows from capital and related financing activities** | | | | | | |
| Impact fees | 383,332 | - | - | - | 383,332 | - |
| Acquisition and construction of capital assets | (18,064,494) | - | (3,558,851) | (118,473) | (21,741,818) | (6,238,636) |
| Capital grants | 1,000,000 | - | 1,635,401 | - | 2,635,401 | - |
| Proceeds from sale of capital assets | - | - | - | - | - | 568,635 |
| Principal payments of long-term debt | (228,407) | - | (4,876,043) | - | (5,104,450) | 979,976 |
| Proceeds from issuance of long-term debt | 21,575,000 | - | 4,485,000 | - | 26,060,000 | 1,262,800 |
| Interest paid | (69,182) | - | (287,578) | - | (356,760) | (82,449) |
| Net cash provided by (used in) capital and related financing activities | 4,596,249 | - | (2,602,071) | (118,473) | 1,875,705 | (3,509,674) |
| **Cash flows from investing activities** | | | | | | |
| Interest received (loss) | 2,764,356 | 278,447 | 349,652 | 85,722 | 3,478,177 | 327,801 |
| Net cash provided by (used in) investing activities | 2,764,356 | 278,447 | 349,652 | 85,722 | 3,478,177 | 327,801 |
| **Net change in cash and cash equivalents** | 16,299,178 | 1,367,015 | 1,599,432 | 125,662 | 19,391,287 | (3,591,817) |
| **Cash and cash equivalents**, beginning of year | 68,128,254 | 5,771,636 | 6,554,443 | 2,504,819 | 82,959,152 | 12,009,135 |
| **Cash and cash equivalents**, end of year | $ 84,427,432 | $ 7,138,651 | $ 8,153,875 | $ 2,630,481 | $102,350,439 | $ 8,417,318 |
| **Cash and cash equivalents classified as:** | | | | | | |
| Unrestricted | $ 22,079,685 | $ 7,138,651 | $ 7,548,187 | $ 2,630,481 | $ 39,397,004 | $ 8,417,318 |
| Restricted | 62,347,747 | - | 605,688 | - | 62,953,435 | - |
| Total cash and cash equivalents | $ 84,427,432 | $ 7,138,651 | $ 8,153,875 | $ 2,630,481 | $102,350,439 | $ 8,417,318 |
| **Reconciliation of operating income to net cash provided by operating activities:** | | | | | | |
| Operating income (loss) | $ 258,808 | $ 2,278,057 | $ 586,789 | $ (63,544) | $ 3,060,110 | $ (2,267,423) |
| Adjustments to reconcile net operating income (loss) to net cash provided by (used in) operating activities: | | | | | | |
| Depreciation | 10,032,252 | 11,765 | 2,414,111 | 202,076 | 12,660,204 | 3,115,511 |
| Changes in assets and liabilities: | | | | | | |
| Accounts receivable | (583,735) | (851,309) | (14,232) | 1,056 | (1,448,220) | - |
| Due from other governments | (16,447) | - | (149,106) | - | (165,553) | - |
| Lease receivable | (68,483) | - | - | - | (68,483) | - |
| Inventories | 148,498 | - | - | (20,712) | 127,786 | - |
| Prepaid items | 9,716 | (39,548) | - | (610) | (30,442) | (1,151,757) |
| Accounts payable and accrued liabilities | 1,226,938 | 35,593 | (63,885) | 25,437 | 1,224,083 | (114,083) |
| Deposits | (13,021) | - | - | - | (13,021) | - |
| Unearned revenue | (26,091) | - | - | 14,710 | (11,381) | - |
| Compensated absences | 252,234 | 1,238 | 20,100 | - | 273,572 | 8,808 |
| Claims liability | - | - | - | - | - | (1,000) |
| Net pension liability | (809,238) | (32,640) | (183,560) | - | (1,025,438) | - |
| Total OPEB liability | 159,926 | (19,392) | (105,864) | - | 34,670 | - |
| Net cash provided by (used in) operating activities | $ 10,571,357 | $ 1,383,764 | $ 2,504,353 | $ 158,413 | $ 14,617,887 | $ (409,944) |

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

**CITY OF PORT ORANGE, FLORIDA**
**STATEMENT OF FIDUCIARY NET POSITION**
**FIDUCIARY FUNDS**
**SEPTEMBER 30, 2025**

| | Pension Trust Funds |
|---|---|
| **ASSETS** | |
| Cash and cash equivalents with trustee | $ 2,170,169 |
| Prepaid benefit payments | 799,075 |
| Receivables | |
| Interest and dividends receivable | 220,124 |
| Investments, at fair value | |
| U.S. Treasury and agency obligations | 15,846,660 |
| Corporate and municipal debt obligations | 6,646,950 |
| Corporate equity securities | 27,572,982 |
| Mutual funds | 92,919,530 |
| Real estate funds | 19,352,281 |
| Local government investment pool | 5,455,667 |
| Total investments | 167,794,070 |
| Total assets | $ 170,983,438 |
| **LIABILITIES** | |
| Accounts payable | $ 1,494,166 |
| Total liabilities | $ 1,494,166 |
| **NET POSITION** | |
| Restricted for pensions | $ 169,489,272 |

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

**CITY OF PORT ORANGE, FLORIDA**
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**
**FIDUCIARY FUNDS**
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

| | Pension Trust Funds |
|---|---|
| **Additions** | |
| Contributions: | |
| Employer | $ 6,845,056 |
| Plan members | 1,174,524 |
| State - insurance premium taxes | 1,411,053 |
| Total contributions | 9,430,633 |
| Investment earnings: | |
| Net appreciation (depreciation) in fair value of investments | 11,711,192 |
| Interest and dividends | 4,669,114 |
| Total investment earnings | 16,380,306 |
| Less: investment expense | (305,501) |
| Net investment income (loss) | 16,074,805 |
| Total additions | 25,505,438 |
| **Deductions** | |
| Benefit payments and refunds | 9,899,828 |
| Administrative expenses | 391,303 |
| Total deductions | 10,291,131 |
| **Change in net position** | 15,214,307 |
| **Net position restricted for pensions**, beginning of year | 154,274,965 |
| **Net position restricted for pensions**, end of year | $169,489,272 |

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

## (1) Summary of Significant Accounting Policies:

The financial statements of the City of Port Orange, Florida (the City), have been prepared in conformance with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted body for promulgating governmental accounting and financial reporting principles and the City has adopted the GASB Codification. The following is a summary of the City's significant accounting policies:

(a) **Reporting entity**—The City is a municipal corporation created by the laws of Florida, Chapter 67-1274, located in Volusia County. The legislative branch of the City is comprised of a five member elected Council. The City Council is governed by the City Charter and by state and local laws and regulations. The City Council is responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the Council-appointed City Manager.

In evaluating the City as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the City may be financially accountable and, as such, should be included within the City's financial statements. The City (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial burden on the City. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The financial statements are formatted to allow the user to clearly distinguish between the primary government and its component units. Because of the closeness of their relationship with the primary government (the City), the current component units are blended as though they are part of the primary government.

(b) **Blended component units**—The City has two blended component units, as follows:

The City of Port Orange, Florida, Eastport Business Center Community Redevelopment Agency (the Eastport Business Center CRA) was created by Ordinance No. 1995-42 to account for the receipt and expenditure of property tax revenues from the tax increment financing district to support City redevelopment in the designated community redevelopment area. Although legally separate, pursuant to Resolution No. 95-23, the City Council designated itself as the governing board to the Eastport Business Center CRA and provided for the appointment of two additional members. Since the City is financially accountable for the activities of the Eastport Business Center CRA, its governing board is the same, and its relationship to the City is significant, its financial activities are reported on a blended basis as if it were part of the primary government as a major special revenue fund. Separate audited financial statements for the Eastport Business Center CRA are available from the City's finance department upon request.

The City of Port Orange, Florida, Town Center Community Redevelopment Agency (the Town Center CRA) was created by Ordinance No. 1998-79 to account for the receipt and expenditure of property tax revenues from the tax increment financing district to support City redevelopment in the designated community redevelopment area. Although legally separate, pursuant to Resolution No. 98-20, the City Council designated itself as the governing board to the Town Center CRA and provided for the appointment of two additional members. Since the City is financially accountable for the activities of the Town Center CRA, its governing board is the same, and its relationship to the City is significant, its financial activities are reported on a blended basis as if it were part of the primary government as a major special revenue fund. Separate audited financial statements for the Town Center CRA are available from the City's finance department upon request.

(1) **Summary of Significant Accounting Policies:** (Continued)

(c) **Related organizations**—Organizations for which a primary government is accountable because the City appoints a voting majority of the board, but is not financially accountable, are considered to be related organizations. The City Council temporarily appoints a voting majority of the members of the governing board of The Port Orange Business Park Property Owners' Association, Inc. (the Property Owners' Association). The City is not financially accountable for the organization, nor does the City's accountability for this organization extend significantly beyond making the appointments. Accordingly, financial information for this entity is excluded from the City's financial statements.

Cypress Head Golf Club (the Golf Course) is an 18-hole championship course, with lighted practice facility, driving range, maintenance barn, cart barn, clubhouse, pro shop, restaurant, banquet room, and other related facilities wholly owned and operated by the City. Golf Club at Cypress Head, Inc. was incorporated on August 31, 2001, under the laws of the State of Florida and is the successor of Cypress Head Golf Course, Inc. which was incorporated on October 10, 1991. Golf Club at Cypress Head, Inc. is engaged primarily in holding the license authorizing the sale of alcoholic beverages at the Golf Course and is wholly owned by the City. The Golf Course is managed by an independent sports management company, which provides separate financial statements and accounting for the revenues and expenses generated from player fees, pro-shop sales, restaurant sales, and other related financial activities of the Golf Course. The accompanying financial statements combine the financial activities of the Golf Course which is managed pursuant to the Agreement for Golf Course Management at Cypress Head and the City's Golf Course Enterprise fund. All real and other personal property associated with golf course operations are combined with the financial reporting of the operational activities of the Golf Course in the City's Golf Course Enterprise Fund.

(d) **Government-wide and fund financial statements**—The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report aggregated information for the overall government for all of the activities of the primary government. These statements do not report fiduciary funds or fiduciary component units such as retirement trust funds. Those activities are reported only in fund financial statements. The effect of interfund activity has been removed from these statements.

Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange revenues, are reported separately from business-type activities, which are financed wholly or partially by fees charged to external parties for goods or services and are reported in enterprise funds.

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

(1) **Summary of Significant Accounting Policies:** (Continued)

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period except for grant revenues which are considered earned when expenditures are incurred. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, intergovernmental revenues, licenses and permits, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the government receives cash.

Nonexchange transactions are grouped into four classes, based on their principal characteristics. The accounting treatment for each type of transaction is as follows:

- *Derived Tax Revenues* are defined as assessments imposed on exchange transactions. Examples include: sales taxes, franchise tax, utility taxes, etc. Assets from derived tax revenue are recognized in the period when the exchange transaction on which the tax is imposed or when resources are received, whichever occurs first. Revenues are recognized, net of estimated uncollectible amounts, in the same period that the assets are recognized. Resources received in advance are recorded as unearned revenue until the period of the exchange.

- *Imposed Nonexchange Revenues* result from assessments on nongovernmental entities, other than assessments on exchange transactions. Examples include: ad valorem (property) taxes, fines and penalties, and property forfeitures. Assets from imposed nonexchange revenues are recognized in the period when an enforceable legal claim to the assets arises or when the resources are received, whichever occurs first. Property taxes are recognized in the period for which the taxes are levied. All other imposed nonexchange revenues are recognized in the same period that the assets are recognized.

(1) **Summary of Significant Accounting Policies:** (Continued)

- *Government-mandated Nonexchange Transactions* establish eligibility requirements before a transaction can occur. Examples include federal awards and state financial assistance. Until the requirements are met, the recipient does not have a receivable and recognition of revenue received in advance is deferred. The providers (usually federal, state, and county governments) often offer resources on a reimbursement ("expenditure-driven") basis at the time the recipient has incurred allowable costs under the applicable program.

- *Voluntary Nonexchange Transactions* result from legislative or contractual agreements other than exchanges, entered into willingly by two or more parties. Examples include certain grants, entitlements, and donations by nongovernmental entities. Principal characteristics of these types of transactions are (1) they are not imposed on the provider or recipient, and (2) fulfillment of eligibility requirements is essential for a transaction to occur. Assets and revenues are recognized when all applicable eligibility requirements, including time requirements, are met. Resources received in advance are reported as deferred revenue.

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

The City reports the following major governmental funds:

**General Fund—**The General Fund is the principal fund of the City which accounts for all financial transactions not accounted for in other funds. The majority of current operating expenditures of the City other than proprietary fund activities are financed through revenues received by the General Fund.

**Eastport Business Center Community Redevelopment Area (CRA) Fund—**The Eastport CRA Fund accounts for the receipt and expenditure of property tax revenues from the tax increment financing district to support redevelopment in the Eastport Business Center community redevelopment area.

**Town Center Community Redevelopment Area (CRA) Fund—**The Town Center CRA Fund accounts for the receipt and expenditure of property tax revenues from the tax increment financing district to support redevelopment in the Town Center community redevelopment area.

**Parks Bond Capital Projects Fund—**The Parks Bond Capital Projects Fund is a capital projects fund established to account for the receipt and expenditure of proceeds from a voter-approved general obligation bond referendum for parks and recreation improvements.

(1) **Summary of Significant Accounting Policies:** (Continued)

The City reports the following major proprietary funds:

**Water and Sewer System Fund**—The Water and Sewer System Fund accounts for the costs and recovery of costs in the form of user charges related to the production, treatment and distribution of potable water, along with the collection, treatment and disposal of sewage waste with the City. The maintenance and improvement of utility plant required to provide these goods and services are financed primarily from user charges. Physical plant expansion is financed primarily from revenue bond obligations and other long-term debt borrowings.

**Solid Waste Fund**—The Solid Waste Fund provides the community with refuse and recycling services provided by third-party contracted vendors, the costs of which are primarily recovered by user charges.

**Stormwater Utility Fund**—The Stormwater Utility Fund accounts for the collection of drainage fees utilized for the expansion and maintenance of drainage facilities.

**Golf Course Fund**—The Golf Course Fund accounts for the costs and recovery of costs in the form of user charges related to the use of the 18-hole golf course owned and operated by the City. The maintenance and improvement of the golf course required to provide these goods and services are financed primarily from user charges, existing cash resources, and other City funds.

Additionally, the City reports the following fund types:

**Special Revenue Funds**—These funds account for financial sources and uses that are legally restricted for specific purposes. The City has the following non-major Special Revenue Funds: Business Development; Recreation Facilities; and Community Development-Building. These financial activities are reported separately in the Combining and Individual Fund Statements and Schedules section of this report.

**Debt Service Funds**—These funds are used to account for the accumulation of resources for, and payment of, general long-term debt principal, interest, and related costs. This fund type is used to provide for the debt service requirements of the City's governmental long-term debt.

**Capital Projects Funds**—These funds are used to account for financial resources to be used for equipment replacement or the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). The City has the following non-major capital projects funds: General Construction, Transportation Capital Projects, Fire Impact, Transportation Impact, General Obligation Capital Projects, Capital Replacement Funds, Economic Development Capital, 2014 Capital Improvement Bond Projects, Police Impact, and Recreation Impact. These financial activities are reported separately in the Combining and Individual Fund Statements and Schedules section of this report.

**Internal Service Funds**—The City's Internal Service Funds account for the financial activities of its internal information technology, vehicle maintenance, insurance, lease and replacement, and internal loan pool activities. These type funds provide services to departments of the City on a cost-reimbursement basis.

(1) **Summary of Significant Accounting Policies:** (Continued)

**Pension Trust Funds**—Accounts for the net position held in trust for defined pension benefits and the related financial activities of the employees' retirement system, which accumulates resources for defined pension benefit payments to the Municipal Police Officers' Retirement Trust Fund, the Municipal Firefighters' Pension Trust Fund, and the General Employee's Pension Trust Fund. Assets accumulated and held in trust in defined contribution pension plans (deferred compensation and money purchase retirement plans) are not included in the financial statements, since such amounts immediately vest with the employees.

As a general rule, the effect of the City's interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's water and sewer function and various other functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments (when applicable). Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

(f) **Budgets and budgetary accounting**—Annual budgets for all governmental and proprietary funds were adopted in compliance with Florida law. The basis on which the budgets are prepared is consistent with the basis of accounting utilized by the various fund types. The governmental funds' budgets are prepared on the modified accrual basis of accounting. The proprietary funds' budgets are prepared on a full accrual basis of accounting. The City uses the following procedures in establishing the budgetary data reflected in the accompanying financial statements:

i. On or before July 1st, the City Manager submits a preliminary budget to the City Council for the ensuing fiscal year.
ii. Budget workshop sessions are scheduled by the City Council, as needed.
iii. A general summary of the budget and notice of public hearing is published in a local newspaper.
iv. Prior to October 1st, the budget is legally enacted through passage of an ordinance.
v. The City Council, by resolution, may make supplemental appropriations in excess of those estimated for the year up to the amount of available revenue in accordance with Section 3.08 of the City Charter. Prior to the end of the fiscal year, supplemental appropriations are made for unanticipated spending requirements by the Council.
vi. The City Council must approve all inter-departmental budget amendments and/or appropriations transfers. Budgetary control is exercised at the department level.
vii. Every appropriation lapses at the close of the fiscal year.

(1) **Summary of Significant Accounting Policies:** (Continued)

The budgets for governmental funds that were either adopted or amended during the year by the City Council were prepared using the modified accrual basis of accounting in accordance with generally accepted accounting principles. The general, special revenue, debt service, and capital project funds have legally adopted budgets.

The individual accounts that comprise the water and sewer fund, consisting of the water and sewer revenue account, water and sewer renewal and replacement account, and water and sewer impact fee account, have legally adopted annual budgets. The solid waste, golf course, and stormwater funds also have legally adopted annual budgets.

(g) **Deposits and investments**—The City's cash and cash equivalents include cash on hand, demand deposits and short-term investments that are readily convertible to known amounts of cash. Investments with original maturities of three months or less are considered to be cash equivalents.

The City's investment policies are governed by state statutes and local resolution. These policies authorize the City to invest in bonds, notes, and certificates of indebtedness, treasury bills, or other securities which are guaranteed by the full faith and credit of the United States of America, interest bearing savings accounts, interest bearing certificates of deposit and interest bearing time deposits.

(h) **Receivables and payables**—Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are reported net of an allowance for uncollectible accounts, which is based upon management's analysis of historical trends. Utility operating sales are generally recognized on the basis of cycle billings rendered quarterly. Unbilled accounts receivable are accrued by the City at September 30th, to recognize the sales revenues earned between the last meter reading dates made in mid-September through the end of the fiscal year.

(i) **Leases receivable**—When engaged in long-term leasing activity as the lessor, the City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

(1) **Summary of Significant Accounting Policies:** (Continued)

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

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancelable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.
- The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

(j) **Inventories and prepaid items**—The cost of inventory is accounted for on the consumption basis wherein inventories are charged as expenditures when used, rather than when purchased. All inventories are valued at cost, which approximates market, by using the weighted average valuation method. The effect of this method is to flow the costs of the materials and supplies in the order in which they are purchased and to assign a balance sheet inventory valuation more nearly at current replacement value. No required minimum levels of inventory are maintained.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are recorded as expenditures in governmental funds using the consumption method.

(k) **Restricted assets**—Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayments, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. Restricted funds are comprised of the following:

*Sinking funds* – segregated resources generated from operations that are accumulated for making debt service payments over the next twelve months.

*Construction funds* – segregated resources consisting of net bond proceeds from the issuance of revenue bonds and other long-term debt obligations that are restricted to use in construction.

*Renewal and replacement funds* – segregated resources that are set aside to meet unexpected repairs or to fund asset renewal and replacement.

*Impact fee funds* – segregated resources, contributions and development fees paid on new constructions that are restricted for utility system expansion.

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

Infrastructure assets are being accounted for using different methods. For governmental activities, the cost or estimated cost of roads and sidewalks are presented. The City has compiled this information and has recorded all roads and sidewalks acquired after June 30, 1980. For business-type activities, infrastructure assets have been capitalized at cost. Water and sewer utility and stormwater utility improvements are being depreciated over their useful lives.

(1) **Summary of Significant Accounting Policies:** (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized, but charged to operating expense as incurred. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

| Assets | Years |
|---|---|
| Buildings | 20 – 50 years |
| Infrastructure | 15 – 30 years |
| Improvements other than buildings | 20 – 50 years |
| Machinery and equipment | 5 – 35 years |

The City has historically recorded all easements and rights of way that are determined to have limited useful lives at estimated fair value on the date received. The City has elected to not retroactively report intangible assets that are determined to have indefinite useful lives. The City does not have any intangible assets previously subjected to amortization that have now been determined to have indefinite useful lives.

(m) **Compensated absences**—It is the City's policy to permit employees to accumulate earned but unused paid time off benefits, which will be paid to employees upon separation from City service if they meet certain criteria. Compensated absences are accrued and reported in the proprietary funds and governmental-wide financial statements and is a reconciling item between the governmental funds and the government-wide presentation.

(n) **Long-term obligations**—In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Original issue bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize premiums and discounts, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

(1) **Summary of Significant Accounting Policies:** (Continued)

(o) **Fund balance**—In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Those classifications are as follows:

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

*Restricted* – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation (i.e., when the government assesses, levies, charges, or otherwise mandates payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.

*Committed* – Fund balance amounts that can only be used for specific purposes pursuant to constraints imposed by ordinance of the City Council are reported as committed fund balance. Those committed amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

*Assigned* – Fund balance amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as assigned fund balance, except for stabilization arrangements. The City Council expressly delegates to the City Manager authority under this policy to assign funds for particular purposes. Such balances must be assigned (encumbered) through a contract or purchase order as provided under Chapter 2, Section 2-294 of the Port Orange Code of Ordinances and Generally Accepted Accounting Principles.

*Unassigned* – Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

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

The desired net equity reserve maintained by specified funds shall be held at a particular level. The City policy has set an optimal level of 23-28% of the respective operating expenditures less transfers in the General Fund. The major enterprise funds (excluding the Golf Course Fund) should retain working capital of between 25% and 30% of operating expenses (less transfers).

The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

(1) **Summary of Significant Accounting Policies:** (Continued)

(p) **Deferred outflows/inflows of resources**—In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items, deferred outflows related to pensions and OPEB, which qualify for reporting in this category. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred outflows related to pensions are discussed further in Note (14) and deferred outflows related to OPEB are discussed further in Note (13).

In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The City has three items; deferred amount on refunding, deferred inflows related to leases, and deferred inflows related to pensions and OPEB in the proprietary funds and government-wide statement of net position, which qualify for reporting in this category. Unavailable property tax revenues are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows related to pensions are discussed further in Note (14) and deferred inflows related to OPEB are discussed further in Note (13).

(q) **Net position flow assumption**—Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to determine amounts reported as restricted and unrestricted net position, it is the City's policy to consider restricted net position to have been used before unrestricted net position is applied.

(r) **Use of estimates**—Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates assumed in preparing the financial statements.

(2) **Reconciliation of Government-Wide and Fund Financial Statement:**

(a) **Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position**—Following the governmental fund balance sheet is a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. A detailed explanation of these differences is provided in this reconciliation.

(b) **Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**—Following the governmental fund statement of revenues, expenditures, and changes in fund balances, there is a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. A detailed explanation of these differences is provided in this reconciliation.

(3) **Property Tax Calendar:**

Under Florida law, the assessment of all properties and the collection of all county, municipal and school district property taxes are consolidated in the offices of the County Property Appraiser and County Finance Director. The laws of the state regulating tax assessment are also designed to assure a consistent property valuation method statewide. State Statutes permit municipalities to levy property taxes at a rate of up to 10 mills. For the year ended September 30, 2025, the operating and combined debt service millage rates (2025 levy) assessed by the City were 4.97500 and 0.17200 mills, respectively.

The property tax calendar is as follows:

| | |
|---|---|
| Valuation Date | January 1, 2024 |
| Property Appraiser prepares the assessment roll with values as of January 1, 2024, submits this preliminary roll for approval by the State and notifies each taxing authority of their respective valuations. | July 1, 2024 |
| City Council holds two required public hearings and adopts a budget and ad valorem tax millage rate for the coming fiscal year. | September 2024 |
| Property Appraiser certifies the assessment roll and all real and tangible personal property taxes are due and payable (Levy date). | November 1, 2024 |
| A Notice of Taxes is mailed to each property owner on the assessment roll. Taxes may be paid November 2024 through March 2025, with the following applicable discounts: | November 1, 2024 |

| Month Paid | Discount Percent | |
|---|---|---|
| November | 4 % | November 1, 2024 through March 31, 2025 |
| December | 3 | |
| January | 2 | |
| February | 1 | |
| March | 0 | |

| | |
|---|---|
| All unpaid taxes on real and tangible personal property become delinquent. | April 1, 2025 |
| A list of unpaid tangible personal property taxes and a list of unpaid real property taxes are advertised. | April and May 2025 |
| Tax certificates are sold on all real estate parcels with unpaid real property taxes (Lien date). | June 1, 2025 |
| A court order is obtained authorizing the seizure and sale of personal property if the taxpayer fails to pay the delinquent personal property taxes. | June 1, 2025 |

At September 30, 2025, the City has recorded property taxes receivable of $48,063.

## (4) Cash Deposits and Investments:

### *City Deposits and Investments*

The City's investment policies are governed by Chapter 280 and 218, Florida Statutes, City Code of Ordinances, and the adopted investment policy. For all investments authorized by statute or policy, the City applies the "Prudent Person" standard when developing investment strategies. The basic allowable investment instruments are as follows:

*The Florida PRIME* – includes the Florida PRIME and shall be rated "AAAm" by Standard & Poor's or the equivalent by another NRSRO.

*United States Government Securities* – includes direct negotiable obligations, or obligations the principal and interest of which are unconditionally guaranteed by the United States Government.

*United States Government Agencies (full faith and credit of the United States Government)* – includes bonds, debentures or notes issued or guaranteed by the United States Government agencies, provided such obligations are back by the full faith and credit of the United States Government.

*Federal Instrumentalities (United States Government Sponsored Enterprises ("GSE") which are non-full faith and credit)* – includes bonds, debentures or notes issued or guaranteed by the United States Government Sponsored Enterprises which are non-full faith and credit.

*Non-Negotiable Interest-Bearing Time Certificates of Deposit* – includes non-negotiable interest bearing time certificates of deposit or savings accounts in banks organized under the laws of Florida and/or in national banks organized under the laws of the United States and doing business and situated in Florida, provided that any such deposits are secured by the Florida Security for Public Deposits Act, Section 280, Florida Statutes.

*Repurchase Agreements* – includes repurchase agreements composed of only those investments based on the requirements set by the City's Master Repurchase Agreement.

*Commercial Paper* – includes commercial paper of any United States company that is rates, at the time of purchase, "Prime-1" by Moody's and "A-1" by Standard & Poor's (prime commercial paper).

*Corporate Notes* – includes corporate notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States that have a long term debt rating, at the time of purchase, at a minimum "Aa" by Moody's and a minimum long term debt rating of "AA" by Standard & Poor's.

*Bankers' Acceptances* – includes bankers' acceptances which are issued by a domestic bank or a federally charted domestic office of a foreign bank, which is eligible for purchase by the Federal Reserve System, at the time of purchase, the short-term paper is rated, at a minimum, "P-1" by Moody's or "A-1" by Standard & Poor's.

*State and/or Local Government Taxable and/or Tax-Exempt Debt* – includes state and/or local government taxable and/or tax-exempt debt, general obligation and/or revenue bonds, rated at least "Aa" by Moody's and "AA" by Standard & Poor's for long-term debt, or rate at least "MIG-2" by Moody's and "SP-2" by Standard & Poor's for short-term debt.

(4) **Cash Deposits and Investments:** (Continued)

*Registered Investment Companies (Money Market Mutual Funds)* – includes shares in open-end and no-load fixed-income securities mutual funds provided such funds are registered under the Federal Investment Company Act of 1940 and invest in securities permitted by this policy.

*Intergovernmental Investment Pool* – includes intergovernmental investment pools that are authorized pursuant to the Florida Interlocal Corporation Act, as provided in Section 163.01, Florida Statutes, and provided that said funds contain no derivatives.

Deposits include cash on hand and amounts held in the City's demand accounts. At September 30, 2025, the carrying amount of the City's deposits was $68,405,334. Each demand account is insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. Any balance in excess of FDIC insurance is covered by collateral held by the City's custodial bank, which is pledged to a state trust fund that provides security in accordance with Florida Security for Public Deposits Act, Chapter 280, Florida Statutes.

The Florida Security for Public Deposits Act (the Act) established guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements and characteristics of eligible collateral. Under the Act, the qualified public depository must pledge at least 50 percent of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance. Additional collateral, up to a maximum of 125 percent, may be required, if deemed necessary under the conditions set forth in the Act.

Obligations pledged to secure deposits must be delivered to the State Treasurer or, with the approval of the State Treasurer, to a bank, savings association, or trust company provided a power of attorney is delivered to the Treasurer. Under the Act, the pool may assess participating financial institutions on a pro rata basis to fund any shortfall in the event of the failure of a member institution.

The City has funds invested in a money market mutual fund. The fund's portfolio is structured within the confines of Rule 2a-7 under the Investment Company Act of 1940, as amended. SEC Rule 2a-7 is the rule that permits money market funds to use amortized cost to maintain a constant NAV (net asset value) of $1.00 per share, provided that such funds meet certain criteria. Therefore, the fair value of the City's position in the fund is the same as the value of the fund's shares. The fund invests primarily in short-term, high-quality, fixed-income securities issued by banks, corporations and the U.S. government, rated in the highest short-term category or of comparable quality. As of September 30, 2025, the total invested in the fund was $39,491,395.

The City measures and records its investments, assets whose use is limited, and restricted assets using fair value measurement guidelines. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1: Quoted* prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices – Values determined based on quoted market prices for similar assets in active or inactive markets; and,
- *Level 3:* Unobservable inputs – Values determined based on the underlying real estate and other holdings within the noted investments.

The City's investment measured via Level 2 inputs are valued based on the price/yield of similar bonds or other investments.

(4) **Cash Deposits and Investments:** (Continued)

As of September 30, 2025, the City's governmental and business-type investment portfolio was composed of the following investments:

| Investment Type | Credit Quality Rating (S&P) | Weighted Average Investment Maturities (in Years) | | | | Fair Value Hierarchy Classification |
|---|---|---|---|---|---|---|
| | | Carrying Value | Less than 1 | 1-5 | >5 | |
| Cash | NR | $ 68,405,334 | $ 68,405,334 | $ - | $ - | N/A |
| Money Market | NR | 80,095,810 | 80,095,810 | - | - | N/A |
| Municipal Bonds | AAA to AA | - | - | - | - | 1 |
| Corporate Bonds | AA+ to A- | 13,147,033 | 200,764 | 12,946,269 | - | 1 |
| US Government Treasury | AA+ | 18,248,670 | - | 18,248,670 | - | 1 |
| Federal Agency Collat. Mortgage Obligation | AA+ | 4,971,132 | 818,778 | 4,152,354 | - | 1 |
| Asset-Backed Security/Coll.Mortgage Oblig. | NR or AAA | 11,243,662 | 4,152 | 10,851,616 | 387,894 | 1 |
| Supra-national agency bond | AAA | 1,374,048 | - | 1,374,048 | - | 1 |
| Bank Note | A+ | - | - | - | - | |
| Certificates of deposit | NR | 347,637 | 347,637 | - | - | N/A |
| | | $ 197,833,326 | $ 149,872,475 | $ 47,572,957 | $ 387,894 | |

*Interest Rate Risk:* The City's investment policy limits interest rate risk by attempting to match investment maturities with known cash needs and anticipated cash flow requirements. The investment of current operating funds will have maturities of no longer than twenty-four (24) months. Investments of bond reserves, construction funds, and other non-operating funds ("core funds") shall have a term appropriate to the need for funds and in accordance with debt covenants but should not exceed ten years. From time to time the above parameters may require modification in order to meet specific construction draw schedules or other predetermined operating, capital needs or to satisfy debt obligations but in no event shall exceed thirty (30) years.

*Credit Risk:* Credit risk is the risk that a debt issuer or other counter-party to an investment will not fulfill its obligations. The City's investment policy utilizes portfolio diversification in order to limit investments to the highest rated securities as rated by nationally recognized rating agencies. The ratings of the investments held at year end are shown above. All are rated within the investment policy guidelines at September 30, 2025.

*Concentration of Credit Risk:* The City's investment policy has established asset allocation and issuer limits on its investments which are designed to reduce concentration of credit risk of the City's investment portfolio. A maximum of 25% of available funds may be invested in the Florida PRIME, 100% of available funds may be invested in the United States Government Securities, 75% of available funds may be invested in United States Government agencies with a 50% limit on individual issuers, 80% of available funds may be invested in Federal Instrumentalities with a 40% limit on individual issuers, 25% of available funds may be invested in non-negotiable interest bearing time certificates of deposit with a 15% limit on individual issuers, 50% of available funds may be invested in repurchase agreements excluding one (1) business day agreements and overnight sweep agreements with a 25% limit on individual issuers, 30% of available funds may be directly invested in prime commercial paper with a 10% limit on individual issuers, 15% of available funds may be directly invested in corporate notes with a 5% limit on individual issuers, 30% of available funds may be directly invested in Bankers' acceptances with a 10% limit on individual issuers, 20% of available funds may be invested in taxable and tax-exempt debts, 50% of available funds may be invested in mutual funds excluding one (1) business day overnight sweep agreements with a 25% limit on individual issuers, 25% of available funds may be invested in intergovernmental investment pools.

(4) **Cash Deposits and Investments:** (Continued)

*Custodial Credit Risk—Deposits*: In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. Pursuant to the applicable provisions of Chapter 280, Florida Statutes, *The Florida Security for Public Deposits Act*, the State of Florida, Department of Financial Services, Division of Treasury, Bureau of Collateral Management have established specific requirements relative to the security and collateralization for public deposits. Accordingly, banks qualifying as a public depository in the State of Florida must adopt the necessary procedures outlined in these statutes and meet all of the requirements of this chapter to be designated by the State Chief Financial Officer (CFO) as eligible to receive deposits from municipal depositors. Collateral having a fair value equal to 50% of the average daily balance for each month of all public deposits in excess of any applicable depository insurance is required to be pledged or deposited with the State CFO to secure such deposits. Additional collateral, up to a maximum of 125% may be required if deemed necessary under the conditions set forth in the Act. Securities eligible to be pledged as collateral are generally limited to obligations of the United States government and any state thereof and are held in the name of the State CFO's office. Compliance with the provisions of Chapter 280, Florida Statutes, is monitored by a Qualified Public Depository Oversight Board with members appointed by the State CFO.

*Custodial Credit Risk—Investments*: In the case of investments, this 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. As of September 30, 2025, the City's investments in U.S. Treasury obligations and federal instrumentalities/agency obligations are backed by the full faith and credit of the United States, or explicitly guaranteed by the United States. The City's investment in corporate debt obligations are held in the form of corporate bonds through a financial brokerage firm. The corporate debt obligations are uninsured, unregistered and held by the City's brokerage firm which is also the counterparty for these particular securities.

*Foreign Currency Risk*: Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The investment policy does not permit general obligations issued by a foreign government and is, therefore, not exposed to foreign currency risk.

***Pension Plan Deposits and Investments***

The City's Pension Plans are authorized to invest in the following investments:

Investment products and funds provided through insurance companies, including, but not limited to, annuity and life insurance contracts of life insurance companies in amounts sufficient to provide, in whole or in part, the benefits to which all of the members in the fund shall be entitled under the provisions of this system and pay the initial and subsequent premium thereon.

Time or savings accounts of a national bank, a state bank or a savings/building and loan association insured by the Federal Deposit Insurance Corporation.

Obligations of the United States or obligations guaranteed as to principal and interest by the government of the United States.

Open-end non-commission bank or insurance company real estate funds with ability to liquidate every three (3) months.

Foreign securities.

Bonds, stocks, commingled or mutual funds.

State Board of Administration and the investment vehicles it utilizes.

Any other investment which the pension board deems to be prudent.

(4) **Cash Deposits and Investments:** (Continued)

The pension plan investments measured via Level 2 inputs are valued based on the price/yield of similar bonds or other investments.

The following chart shows the General Employees' Pension fund cash and investment accounts by investment portfolios and their respective maturities (in years):

| | Fair Value | Weighted Average Maturity (years) | Credit Rating Range (S&P) | Fair Value Hierarchy Classification |
|---|---|---|---|---|
| Money Market Funds | $ 1,084,077 | N/A | NR | Level 1 |
| U.S. Treasury Obligations | 2,588,336 | 4.93 | NR | Level 2 |
| U.S. Government Obligations | 3,068,716 | 16.26 | NR | Level 2 |
| Corporate Debt | 2,646,457 | 4.96 | BBB- to AA- | Level 2 |
| Municipal Debt | 51,605 | 3.17 | NR | Level 2 |
| Equities – Domestic | 10,789,796 | N/A | NR | Level 1 |
| Equities – International | 14,031,776 | N/A | NR | Level 1 |
| Florida Municipal Investment Trust | 4,033,597 | N/A | NR | Level 2 |
| Real Estate Pooled Separate Account | 2,830,546 | N/A | NR | Level 3 |
| Total Portfolio | $ 41,124,906 | | | |

The following chart shows the Fire Pension fund cash and investment accounts by investment portfolios and their respective maturities (in years):

| | Fair Value | Weighted Average Maturity (years) | Credit Rating Range (Moody's) | Fair Value Hierarchy Classification |
|---|---|---|---|---|
| Money Market Funds | $ 753,008 | N/A | NR | N/A |
| U.S. General & Agency Obligations | 6,929,431 | 2.8 | Aaa | Level 2 |
| Corporate Bonds | 4,187,674 | 1.6 | Baa3-Aaa | Level 2 |
| Common Stock | 3,004,602 | N/A | NR | Level 1 |
| Mutual Funds | 34,794,485 | N/A | NR | Level 1 |
| Real Estate Partnership | 1,624,768 | N/A | NR | Level 3 |
| Total Portfolio | $ 53,480,755 | | | |

The following chart shows the Police Pension fund cash and investment accounts by investment portfolios and their respective maturities (in years):

| | Fair Value | Weighted Average Maturity (years) | Credit Rating Range (S&P) | Fair Value Hierarchy Classification |
|---|---|---|---|---|
| Money Market Funds | $ 333,084 | N/A | NR | N/A |
| Mutual Funds – equity | 49,166,856 | N/A | NR | Level 1 |
| Mutual Funds – fixed income | 14,508,327 | N/A | NR | Level 2 |
| Real Estate Partnership | 11,350,311 | N/A | NR | Level 3 |
| Total Portfolio | $ 75,358,578 | | | |

(4) **Cash Deposits and Investments:** (Continued)

*Interest Rate Risk:* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of investments. Generally, the longer the time to maturity, the greater the exposure to interest rate risk. The established performance objectives of the Pension Plans require investment maturities to provide sufficient liquidity to pay obligations as they become due, the majority of which is liquidated by the general fund. At September 30, 2025, the weighted average maturity in years for each investment type is included in the preceding table.

*Credit Risk:* Credit risk is the risk that a debt issuer or other counter-party to an investment will not fulfill its obligations. The Pension Plans utilize portfolio diversification in order to limit investments to the highest rated securities as rated by nationally recognized rating agencies. The ratings of the investments held at year end are shown above. All are rated within the investment policy guidelines at September 30, 2025.

*Concentration of Credit Risk:* Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The Fire Pension trust funds policy does not allow more than five (5) percent of its assets in the common stock, capital stock, or convertible securities of any one issuing company, nor shall the aggregate investment in any one issuing company, exceed five (5) percent of the outstanding stock of that company, nor shall the aggregate of its investments at market in common stock, capital stock and convertible securities exceed seventy (70) percent of the fund's total assets. The Police Pension trust funds policy does not allow more than five (5) percent of its assets in the common stock, capital stock, or convertible securities of any one issuing company, nor shall the aggregate investment in any one issuing company, exceed twelve and one-half (12.5) percent of the outstanding stock of that company. The General Employee Pension trust funds policy does not allow more than five (5) percent of its assets in the common stock, capital stock, or convertible securities of any one issuing company, nor shall the aggregate investment in any one issuing company, exceed fifteen (15) percent of the outstanding stock of that company, nor shall the aggregate of its investments at market in common stock, capital stock and convertible securities exceed seventy-five (75) percent of the fund's total assets. At September 30, 2025, the investment portfolios met the single issuer limitations.

*Custodial Credit Risk*: Custodial credit risk is the risk that the City may not recover cash and investments held by another party in the event of financial failure. Custodial credit risk is limited since investments are held in independent custodial safekeeping accounts or mutual funds.

*Foreign Currency Risk*: Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The Pension trust funds policies allow for up to twenty-five (25) percent of its investments in common stock, capital stock and convertible securities at fair value in foreign securities. At September 30, 2025, the investment portfolios met the foreign securities limitations.

A reconciliation of cash and investments as shown in the accompanying financial statements follows:

| | |
|---|---|
| **Government-Wide Statement of Net Position:** | |
| Equity in pooled cash | $ 87,636,619 |
| Restricted equity in pooled cash | 109,692,748 |
| Restricted investments | 503,959 |
| Total | $197,833,326 |

## (5) Receivables:

### *Accounts Receivable*

The City's receivables consisted of the following at September 30, 2025:

| | Gross Receivable | Allowance for Doubtful Accounts | Net Receivable |
|---|---|---|---|
| Governmental Activities: | | | |
| General Fund | | | |
| Delinquent taxes receivable | $ 45,951 | $ - | $ 45,951 |
| Accounts receivable | 6,316,457 | (2,886,889) | 3,429,568 |
| Eastport CRA Fund | | | |
| Accounts receivable | - | - | - |
| Town Center CRA Fund | | | |
| Accounts receivable | - | - | - |
| Nonmajor Governmental Funds | | | |
| Accounts receivable | 2,112 | - | 2,112 |
| | 6,364,520 | (2,886,889) | 3,477,631 |
| Internal Service: | | | |
| Accounts receivable | - | - | - |
| Total – Governmental Activities | 6,364,520 | (2,886,889) | 3,477,631 |
| Business-Type Activities: | | | |
| Water and Sewer Fund | | | |
| Accounts receivable | 4,311,445 | (397,312) | 3,914,133 |
| Solid Waste Fund | | | |
| Accounts receivable | 1,518,556 | (163,518) | 1,355,038 |
| Stormwater Utility Fund | | | |
| Accounts receivable | 45,413 | (227) | 45,186 |
| Golf Course Fund | | | |
| Accounts receivable | 1,519 | - | 1,519 |
| Totals – Business-Type Activities | 5,876,933 | (561,057) | 5,315,876 |
| Totals | $ 12,241,453 | $ (3,447,946) | $ 8,793,507 |

### *Leases Receivable*

The City has ongoing lease agreements with third parties related to rentals of land, building space, cell towers, and billboards owned by the City. The City has approximately 7 leases, most of which were entered into with 5-year terms that include additional renewal terms of up to two or more years.

A summary of the City's activity surrounding leases receivable as of and for the year ending September 30, 2025, is as follows:

| | General Fund | Recreation Facilities | Governmental Activities | Water & Sewer Fund | Business-Type Activities |
|---|---|---|---|---|---|
| Lease Revenue | $ 361,501 | $ 223,442 | $ 584,943 | $ 97,811 | $ 97,811 |
| Lease Receivable | 2,130,994 | 553,591 | 2,684,585 | 399,012 | 399,012 |
| Deferred Inflows | 2,026,225 | 502,744 | 2,528,969 | 399,332 | 399,332 |

## (6) Interfund Loans, Advances, Fees, and Transfers:

At September 30, 2025, individual fund advances to and from other funds for the primary government were comprised of the following:

| | Advance To | Advance From |
|---|---|---|
| Governmental Activities: | | |
| General Fund: | | |
| Town Center CRA Fund | $ 2,060,306 | $ - |
| Town Center CRA Fund: | | |
| General Fund | - | 2,060,306 |
| Internal Loan Pool Fund | - | 2,465,390 |
| Business-Type Activities: | | |
| Water and Sewer Fund: | | |
| Golf Course Fund | 1,559,061 | - |
| Golf Course Fund: | | |
| Water and Sewer Fund | - | 1,559,061 |
| Internal Service Funds: | | |
| Internal Loan Pool Fund: | | |
| Town Center CRA Fund | 2,465,390 | - |
| Totals - All Funds | $ 6,084,757 | $ 6,084,757 |

The outstanding balances between funds result mainly from the time lag between the dates reimbursable expenditures occur, when transactions are recorded in the accounting system, and when payments between funds are made. At September 30, 2025, the City did not have any individual fund interfund receivables and payables for the primary government.

Transfers are used to (1) move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due, (2) move restricted amounts from borrowings to the debt service funds to establish and maintain mandatory reserve and sinking fund accounts, (3) move revenues from proprietary fund operations to the general fund for payments in lieu of taxes, and (4) move unrestricted revenues to finance various programs that the City must account for in other funds in accordance with budgetary authorizations, including amounts provided as matching funds for various grant programs.

(6) **Interfund Loans, Advances, Fees, and Transfers:** (Continued)

For the year ended September 30, 2025, individual fund transfers to and from other funds for the primary government were comprised of the following:

| | Transfer From | Transfer To |
|---|---|---|
| Governmental Activities: | | |
| General Fund: | | |
| Nonmajor Governmental Funds | $ - | $ 6,069,207 |
| Water and Sewer Fund | 1,632,784 | - |
| Solid Waste Fund | 295,196 | - |
| Stormwater Utility Fund | 282,088 | 1,721,611 |
| Town Center CRA Fund: | | |
| Debt Service Funds | - | 401,618 |
| Eastport CRA Fund: | | |
| Debt Service Funds | - | 234,510 |
| Nonmajor Governmental Funds: | | |
| Capital Projects Funds: | | |
| General Fund | 4,883,115 | - |
| Debt Service Funds: | | |
| General Fund | 1,186,092 | - |
| Town Center CRA Fund | 401,618 | - |
| Eastport CRA Fund | 234,510 | - |
| Stormwater Utility Fund | 92,025 | - |
| | 9,007,428 | 8,426,946 |
| Business-Type Activities: | | |
| Water and Sewer Fund: | | |
| General Fund | - | 1,632,784 |
| Solid Waste Fund: | | |
| General Fund | - | 295,196 |
| Stormwater Utility Fund: | | |
| General Fund | 1,721,611 | 282,088 |
| Debt Service Funds | - | 92,025 |
| | 1,721,611 | 2,302,093 |
| Totals - All Funds | $ 10,729,039 | $ 10,729,039 |

Transfers from the General Fund to the Water and Sewer Fund and the Stormwater Fund are to provide for payments in lieu of taxes revenues for the year. Transfers from the General Fund to the Capital Projects Funds are to fund certain construction in progress and capital projects for the year. Transfers from the General Fund, Town Center CRA Fund, Eastport CRA Fund, and Stormwater Utility Fund to the Debt Service Funds are for the purpose of making current year debt service payments.

## (7) Capital Assets:

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

| | Beginning Balance | Increases | Reclassifications | Decreases | Ending Balance |
|---|---|---|---|---|---|
| ***Governmental activities:*** | | | | | |
| Capital assets not being depreciated: | | | | | |
| Land | $ 24,973,091 | $ 3,465,413 | $ - | $ (465) | $ 28,438,039 |
| Easements | 14,933,647 | 867,366 | - | - | 15,801,013 |
| Works of art | 12,000 | - | - | - | 12,000 |
| Construction in progress | 3,602,478 | 4,396,026 | (7,770) | (317,820) | 7,672,914 |
| Total assets not being depreciated | 43,521,216 | 8,728,805 | (7,770) | (318,285) | 51,923,966 |
| Capital assets being depreciated: | | | | | |
| Building & Improvements | 92,900,470 | 530,917 | 7,770 | (2,151,806) | 91,287,351 |
| Infrastructure | 88,226,176 | 587,182 | - | (1,463,390) | 87,349,968 |
| Machinery and equipment | 43,216,391 | 7,304,031 | - | (2,308,311) | 48,212,111 |
| Total assets being depreciated | 224,343,037 | 8,422,130 | 7,770 | (5,923,507) | 226,849,430 |
| Total accumulated depreciation | (131,014,117) | (8,812,006) | - | 5,923,507 | (133,902,616) |
| Total capital assets being depreciated, net | 93,328,920 | (389,876) | 7,770 | - | 92,946,814 |
| Governmental activities capital assets, net | $ 136,850,136 | $ 8,338,929 | $ - | $ (318,285) | $ 144,870,780 |

| | Beginning Balance | Increases | Reclassifications | Decreases | Ending Balance |
|---|---|---|---|---|---|
| ***Business-type activities:*** | | | | | |
| Capital assets not being depreciated: | | | | | |
| Land | $ 30,424,040 | $ - | $ - | $ - | $ 30,424,040 |
| Construction in progress | 15,264,194 | 20,763,453 | - | (8,381,505) | 27,646,142 |
| Total assets not being depreciated | 45,688,234 | 20,763,453 | - | (8,381,505) | 58,070,182 |
| Capital assets being depreciated: | | | | | |
| Building & Improvements | 33,208,112 | 5,611,341 | - | - | 38,819,453 |
| Infrastructure | 314,518,376 | 1,070,540 | - | - | 315,588,916 |
| Machinery and equipment | 11,043,591 | 3,377,908 | - | (6,004) | 14,421,499 |
| Total assets being depreciated | 358,770,079 | 10,059,789 | - | (6,004) | 368,829,868 |
| Total accumulated depreciation | (189,054,212) | (12,660,204) | - | 6,004 | (201,708,412) |
| Total capital assets being depreciated, net | 169,715,867 | (2,600,415) | - | - | 167,121,456 |
| Business-type activities capital assets, net | $ 215,404,101 | $ 18,163,038 | $ - | $ (8,381,505) | $ 225,191,638 |

(7) **Capital Assets:** (Continued)

Depreciation expense was charged to functions/programs as follows:

| | |
|---|---|
| Governmental activities: | |
| General governmental | $ 6,670,497 |
| Public safety | 1,319,665 |
| Transportation | 262,948 |
| Culture and recreation | 558,896 |
| Total depreciation expense - governmental activities | $ 8,812,006 |
| Business-type activities: | |
| Water and sewer | $ 10,032,252 |
| Solid Waste | 11,765 |
| Stormwater Utility | 2,414,111 |
| Golf Course | 202,076 |
| Total depreciation expense - business-type activities | $ 12,660,204 |

(8) **Commitments:**

The City had active construction projects as of September 30, 2025. The projects included construction of utility improvements, road and right-of-way improvements, recreational facilities, and stormwater drainage improvements. At September 30, 2025, the City's commitments with contractors were as follows:

| Project | Total Adjusted Contract Amounts | Remaining Commitment |
|---|---|---|
| Engineering | $ 211,200 | $ 193,500 |
| Facility Improvements | 2,075,481 | 1,071,585 |
| Recreational Improvements | 2,873,380 | 2,365,869 |
| Software Improvements | 108,052 | 108,052 |
| Stormwater Drainage Improvements | 797,308 | 431,352 |
| Transportation Infrastructure | 2,074,812 | 1,004,194 |
| Vehicle/ equipment purchase | 555,053 | 445,767 |
| Water/Sewer Utility Improvements | 25,381,872 | 12,163,729 |
| | $ 34,077,158 | $ 17,784,047 |

Construction of transportation infrastructure improvements is being funded from gas tax revenues, capital project funds, and grant funding. The commitment for stormwater drainage improvements is being funded from stormwater drainage revenues.

## (9) Long-Term Liabilities:

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

| | Beginning Balance | Additions | Deletions | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| **Governmental activities:** | | | | | |
| Bonds and notes payable: | | | | | |
| General obligation bonds and notes | $ 8,695,000 | $ 30,000,000 | $ (590,000) | $ 38,105,000 | $ 615,000 |
| Revenue bonds and notes | 13,570,000 | 8,575,000 | (10,375,000) | 11,770,000 | 260,000 |
| Less deferred amounts: | | | | | |
| Original issue premium | 811,784 | 1,700,667 | (410,098) | 2,102,353 | - |
| Original issue (discount) | (34,517) | - | 5,350 | (29,167) | - |
| Total bonds and notes payable | 23,042,267 | 40,275,667 | (11,369,748) | 51,948,186 | 875,000 |
| Financed purchases | 2,019,483 | 3,295,000 | (436,254) | 4,878,229 | 691,695 |
| Subscription liabilities | - | 1,555,259 | (470,944) | 1,084,315 | 447,823 |
| Compensated absences | 3,672,432 | 267,582 | - | 3,940,014 | 985,004 |
| Governmental activities – Total long-term liabilities | $ 28,734,182 | $ 43,838,249 | $(11,806,002) | $61,850,744 | $ 2,999,522 |

| | Beginning Balance | Additions | Deletions | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| **Business-type activities:** | | | | | |
| Bonds payable: | | | | | |
| Revenue bonds and notes | $ 4,965,000 | $ 26,060,000 | $ (4,965,000) | $ 26,060,000 | $ - |
| Loans from other governments | 2,939,443 | - | (1,191,626) | 1,747,817 | 1,223,041 |
| Less deferred amounts: | | | | | |
| Original issue premium | - | 1,028,042 | - | 1,028,042 | - |
| Original issue (discount) | (24,134) | - | 24,134 | - | - |
| Total bonds and notes payable | 7,880,309 | 27,088,042 | (6,132,492) | 28,835,859 | 1,223,041 |
| Compensated absences | 632,718 | 274,202 | - | 906,290 | 226,573 |
| Business-type activities – Total long-term liabilities | $ 8,513,027 | $ 28,917,503 | $ (6,603,436) | $ 29,742,149 | $ 1,449,614 |

The change in compensated absences above is a net change for the year.

(9) **Long-Term Liabilities:** (Continued)

Bonds and notes payable in the City's governmental activities at September 30, 2025, were comprised of the following obligations:

| | |
|---|---|
| Series 2007 Town Center Community Redevelopment Agency Tax Increment Note, was issued to fund the construction of infrastructure improvements in the Town Center Community Redevelopment Area, due in payments of principal plus interest ranging from 4.00% to 4.625% semi-annually on April 1 and October 1 of each year until final maturity on April 1, 2036. Pledged by Town Center tax increment revenues. At September 30, 2025, the outstanding balance was $3,195,000.<br><br>The note is secured by a pledge of tax increment revenues generated within the CRA, which include incremental ad valorem tax revenues received from the City of Port Orange, Volusia County, and other participating taxing authorities and deposited into the redevelopment trust fund. For the fiscal year ended September 30, 2025, the CRA recognized $176,805 in tax increment revenues and $219,789 in intergovernmental revenues, which are substantially comprised of pledged tax increment revenues. Debt service payments totaled $401,618, consisting of $245,000 in principal and $156,618 in interest. Pledged revenues were sufficient to meet current year debt service requirements.<br><br>The bond agreement allows for the issuance of additional debt payable from pledged revenues, subject to certain conditions, including revenue coverage requirements. | $ 3,195,000 |
| Series 2025 Capital Improvement Refunding Revenue Bonds were issued in the amount of $34,635,000 to refund the City's Capital Improvement Revenue Bonds, Series 2014 for $8,575,000 (Governmental Activities), refund the City's Stormwater Utility Revenue Bonds for $4,485,000 (Business-Type), and to construct certain capital improvements for Water and Sewer for $21,575,000 (Business-Type). Bond is due in payments of principal plus interest ranging from 4.75% to 5.00% in semi-annual installments due on April 1 and October 1 through October 1, 2055.<br><br>The reacquisition price exceeded the net carrying amount of the old debt by $1,101,817. This amount is reported as a deferred outflow of resources and is being amortized as an addition to interest expense over the remaining life of the refunding debt. The refunding reduced total debt service payments by $1,886,267 and resulted in an economic gain, defined as the difference between the present values of the debt service payments on the old and new debt. Secured by a pledge of non-Ad Valorem revenues of the City. For the current fiscal year, no debt service payments were required; therefore, pledged revenues were not needed to meet debt service requirements. | 8,575,000 |

(9) **Long-Term Liabilities:** (Continued)

| | |
|---|---|
| Series 2016 General Obligation Bonds were issued in the amount of $12,895,000 to refund the City's General Obligation Bonds, Series 2006; payments are due serially with interest rates ranging from 2.00% to 4.00%, payable in semi-annual installments due on April 1 and October 1 through April 1, 2036. | $ 8,105,000 |
| Series 2025 General Obligation Bonds were issued in the amount of $30,000,000 to finance or reimburse the costs of the acquisition, design, construction, renovation, expansion, and improvement of public parks and recreation facilities and related infrastructure located in the City. Payments are due serially with interest rates ranging from 4.750% to 5.00% in semi-annual installments due on April 1 and October 1 through April 1, 2055. | 30,000,000 |
| Total revenue and general obligation bonds | 49,875,000 |
| Net unamortized premiums/(discounts) | 2,073,186 |
| Total bonds and notes payable, governmental activities | $ 51,948,186 |

Financed purchases in the City's governmental activities at September 30, 2025, were comprised of the following obligations:

| | |
|---|---|
| On January 31, 2023, the City entered into an agreement through TD Equipment Finance, Inc., for an Ambulance for $320,625. The agreement bears interest at 3.610% with semi-annual payments of $26,122 until January 2030. | $ 215,214 |
| On January 31, 2023, the City entered into an agreement through TD Equipment Finance, Inc., for a Fire Truck for $822,199. The agreement bears interest at 3.490% with semi-annual payments of $49,054 until January 2033. | 642,501 |
| On November 28, 2023, the City entered into an agreement through TD Equipment Finance, Inc., for a Fire Truck for $1,083,332. The agreement bears interest at 4.720% with semi-annual payments of $68,887 until January 2034. | 955,254 |
| On December 30, 2024, the City entered into an agreement through Truist Commercial Equity Inc., for Police vehicles for a total cost of $910,000. The agreement bears interest at 3.60% with semi-annual payments of approximately $190,000 until January 2030. | 827,179 |
| On December 30, 2024, the City entered into an agreement through Truist Commercial Equity Inc., for a Batwing Mower, Grapple Truck, Fire Engine, and 2 dump trucks for a total cost of $2,385,000. The agreement bears interest at 3.67% with semi-annual payments of approximately $450,000 until January 2033. | 2,238,081 |
| Total financed purchases, governmental activities | $ 4,878,229 |

(9) **Long-Term Liabilities:** (Continued)

Annual debt service requirements to maturity for the City's governmental activities bonds and notes payable and financed purchases are as follows:

| Year Ending | General Obligation Bonds | | Revenue Bonds | | Financed Purchases | | |
|---|---|---|---|---|---|---|---|
| September 30, | Principal | Interest | Principal | Interest | Principal | Interest | Total |
| 2026 | $ 615,000 | $ 1,162,080 | $ 260,000 | $ 399,271 | $ 691,862 | $ 180,841 | $ 3,309,053 |
| 2027 | 1,105,000 | 1,752,788 | 950,000 | 545,644 | 726,635 | 154,351 | 5,234,417 |
| 2028 | 1,155,000 | 1,703,788 | 995,000 | 498,619 | 754,298 | 126,688 | 5,233,393 |
| 2029 | 1,210,000 | 1,652,538 | 1,050,000 | 449,269 | 783,029 | 97,962 | 5,242,798 |
| 2030 | 1,265,000 | 1,598,838 | 1,100,000 | 397,369 | 685,097 | 68,128 | 5,114,432 |
| 2031-2035 | 7,190,000 | 7,109,088 | 6,035,000 | 1,135,601 | 1,237,308 | 75,642 | 22,782,639 |
| 2036-2040 | 5,010,000 | 5,698,438 | 1,380,000 | 41,300 | | | 12,129,738 |
| 2041-2045 | 5,275,000 | 4,530,188 | - | - | | | 9,805,188 |
| 2046-2050 | 6,735,000 | 3,072,188 | - | - | | | 9,807,188 |
| 2051-2055 | 8,545,000 | 1,254,950 | - | - | | | 9,799,950 |
| Total | $ 38,105,000 | $ 29,534,880 | $ 11,770,000 | $ 3,467,073 | $ 4,878,229 | $ 703,613 | $ 88,458,795 |

The City's governmental activities has subscription liabilities for body camera and license plate reader software in the police department. The following is a schedule of future minimum payments for the subscription liabilities listed above for each of the next five years and in the aggregate:

| Year Ending | Governmental Activities | | |
|---|---|---|---|
| September 30, | Principal | Interest | Total |
| 2026 | $ 447,823 | $ 25,827 | $ 473,650 |
| 2027 | 448,005 | 15,085 | 463,090 |
| 2028 | 188,487 | 4,467 | 192,954 |
| Total | $ 1,084,315 | $ 45,379 | $ 1,129,694 |

Bonds and notes payable in the City's business-type activities at September 30, 2025, were comprised of the following obligations:

| | |
|---|---|
| Series 2025 Capital Improvement Refunding Revenue Bonds were issued in the amount of $34,635,000 to refund the City's Capital Improvement Revenue Bonds, Series 2014 for $8,575,000 (Governmental Activities), refund the City's Stormwater Utility Revenue Bonds for $4,485,000 (Business-Type), and to construct certain capital improvements for Water and Sewer for $21,575,000 (Business-Type). Bond is due in payments of principal plus interest ranging from 4.75% to 5.00% in semi-annual installments due on April 1 and October 1 through October 1, 2055. Secured by a pledge of non-Ad Valorem revenues of the City. For the current fiscal year, no debt service payments were required; therefore, pledged revenues were not needed to meet debt service requirements. | $ 26,060,000 |
| Total revenue bonds and notes payable, business-type activities | $ 26,060,000 |

(9) **Long-Term Liabilities:** (Continued)

The following is a summary of the City's State Revolving Fund (SRF) loans granted by the State to fund various water, sewer, and drainage projects at September 30, 2025:

| Project Loan Number | Original Amounts | Interest Rate | Payment Dates | Final Maturity | Balance |
|---|---|---|---|---|---|
| Water and Sewer Fund: | | | | | |
| WWW72514S | $ 7,230,813 | 1.425% | 2/15; 8/15 | 2026 | $ 479,104 |
| DW6413030 | 4,365,810 | 2.580% | 3/15; 9/15 | 2027 | 572,377 |
| Stormwater Utility Fund: | | | | | |
| SW725150 | 5,116,928 | 1.195% | 1/15; 7/15 | 2027 | 696,336 |
| Total | | | | | $ 1,747,817 |

Annual debt service requirements to maturity for the City's business-type activities bonds, notes, and SRF loans payable are as follows:

| Year Ending | Revenue Bonds & Notes | | SRF Loans | | |
|---|---|---|---|---|---|
| September 30, | Principal | Interest | Principal | Interest | Total |
| 2026 | $ - | $ 118,054 | $ 1,223,042 | $ 37,122 | $ 1,378,218 |
| 2027 | 325,000 | 1,287,863 | 524,775 | 8,428 | 2,146,066 |
| 2028 | 535,000 | 1,271,613 | - | - | 1,806,613 |
| 2029 | 810,000 | 1,244,863 | - | - | 2,054,863 |
| 2030 | 845,000 | 1,204,363 | - | - | 2,049,363 |
| 2031-2035 | 4,915,000 | 5,343,065 | - | - | 10,258,065 |
| 2036-2040 | 3,425,000 | 4,189,565 | - | - | 7,614,565 |
| 2041-2045 | 3,560,000 | 3,387,065 | - | - | 6,947,065 |
| 2046-2050 | 4,540,000 | 2,403,815 | - | - | 6,943,815 |
| 2051-2055 | 5,780,000 | 1,166,614 | - | - | 6,946,614 |
| 2056 | 1,325,000 | 62,938 | - | - | 1,387,938 |
| Total | $ 26,060,000 | $ 21,679,818 | $ 1,747,817 | $ 45,550 | $ 19,693,188 |

**Conduit Debt Obligation**

Pursuant to the provisions of Ordinance No. 2019-17, the City authorized issuance of conduit debt in the total amount not to exceed $19,000,000 for Palmer College Foundation, a nonprofit corporation organized and existing under the laws of the State of Iowa, also known as Palmer College Foundation, Inc. for the purpose of conducting its affairs in the State of Florida.

On June 28, 2019, the City issued its Private College Facility Revenue Bonds (Palmer Chiropractic of Chiropractic Project), Series 2019B in the aggregate principal amount of $18,460,000. The proceeds of the bonds were loaned to Palmer College Foundation for the purpose of re-financing the outstanding City of Port Orange, Florida Tax-Exempt Revenue Note, Series 2010 (Palmer College Project) previously issued by the City to finance or re-finance the acquisition and construction of certain educational facilities on the campus of the College at 4777 City Center Parkway, Port Orange, Florida, 32129, paying the swap termination payment in connection with the cancellation of a hedging agreement associated with the prior financing, and paying costs of issuance of the bonds. Principal payments are due in quarterly installments including interest at the effective rate of 0.68% per annum through 2037. At September 30, 2025, the balance of this conduit debt outstanding is $13,033,804.

(9) **Long-Term Liabilities:** (Continued)

Under the financing agreements, the City is not obligated to pay the Series 2010 Note except from the proceeds derived from the repayment of the loan to the Palmer College Foundation, or from the other security pledged thereof by Palmer College Foundation, and neither the faith and credit nor the taxing power of the City, the State or any political subdivision thereof is pledged to the payment of the principal or, premium, if any, or the interest on the obligation.

(10) **Contingencies:**

The City is engaged in various liability claims incidental to the conduct of its general government operations at September 30, 2025. The outcomes of established claims are included in these financial statements. In the opinion of the City's legal counsel, no legal proceedings are pending or threatened against the City which are not covered by applicable insurance which would inhibit its ability to perform its operations or materially affect its financial condition.

(11) **Risk Management:**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters, all of which is satisfactorily insured by limited risk, high deductible commercial general liability insurance. Commercial insurance policies are also obtained for other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

The City's risk management program is achieved through the optimal combination of the purchase of commercial insurance, loss control and safety programs. The City transfers catastrophic risks of property and casualty losses through insurance policies with deductibles. The limits of these policies are $100 million for property and $2 million combined single limit for general and automobile liability. The City also established a limited risk management program for workers' compensation in 1999. Premiums are paid in the Insurance Internal Service Fund by all other funds and are available to pay claims, claim reserves, and the administrative costs of the program. These interfund premiums are used to reduce the amount of claims expenditures reported in the various funds. As of September 30, 2025, such interfund premiums did not exceed reimbursable expenditures.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR) based upon a valuation performed by an independent actuary. The result of the process to estimate claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other social and economic factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries from salvage or subrogation are another component of the claims liability estimate. Excess coverage insurance policies cover individual claims in excess of $-0- for general liability, and $25,000 for workers' compensation and property, respectively. Settlements have not exceeded coverage limits (e.g., there have been no significant insurance proceeds received) for each of the past three years.

(11) **Risk Management:** (Continued)

Changes in the balances of general liability and workers' compensation claims liabilities during the past two years are as follows:

| | Year ended 9/30/2025 | Year ended 9/30/2024 |
|---|---|---|
| Unpaid claims, beginning of fiscal year | $ 401,000 | $ 372,000 |
| Incurred (closed) claims (including IBNRs) | 112,842 | 43,916 |
| Claim payments | (113,842) | (14,916) |
| Unpaid claims, end of fiscal year | $ 400,000 | $ 401,000 |

(12) **Jointly-Owned Property:**

***County of Volusia, Florida.*** The City and County of Volusia, Florida, jointly purchased additional wellfield and water recharge property during 1995. This jointly-owned land, which is approximately 3,709 acres, is contiguous to the City limits.

In September 2006, the City and County of Volusia, Florida, subsequently purchased additional real property, which is approximately 17 acres of environmentally sensitive, water resource protection, and outdoor recreation lands. Interest in the property has been divided on the pro-rata basis of 75% ownership to the City and 25% ownership to the County.

No joint operating expenses were incurred during fiscal year 2025 on the above properties. These type expenses, if incurred, would have been allocated pro-rata to each joint venture party based on their respective ownership percentages.

(13) **Other Postemployment Benefits (OPEB):**

**Plan Description—**City of Port Orange, Florida, Post-Retirement Benefits Plan (the Plan) is a single-employer healthcare plan administered by the City. Pursuant to Section 112.0801, Florida Statutes, the City is required to permit participation in the Plan to retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. Eligible individuals include all regular employees of the City who retire from active service under one of the pension plans sponsored by the City. Under certain conditions, eligible individuals also include spouses and dependent children. The Plan does not issue a publicly available financial report.

**Funding Policy—**The contribution requirements of plan members and the City are established by state statutes and may be amended by the state legislature. The required contribution is based on projected pay-as-you-go financing requirements and is subject to constant revision. The City has opted to not fund the total OPEB liability and does not have any assed accumulated in a GASB-compliant trust.

**Benefits Provided—**The Other Post-Employment Benefit Plan is a single-employer benefit plan administered by the City. Retirees are charged whatever the insurance company charges for the type of coverage elected, however, the premiums charged by the insurance company are based on a blending of the experience among younger active employees and older retired employees. The older retirees actually have a higher cost which means the City is actually subsidizing the cost of the retiree coverage because it pays all or a significant portion of the premium on behalf of the active employee, known as the "implicit rate subsidy."

(13) **Other Postemployment Benefits (OPEB):** (Continued)

**Plan Membership**—At October 1, 2023, the date of the latest actuarial valuation, plan participation consisted of the following:

| | |
|---|---|
| Active Employees | 411 |
| Inactive Employees | 19 |
| | 430 |

**Total OPEB Liability**—The City's total OPEB liability was measured as of September 30, 2024, one year prior to the current reporting period, and was determined by an actuarial valuation as of the date noted in the above Plan Membership section.

**Actuarial Assumptions and Other Inputs**—The total OPEB liability recorded at September 30, 2025, was determined using the following actuarial assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

| | |
|---|---|
| Inflation | 2.50% |
| Salary increases | 4.00%-7.25% |
| Discount rate | 3.81% |
| Healthcare cost trend rate | Getzen Model 7.00% |
| | Ultimate rate reached in 2050 4.00% |
| Retirees' share of benefit-related costs | 100.00% |

The City does not have a dedicated Trust to pay retiree healthcare benefits. The discount rate was based on the Bond buyer "20-Bond GO Index" as of measurement date October 1, 2024. Mortality rates were based on the various PUB-2010 base tables, generational mortality using gender-specific MP-2018 mortality improvement projection scale.

The actuarial assumptions excluding mortality assumption used in the October 1, 2023, actuarial valuation reflect an Experience Study as of 2018 for the City of Port Orange Police Pension Fund and Experience Study as of 2019 for the City of Port Orange Fire and Rescue Pension Fund. General Employees withdrawal and disability assumption are from results of experience studies conducted by the Florida Retirement System as of 2019 and retirement and salary increased assumptions from the October 1, 2023, Actuarial Valuation. Mortality assumptions are from results of experience studies conducted by the Florida Retirement System as of 2019 for Firefighters, Police Officers and General participants

For the fiscal year ended September 30, 2025, changes in the total OPEB liability were as follows:

| | |
|---|---|
| Balance at September 30, 2024 | $ 3,623,511 |
| Changes for a year: | |
| Service cost | 258,381 |
| Interest | 175,121 |
| Benefit changes | - |
| Difference between actual and expected experience | - |
| Changes of assumptions | 370,773 |
| Benefit payments – implicit rate subsidy | (201,445) |
| Net changes | 602,830 |
| Balance at September 30, 2025 | $ 4,226,341 |

No current portion of the total OPEB liability has been presented as management believes such amounts to be inconsequential.

(13) **Other Postemployment Benefits (OPEB):** (Continued)

*Sensitivity of the total OPEB liability to changes in the discount rate:*

The following presents the total OPEB liability of the City calculated using the discount rate of 3.81%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

| | 1% Decrease | Current Discount Rate | 1% Increase |
|---|---|---|---|
| Total OPEB Liability | $ 4,751,628 | $ 4,226,341 | $ 3,780,489 |

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate:*

The following presents the total OPEB liability of the City as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates (7.0%-4.0%):

| | 1% Decrease | Current Trend Rates | 1% Increase |
|---|---|---|---|
| Total OPEB Liability | $ 3,677,944 | $ 4,226,341 | $ 4,900,919 |

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources**

For the year ended September 30, 2025, the City recognized OPEB expense of $(344,218). At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $ 11,778 | $ 469,259 |
| Changes of assumptions | 405,240 | 2,473,195 |
| Contributions subsequent to measurement date | 226,160 | - |
| Total | $ 643,178 | $ 2,942,454 |

With the exception of deferred outflows for contributions subsequent to the measurement date, which will be entirely recognized in fiscal year 2026, amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| | |
|---|---|
| 2026 | $ (674,748) |
| 2027 | (446,972) |
| 2028 | (449,530) |
| 2029 | (454,061) |
| 2030 | (394,896) |
| 2031 | (163,305) |
| Thereafter | 58,076 |

## (14) Employee Retirement Systems and Pension Funds:

### A. Defined Contribution Plans

1. The City Council has adopted the International City Management Association Retirement Corporation Deferred Compensation (ICMA-RC457) Plan. This plan is available to the Mayor, City Council members, City Manager, Assistant City Manager, City Attorney, Assistant City Attorney, department heads, assistant department heads, division heads, and supervisors designated by the City Manager and approved by the City Council, who waive participation in the City of Port Orange General Employees Defined Benefit Retirement Plan as amended and restated effective October 1, 2003, hereinafter the "Plan" and other existing city or state retirement plans to which the city makes contributions, and who enroll in the ICMA-RC457 Plan. The ICMA-RC457 Plan shall also be available to general employees who on or before September 30, 2003, waive participation in the City of Port Orange General Employees Defined Benefit Plan as amended and restated effective October 1, 2003, and other existing city or state retirement plans to which the city makes contributions, and who enroll in the ICMA-RC457 Plan. If the city is not contributing to another retirement plan on behalf of an individual, then contributions by the city to the ICMA-RC457 plan shall be the same percentage or amount as established for the City of Port Orange General Employees Defined Benefit Retirement Plan as amended and restated effective October 1, 2003, or such higher percentage or amount as authorized by the City Council, which is half of employee contribution up to a maximum of 3%. Contributions by the city shall commence immediately upon the person waiving participation in the plan or other existing retirement plan, if any, and enrolling in the ICMA-RC457 Plan. All city employees shall be eligible to enroll in the ICMA-RC457 Plan for the purpose of making voluntary employee contributions to such plan. For the year ended September 30, 2025, actual employer and employee contributions to this plan totaled $81,616 and $1,136,021, respectively.

2. The City Council has adopted the International City Management Association Retirement Corporation (ICMA-RC) Money Purchase Plan and Trust for management employees. The plan is available to the management employees as follows: City Manager, Assistant City Manager, City Attorney, Assistant City Attorney, and department heads, who waive participation in the City of Port Orange General Employees Defined Benefit Retirement Plan as amended and restated effective October 1, 2003 and other existing city or state retirement plans to which the city makes contributions, and who enroll in the ICMA-RC Money Purchase Plan and Trust. Contributions by the city to the ICMA-RC Money Purchase Plan and Trust for management employees shall be the same percentage or amount as established for the City of Port Orange General Employees Defined Benefit Retirement Plan as amended and restated effective October 1, 2003, or such higher percentage or amount as authorized by the City Council which currently ranges from 10% to 15%. Contributions by the city shall commence immediately upon the person waiving participation in the plan or other existing retirement plan and enroll in the ICMA-RC Money Purchase Plan and Trust for management employees. For the year ended September 30, 2025, actual employer and employee contributions to this plan totaled $157,493 and $121,149, respectively.

3. The City Council has adopted the International City Management Association Retirement Corporation (ICMA-RC) Money Purchase Plan and Trust effective October 1, 2003, for contract employees. The plan is available to contract employees of the city, including the assistant department heads, division heads, and supervisors designated by the city manager and approved by the City Council, who waive participation in the City of Port Orange General Employees' Defined Benefit Retirement Plan as amended and restated effective October 1, 2003, and other city or state retirement plans to which the city makes contributions, and who enroll in the ICMA-RC Money Purchase Plan and Trust for contract employees. For purposes of this paragraph contract employees shall exclude the mayor, City Council members, City Manager, Assistant City Manager, City Attorney, Assistant City Attorney, and department heads.

(14) **Employee Retirement Systems and Pension Funds:** (Continued)

City contributions to the ICMA-RC Money Purchase Plan and Trust for contract employees shall be in such percentages or amounts as are specified in the adoption agreement for such plan, or as otherwise authorized by the City Council which is currently 10%. For the year ended September 30, 2025, actual employer contributions to this plan totaled $74,723.

4. The City Council has adopted the International City Management Association Retirement Corporation (ICMA-RC) Money Purchase Plan and Trust effective October 1, 2003, for general employees as defined in this article. The plan is available to the general employees of the city who on or before September 30, 2003, waive participation in the City of Port Orange General Employees' Defined Benefit Retirement Plan as amended and restated effective October 1, 2003, and other city or state retirement plans to which the city makes contributions, and who enroll in the ICMA-RC Money Purchase Plan and Trust for general employees. The ICMA-RC Money Purchase Plan for general employees shall also be available to general employees who are not eligible to participate in the City of Port Orange General Employees' Defined Benefit Retirement Plan (effective October 1, 2010) as amended and restated effective October 1, 2003, or any other city or state retirement plans to which the city makes contributions. City contributions to the ICMA-RC Money Purchase Plan and Trust for general employees shall be in such percentages or amounts as are specified in the adoption agreement for such plan, or as otherwise authorized by the City Council (currently 10%). General employees who are eligible to participate in the City of Port Orange General Employees' Defined Benefit Retirement Plan as amended and restated effective October 1, 2003, and do not waive participation in such plan on or before September 30, 2003, shall not be entitled to waive participation at any time in the future. For the year ended September 30, 2025, actual employer contributions to this plan totaled $1,363,769.

   Members of the pension plan who have achieved ten years of service with the city shall have the option to continue city contributions on their behalf contributed to the General Employee Retirement System, or waive participation in the General Employee Retirement System and enroll in the ICMA-RC Deferred Compensation Plan and have city contributions made on their behalf contributed to the ICMA-RC Deferred Compensation Plan. Such decisions are irrevocable and employees may not switch back to the General Employee Retirement System if the employee elects to waive participation.

These defined contribution plans were established and authorized by the City however they are monitored and maintained by employees. Benefits are paid directly to employees from ICMA-RC with no contingent liability belonging to the City. As such these assets are not presented in these financial statements. More detailed annual financial reports are available for these pension plans on the City's website.

**B. Defined Benefit Plans**

**Plan Description and Administration**

The City maintains three separate single-employer, defined benefit pension plans: The City of Port Orange Fire and Rescue Pension Fund (the Fire Plan) covers all of the City’s fire and rescue personnel; the City of Port Orange Police Pension Fund (the Police Plan) covers all of the City’s police officers; the City of Port Orange General Employees’ Defined Benefit Pension Fund (the General Employees Plan) covers other general employees of the City. These plans contain the assets, liabilities and net position of each respective plan. Each plan is administered by an independent administrator as hired by each of the respective Pension Plan boards.

(14) **Employee Retirement Systems and Pension Funds:** (Continued)

Stand-alone financial reports exist for the General Employees and Police Officers pension plans. All financial activity is reported within the accompanying financial statements. Investments are reported at fair value and are managed by third party money managers. The City's independent custodian and the individual money managers price each instrument (using various third-party pricing sources) and reconcile material differences. Investments that do not have an established market are reported at estimated fair value. Performance reporting, manager fees, and the City's asset valuation are based on the custodian's determination of value.

The City also has a Deferred Retirement Option Program for eligible Police and Fire Plan participants. The DROP Plan allows members who have met the eligibility requirement for normal retirement to have their retirement benefits deposited monthly into a DROP account, earning interest, while simultaneously continuing to work (but not earning additional credit for retirement) for up to sixty months (5 years). Employees who enter the DROP Program have an option of either receiving their earned compensated absences when they enter the program in one lump sum, or to receive the lump sum at the end of their employment with the City. The purpose of this program is to provide a way for retirees to accumulate additional savings while continuing employment.

Costs incurred by each of the plans for administration of the plans, which includes legal and actuarial fees, trustee fees and investment advisory fees, are borne by the respective retirement plans and are included in the actuarial analysis of the required funding amounts.

**Benefits Provided and Employees Covered**

Each Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. Cost of living adjustments are provided to retirees and beneficiaries in accordance with the respective plan provisions. Each of the Plans has contracted with an actuary to provide an actuarial valuation of each plan as of October 1 of each year. Current membership in the employee retirement plans was composed of the following at October 1, 2025:

| | General Employees Plan | Police Plan | Fire Plan |
|---|---|---|---|
| Retirees and beneficiaries currently receiving benefits, including DROP participants | 118 | 80 | 67 |
| Vested terminated employees | 25 | 3 | 16 |
| Active participants | 48 | 82 | 65 |
| Total current membership | 191 | 165 | 148 |

*General Employees Plan*

The General Employees Plan originated as a defined contribution plan on April 1, 1979. However, on October 1, 2003, pursuant to Ordinance No. 2003-27, the defined contribution plan was terminated and converted into a defined benefit plan. On September 28, 2010, continued access to this plan by new employees was limited. Under the provisions of Ordinance No. 2010-29, the General Employee Plan was closed to new members effective September 30, 2010. General employees hired on or after October 1, 2010, may participate in the ICMA-RC Money Purchase Plan and Trust for general employees (401A Defined Contribution Plan). Members participating in a bargaining unit will continue to have access to the General Employee Plan unless this option is removed through future collective bargaining processes.

(14) **Employee Retirement Systems and Pension Funds:** (Continued)

All general employees of the City hired prior to October 1, 2010 must participate in the General Employee Plan unless they are included in the following group of exceptions; 1) general employees that previously opted out of the plan prior to October 1, 2003; 2) police officers in the Police Plan; 3) fire and rescue personnel in the Fire Plan; 4) members of City Council; 5) temporary employees; or 6) contract employees who have opted for the defined contribution plans mentioned later in this note. New non-union (civil service) employees hired on or after October 1, 2010, are not eligible for participation in the plan.

Employees have a stepped vesting program that requires a minimum of 5 years of service to earn a 25% vested benefit. Vesting percentages are increased at a rate of 15% per year for each successive year and are not achieved in full (100%) until after ten years of credited service. Upon retirement, participants are entitled to a Normal Retirement Benefit equal to 2.00% (2.12% for years up to 9/30/09) of their average monthly compensation for each year of credited service at their normal retirement date. The normal form of benefit is Life Only. Upon retirement at Normal Retirement date or later, or Early Retirement with 25 years of service, participants will be eligible for a supplemental benefit equal to $16 per year of service completed prior to September 30, 2009. Early Retirement benefits are available, but are reduced 0.25 of 1% for each month by which their commencement of benefits precedes the normal retirement date. However, participants with 25 or 30 years of service at their early retirement are guaranteed a monthly benefit equal to at least 50% or 60%, respectively, of their final average compensation. The General Employees Plan has no provision for cost-of-living (COLA) adjustments.

Pursuant to Section 54-148, the General Employees Plan also contains a voluntary defined contribution component. Under this plan, employees may contribute up to 10% of their base salary. Accumulated contributions plus related earnings under this plan may be accessed by employees one time per fiscal year, or as needed under certain emergency situations. At September 30, 2025, the total voluntary account balance is $1,208,136 and is contained in the assets as presented in the General Employees Plan.

*Police Plan*

For the Police Plan, all sworn full-time law enforcement officers are eligible to participate. Credited Service is computed in completed months from date of employment to actual retirement or termination date. Upon retirement, Police Plan participants are entitled to an annual pension benefit equal to 3.0% of their average final compensation (equivalent to the average of the three highest years of service for participants hired prior to January 31, 2011, and average of the five highest years of service for participants hired after January 31, 2011) for each year of credited service at their Normal Retirement Date. For members hired on or before January 31, 2011, the Normal Retirement Date is the first day of the month coincident with or next following the earlier of (i) age 48 and ten years of Credited Service, or (ii) age 45 and 25 years of Credited Service. For members hired after January 31, 2011, the Normal Retirement Date is the first day of the month coincident with or next following the date the member attains age 48 and ten years of Credited Service. Certain eligible participants are also eligible for supplemental benefits of up to $600 per month based on years of service and age at retirement. Additional benefit election options are available for early retirement, and disability and death benefits are also provided.

Members hired on or before January 31, 2011, are eligible to enter the deferred retirement option program (DROP) upon earning 25 years of Credited Service. The accrued benefit is frozen and no further Employee Contributions are payable at DROP entry. The accrued benefit accumulates with interest at the fund's assumed rate of investment return in the DROP account (credited quarterly) and is payable as a single-lump sum within 60 days following DROP exit. The maximum DROP participation duration is 60 months. DROP participants are not eligible for pre-retirement death or disability benefits. No DROP is available to members hired after January 31, 2011.

(14) **Employee Retirement Systems and Pension Funds:** (Continued)

Effective October 1, 2001, Members who retired prior to October 1, 2002 (including disability retirees) are granted a 1% cost-of-living adjustment annually commencing the January 1 following the first anniversary of retirement annuity commencement (1% COLA). For a DROP retiree, the 1% COLA is granted commencing on the January 1 following the first anniversary of actual annuity commencement after the end of the DROP period. The 1% COLA is not payable to any participant eligible to receive the 3% COLA, as described in the following. Effective October 1, 2002, retirees are granted a deferred annual 3% cost-of-living adjustment (3% COLA) as follows: (i) Members who are retired on October 1, 2002, and had earned at least 20 years of Credited Service, (ii) Members who are actively employed on October 1, 2002, and had attained age 50 with ten years of Credited Service at that date, (iii) Members who are actively employed on October 1, 2002, with 20 years of Credited Service at that date, (iv) Members who attain 20 years of Credited Service after October 1, 2002, and who retire or enter the DROP by January 31, 2011, and (v) Members who attain 25 years of Credited Service after January 31, 2011. The deferred 3% COLA is payable annually once eligibility criteria have been met based upon a series of age and years-of-service requirements.

*Fire Plan*

All firefighters must participate in the Fire Plan immediately upon employment by the City. Fire Plan participants hired before September 25, 2012, are entitled to an annual pension benefit equal to 3.0% of their average final compensation (equivalent to the average of the three highest years of the last ten years of credited service) for each year of credited service at their normal retirement date. Fire Plan participants hired on or after September 25, 2012, are entitled to an annual pension benefit equal to 2.5% of their average final compensation (equivalent to the average of the five highest years of the last ten years of credited service) for each year of credited service at their normal retirement date. Normal retirement date is achieved at the earlier of age 50 and 10 years of credited service or 20 years of credited service for employees hired prior to September 25, 2012. For employees hired on or after September 25, 2012, eligibility for normal retirement occurs at the earlier of age 55 and 10 years of credited services of the completion of 25 years of service (age 52 is also required for employees hired after December 4, 2012). Maximum benefits may not exceed the lesser of 80% (90% for employees hired before December 4, 2012) of average final compensation or $95,000, unless the benefit calculated based upon 2.0% times credited years of service equates to a greater amount. Early retirement benefits are available, but are actuarially reduced to reflect early payment when the commencement of benefits precedes the normal retirement date. The plan provides supplemental health subsidy benefits that range from $20 to $500 per month, based on credited service.

Members hired on or before December 4, 2012, are eligible to enter the deferred retirement option program (DROP) upon meeting the eligibility requirement for normal retirement. The accrued benefit is frozen and no further Employee Contributions are payable at DROP entry. The accrued benefit accumulates with interest at the fund's actual net rate of investment return in the DROP account (credited quarterly). The maximum DROP participation duration is 60 months. DROP participants are not eligible for pre-retirement death or disability benefits. No DROP is available to members hired after December 4, 2012.

Cost-of-living adjustments (COLA's) are provided for with an annual increase of 3.0% commencing upon the 61$^{st}$ month following retirement for members who retired before October 1, 2003. For those who retired after October 1, 2003, with at least 20 years of credited service and who accrued benefits prior to January 1, 2013, the 3.0% annual increase will commence upon the 61$^{st}$ month following retirement. For all other retirees with benefits accrued prior to January 1, 2013, the annual COLA increase is 1.0% and begins on January 1 following one full year of retirement. For members with benefits accrued after January 1, 2013, and at least 25 years of credited service (or 20 years of credited services if first eligible for normal retirement at age 55 and 10 years of service), the annual COLA increase begins at the later of 8 years after retirement or age 59.5 and is equal to the lesser of 3.0% or the amount granted for Social Security benefits, and will only adjusted in years the Fire Plan meets or exceeds the actuarial assumptions, and only when the Fire Plan's plan fiduciary net position as a percentage of total pension liability exceeds 80.0%. No COLA is available to members hired after December 4, 2012.

(14) **Employee Retirement Systems and Pension Funds:** (Continued)

**Financial Statements**

The financial statements of the plans are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. The City's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. All plan investments are reported at fair value. The Police and General Employees' plans also issue stand-alone financial reports.

**Contributions**

Local Ordinance No. 1999-40, No. 2002-59 and No. 2003-27 for the Municipal Firemen's, Municipal Police Officers' and General Employees' Pension Plans, respectively provide the authority under which the City establishes or amends pension policies, procedures and/or benefits. The participant contribution rates are established by and may be amended by the City Council. Participant contribution rates for the General Employees Plan, Police Plan, and Fire Plan are 7.50%, 8.00% (7.50% for employees hired prior to January 31, 2011), and 7.50% (8.00% for employees hired prior to December 4, 2012), respectively, of covered payroll. The City's annual required contribution for the current year was determined as part of the October 1, 2023, actuarial valuations. The City is required under the Florida Protection of Public Employee Retirement Benefits Act to meet required contribution amounts. The City's contributions (and if applicable, any liquidations of a net pension obligation) to the Police and Fire Plans are funded by the General Fund, while the General Employees' Plan contributions are funded by the General Fund and various enterprise funds.

The State of Florida also makes contributions to the Firefighters' and Police Officers' Retirement Plans in accordance with Chapter 175 and Chapter 185 of the Florida Statutes as amended by the State Legislature. This contribution by the State of Florida is first recognized as revenue in the General Fund before being transferred to the Pension Fund. The City's actual annual contribution for each plan is determined by subtracting estimated employee contributions and actual State of Florida contributions from the total annual required contribution as determined by the actuary.

For the year ended September 30, 2025, contributions to the City's pension plans were as follows:

| | General Employees Plan | Police Plan | Fire Plan | Total |
|---|---|---|---|---|
| Employee contributions | $ 249,609 | $ 551,178 | $ 373,737 | $ 1,174,524 |
| City contributions | 674,990 | 2,600,544 | 3,569,522 | 6,845,056 |
| State contributions | - | 752,671 | 658,382 | 1,411,053 |
| Total contributions | $ 924,599 | $ 3,904,393 | $ 4,601,641 | $ 9,430,633 |

(14) **Employee Retirement Systems and Pension Funds:** (Continued)

**Investment Policy**

See Note (4) for additional discussion of the investment policies for each of the Plans. The following was the asset allocation policy for each of the plans at September 30, 2025:

| | Target Asset Allocation | | |
|---|---|---|---|
| Asset Class | General Employees Plan | Police Plan | Fire Plan |
| Domestic equity | 55.00% | 47.50% | 47.00% |
| International equity | 10.00% | 15.00% | 15.00% |
| Bonds | 0.00% | 0.00% | 30.00% |
| Domestic fixed income | 20.00% | 17.50% | 0.00% |
| International fixed income | 0.00% | 5.00% | 0.00% |
| Real estate | 10.00% | 15.00% | 5.00% |
| Private credit | 0.00% | 0.00% | 3.00% |
| Hedge funds | 0.00% | 0.00% | 0.00% |
| Cash and equivalents | 5.00% | 0.00% | 0.00% |

**Net Pension Liability**

The components of the net pension liability of the pension plans at September 30, 2025, were as follows:

| | General Employees Plan | Police Plan | Fire Plan | Total |
|---|---|---|---|---|
| Total pension liability | $ 43,582,174 | $ 83,588,920 | $ 66,264,698 | $182,888,742 |
| Plan fiduciary net position | (40,202,758) | (75,663,692) | (53,622,823) | (154,274,966) |
| Net pension liability (asset) | $ 3,379,416 | $ 7,925,228 | $ 12,641,875 | $ 23,946,519 |
| Plan fiduciary net position as percentage of total pension liability | 92.25% | 90.52% | 80.92% | 84.35% |

The total pension liability was determined by actuarial valuations as of October 1, 2024, and measurement date of September 30, 2025, using the following actuarial assumptions to all measurement periods.

| | General Employees Plan | Police Plan | Fire Plan |
|---|---|---|---|
| Inflation | 3.00% | 2.00% | 2.5% |
| Salary increases | 4.00% | 7.25% | Service based |
| Investment rate of return | 6.50% | 6.75% | 7.25% |
| Mortality table | Pub 10, Scale MP-21 | Pub 10, Scale MP-2021 | Pub 10, Scale MP-2021 |

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates.

(14) **Employee Retirement Systems and Pension Funds:** (Continued)

Best estimates of arithmetic real rates of return for each major class included in the pension plan's target asset allocation as of September 30, 2025, are summarized in the following table:

| | Long Term Expected Real Rate of Return | | |
|---|---|---|---|
| Asset Class | General Employees Plan | Police Plan | Fire Plan |
| Domestic equity | 7.50% | 7.50% | 7.80% |
| International equity | 8.50% | 8.50% | 3.80% |
| Domestic fixed income | 2.50% | 2.50% | n/a |
| International fixed income | n/a | 3.50% | n/a |
| Bonds | n/a | n/a | 1.80% |
| Real estate | 4.50% | 4.50% | 5.40% |
| Private credit | n/a | n/a | 2.70% |
| Hedge funds | n/a | n/a | n/a |
| Money market | n/a | n/a | n/a |

Note: While the weighted composite average for the General Employee Plan return does not add up to the return used as the discount rate, recent history of the trust in exceeding the assumed rate, along with prevailing practice among similar public pension systems, has led management to continue to assume the current rate. The long-term expected rates shown above were provided by the Plan's financial advisor using Horizon Survey's 2021 capital markets assumptions. They are presented net of expected inflation.

*Discount rate:*

The discount rate used to measure the total pension liability for each pension plan varied as discussed on the following pages. The projection of cash flows used to determine the discount rate assumed the plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

(14) **Employee Retirement Systems and Pension Funds:** (Continued)

*Changes in net pension liability:*

Changes in each plan's net pension liability were as follows:

| | General Employees Plan | | |
|---|---|---|---|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a-b) |
| Beginning Balance | $ 43,656,406 | $ 38,824,683 | $ 4,831,723 |
| Changes for year: | | | |
| Service cost | 476,547 | - | 476,547 |
| Interest | 2,666,089 | - | 2,666,089 |
| Difference between actual and expected experience | 1,711,113 | - | 1,711,113 |
| Assumption changes | (2,109,488) | - | (2,109,488) |
| Contributions - employer | - | 674,990 | (674,990) |
| Contributions - employee | - | 249,609 | (249,609) |
| Net investment income | - | 3,367,668 | (3,367,668) |
| Benefit payments including refunds of contributions | (2,818,493) | (2,818,493) | - |
| Administrative expense | - | (95,699) | 95,699 |
| Net changes | (74,232) | 1,378,075 | (1,452,307) |
| Ending Balance | $ 43,582,174 | $ 40,202,758 | $ 3,379,416 |

(14) **Employee Retirement Systems and Pension Funds:** (Continued)

| | Police Plan | | |
|---|---|---|---|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a-b) |
| Beginning Balance | $ 76,002,608 | $ 67,366,446 | $ 8,636,162 |
| Changes for year: | | | |
| Service cost | 1,728,025 | - | 1,728,025 |
| Interest | 5,130,696 | - | 5,130,696 |
| Changes in benefit terms | - | - | - |
| Difference between actual and expected experience | 2,077,562 | - | 2,077,562 |
| Assumption changes | 2,090,663 | - | 2,090,663 |
| Contributions - employer | - | 2,600,544 | (2,600,544) |
| Contributions - state | - | 752,671 | (752,671) |
| Contributions - employee | - | 551,178 | (551,178) |
| Net investment income | - | 8,004,188 | (8,004,188) |
| Benefit payments including refunds of contributions | (3,440,634) | (3,440,634) | - |
| Administrative expense | - | (170,701) | 170,701 |
| Net changes | 7,586,312 | 8,297,246 | (710,934) |
| Ending Balance | $ 83,588,920 | $ 75,663,692 | $ 7,925,228 |

| | Fire Plan | | |
|---|---|---|---|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a-b) |
| Beginning Balance | $ 63,229,728 | $ 48,083,837 | $ 15,145,891 |
| Changes for year: | | | |
| Service cost | 774,627 | - | 774,627 |
| Interest | 4,508,340 | - | 4,508,340 |
| Changes in benefit terms | (349,745) | - | (349,745) |
| Difference between actual and expected experience | 659,245 | - | 659,245 |
| Assumption changes | - | - | - |
| Contributions - employer | - | 3,569,522 | (3,569,522) |
| Contributions - state | - | 658,382 | (658,382) |
| Contributions - employee | - | 373,737 | (373,737) |
| Contributions - buy back | 1,083,204 | - | 1,083,204 |
| Net investment income | - | 4,702,949 | (4,702,949) |
| Benefit payments including refunds of contributions | (3,640,701) | (3,640,701) | - |
| Administrative expense | - | (124,903) | 124,903 |
| Net changes | 3,034,970 | 5,538,986 | (2,504,016) |
| Ending Balance | $ 66,264,698 | $ 53,622,823 | $ 12,641,875 |

(14) **Employee Retirement Systems and Pension Funds:** (Continued)

*Sensitivity of the net pension liability to changes in the discount rate:*

The following presents the net pension liability of the City calculated using the selected discount rates, as well as what the City's net pension liability (NPL) would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

| Plan | Current Discount Rate | NPL with 1% Decrease | NPL at Current Discount Rate | NPL with 1% Increase |
|---|---|---|---|---|
| General Employees | 6.50% | $ 7,424,271 | $ 3,379,416 | $ (775,562) |
| Police | 6.75% | 18,658,926 | 7,925,228 | (857,670) |
| Fire | 7.25% | 20,391,940 | 12,641,875 | 6,192,539 |
| Total | | $ 46,475,137 | $ 23,946,519 | $ 4,559,307 |

For the year ended September 30, 2025, the annual-money weighted rate of return on each pension plan investments, net of pension plan investment expense was as follows:

| | General Employees Plan | Police Plan | Fire Plan |
|---|---|---|---|
| Annual money-weighted rate of return | 8.84% | 12.05% | 9.81% |

The money-weighted rate of return expresses investment performance, net investment expense, adjusted for the changing amounts actually invested.

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

For the year ended September 30, 2025, the City recognized pension expense of $50,301, $3,231,483, and $2,206,895 in the General Employees, Police, and Fire pension plans, respectively, for a total of $5,488,679.

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

| | General Employees Plan | | Police Plan | | Fire Plan | |
|---|---|---|---|---|---|---|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | $ 899,722 | $ - | $ 2,863,697 | $ - | $ 1,641651 | $ - |
| Changes of assumptions | - | (1,054,744) | 1,951,901 | - | 866,564 | - |
| Net different between projected and actual investment earnings | - | (1,579,391) | - | 6,114,262 | - | 2,387,731 |
| | $ 899,722 | $ (2,634,134) | $ 4,815,598 | $ 6,114,262 | $ 2,508,215 | $ 2,387,731 |

(14) **Employee Retirement Systems and Pension Funds:** (Continued)

Amounts reported as deferred outflows and deferred inflows of resources related to pensions being amortized for a period of greater than one year will be recognized in pension expense in succeeding years as follows:

| | General Employees Plan | Police Plan | Fire Plan |
|---|---|---|---|
| 2026 | $ 284,038 | $ 2,408,282 | $ 1,598,807 |
| 2027 | (853,890) | (1,438,740) | (729,909) |
| 2028 | (944,896) | (1,573,713) | (856,882) |
| 2029 | (219,575) | (694,493) | 108,468 |
| 2030 | - | - | - |
| Thereafter | - | - | - |

## C. Pension Fund Financial Statements

The City does not issue separate financial statements for the Fire Plan; separate audits and financial statements have been issued for the Police Plan and the General Employee Plan. The basic financial statements of the City include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position that presents a single column presented by fund type for all pension trust funds. Presented below are the financial statements for each pension trust fund as of and for the year ended September 30, 2025:

### COMBINING SCHEDULE OF NET POSITION – FIDUCIARY FUNDS

| | General Plan | Police Plan | Fire Plan | Total |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Cash and cash equivalents with trustee | $ 1,084,077 | $ 333,084 | $ 753,008 | $ 2,170,169 |
| Prepaid benefit payments | 227,165 | 277,325 | 294,585 | 799,075 |
| Receivables | | | | |
| Interest and dividends receivable | 67,189 | 39,064 | 113,871 | 220,124 |
| Investments, at fair value | | | | |
| U.S. Treasury and agency obligations | 4,254,074 | - | 11,592,586 | 15,846,660 |
| Corporate and municipal debt obligations | 2,208,685 | - | 4,438,265 | 6,646,950 |
| Corporate equity securities | 21,059,728 | - | 6,513,254 | 27,572,982 |
| Mutual funds | - | 64,510,429 | 28,409,101 | 92,919,530 |
| Real estate funds | 7,062,675 | 10,515,065 | 1,774,541 | 19,352,281 |
| Local government investment pool | 5,455,667 | - | - | 5,455,667 |
| Total investments | 40,040,829 | 75,025,494 | 52,727,747 | 167,794,070 |
| Total assets | $ 41,419,260 | $ 75,674,967 | $ 53,889,211 | $ 170,983,438 |
| **LIABILITIES** | | | | |
| Accounts payable | $ 1,216,503 | $ 11,275 | $ 266,388 | $ 1,494,166 |
| Total liabilities | $ 1,216,503 | $ 11,275 | $ 266,388 | $ 1,494,166 |
| **NET POSITION** | | | | |
| Restricted for pensions | $ 40,202,757 | $ 75,663,692 | $ 53,622,823 | $ 169,489,272 |

(14) **Employee Retirement Systems and Pension Funds:** (Continued)

**COMBINING SCHEDULE OF CHANGES IN NET POSITION – FIDUCIARY FUNDS**

| | General Plan | Police Plan | Fire Plan | Total |
|---|---|---|---|---|
| **Additions** | | | | |
| Contributions: | | | | |
| Employer | $ 674,990 | $ 2,600,544 | $ 3,569,522 | $ 6,845,056 |
| Plan members | 249,609 | 551,178 | 373,737 | 1,174,524 |
| State - insurance premium taxes | - | 752,671 | 658,382 | 1,411,053 |
| Total contributions | 924,599 | 3,904,393 | 4,601,641 | 9,430,633 |
| Investment earnings | | | | |
| Net appreciation (depreciation) in fair value of investments | 1,941,765 | 6,353,085 | 3,416,342 | 11,711,192 |
| Interest and dividends | 1,537,915 | 1,714,704 | 1,416,495 | 4,669,114 |
| Total investment earnings | 3,479,680 | 8,067,789 | 4,832,837 | 16,380,306 |
| Less: investment expense | (112,012) | (63,601) | (129,888) | (305,501) |
| Net investment income (loss) | 3,367,668 | 8,004,188 | 4,702,949 | 16,074,805 |
| Total additions | 4,292,267 | 11,908,581 | 9,304,590 | 25,505,438 |
| **Deductions** | | | | |
| Benefit payments and refunds | 2,818,493 | 3,440,634 | 3,640,701 | 9,899,828 |
| Administrative expenses | 95,699 | 170,701 | 124,903 | 391,303 |
| Total deductions | 2,914,192 | 3,611,335 | 3,765,604 | 10,291,131 |
| **Change in net position** | 1,378,075 | 8,297,246 | 5,538,986 | 15,214,307 |
| **Net position restricted for pensions**, beginning of year | 38,824,682 | 67,366,446 | 48,083,837 | 154,274,965 |
| **Net position restricted for pensions**, end of year | $40,202,757 | $75,663,692 | $53,622,823 | $ 169,489,272 |

(15) **Tax Abatements:**

The City entered into an agreement with a local corporation to abate certain ad valorem taxes in exchange for economic incentives. Article VII, Section 3 of the Florida Constitution and Section 16.1995, Florida Statutes, and the electorate of the City, have granted City Council the authority to grant property tax exemptions for new business and expansions of existing businesses. The City Council approved Resolution 17-14, granting the corporation an ad valorem tax rebate over the life of the agreement. During the year ended September 30, 2025, no taxes were abated.

(16) **Deficit Fund Balances:**

At September 30, 2025, the Town Center Community Redevelopment Agency Special Revenue Fund reported a fund balance deficit of ($4,525,696). This cumulative deficit was the result of making excess capital expenditures that are expected to be recovered from subsequent periods' tax increment revenues and proceeds from sales of capital assets.

(17) **Recent Accounting Pronouncements:**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates effective for fiscal years subsequent to September 30, 2025, that have not yet been implemented. Management has not currently determined what, if any, impact implementation of the following will have on the City's financial statements:

GASB issued Statement No. 103, *Financial Reporting Model Improvements*, in April 2024. The objective of GASB 103 is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The effective date for implementation is fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, in September 2024. GASB Statement No. 104 requires governments to disclose separate information about specific types of capital assets and establishes criteria for identifying and reporting capital assets held for sale. The objective of GASB 104 is to enhance transparency and improve the usefulness of financial statements for stakeholders by providing more detailed information on these assets. The provisions are effective for fiscal years beginning after June 15, 2025.

GASB issued Statement No. 105, *Subsequent Events*, in December 2025. GASB Statement No. 105 clarifies the subsequent events time frame and establishes accounting and disclosure requirements for recognized and nonrecognized subsequent events. The provisions of GASB Statement No. 105 are effective for fiscal years beginning after June 15, 2026.

**CITY OF PORT ORANGE, FLORIDA**
**REQUIRED SUPPLEMENTARY INFORMATION**
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY**
**AND RELATED RATIOS**
**LAST 10 FISCAL YEARS**
**(UNAUDITED)**

| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|---|---|---|
| **Total OPEB Liability** | | | | | | | | |
| Service cost | $ 258,381 | $ 312,157 | $ 438,664 | $ 489,884 | $ 431,981 | $ 434,624 | $ 447,656 | $ 463,725 |
| Interest | 175,121 | 254,470 | 156,223 | 164,231 | 173,379 | 299,577 | 269,510 | 232,930 |
| Benefit changes | - | - | - | (1,834) | - | 7,391 | - | - |
| Difference between expected and actual experience | - | (238,820) | - | 25,638 | - | (2,485,993) | - | (461,907) |
| Changes of assumptions | 370,773 | (2,048,971) | (1,566,906) | 9,140 | 31,578 | 549,891 | (284,994) | 229,965 |
| Benefit payments - implicit rate subsidy | (201,445) | (250,473) | (253,872) | (267,640) | (260,248) | (332,431) | (263,588) | (261,178) |
| Net change in total OPEB liability | 602,830 | (1,971,637) | (1,225,891) | 419,419 | 376,690 | (1,526,941) | 168,584 | 203,535 |
| Total OPEB liability - beginning of year | 3,623,511 | 5,595,148 | 6,821,039 | 6,401,620 | 6,024,930 | 7,551,871 | 7,383,287 | 7,179,752 |
| **Total OPEB liability - end of year** | $ 4,226,341 | $ 3,623,511 | $ 5,595,148 | $ 6,821,039 | $ 6,401,620 | $ 6,024,930 | $ 7,551,871 | $ 7,383,287 |
| | | | | | | | | |
| Covered-employee payroll | $ 22,698,030 | $ 22,417,122 | $ 20,079,445 | $ 19,769,785 | $17,955,285 | $ 17,892,048 | $ 19,225,613 | $ 18,572,129 |
| Total OPEB liability as a percentage of covered-employee payroll | 18.62% | 16.16% | 27.87% | 34.50% | 35.65% | 33.67% | 39.28% | 39.75% |
| | | | | | | | | |
| Notes to Schedule: | | | | | | | | |
| | | | | | | | | |
| Measurement Date | 10/1/2024 | 10/1/2023 | 10/1/2022 | 10/1/2021 | 10/1/2020 | 10/1/2019 | 10/1/2018 | 10/1/2017 |
| Valuation date: | 10/1/2023 | 10/1/2023 | 10/1/2021 | 10/1/2021 | 10/1/2019 | 10/1/2019 | 10/1/2017 | 10/1/2017 |
| | | | | | | | | |
| Changes of assumptions. Changes of assumptions and other changes reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period: | | | | | | | | |
| | | | | | | | | |
| | 3.81% | 4.63% | 4.40% | 2.19% | 2.43% | 2.74% | 3.83% | 3.50% |

The City only reports the total OPEB liability as there are no assets accumulated in a GASB-compliant trust.

*10 years of data will be presented as it becomes available.

**CITY OF PORT ORANGE, FLORIDA**
**REQUIRED SUPPLEMENTARY INFORMATION**
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**
**GENERAL EMPLOYEES PLAN**
**SEPTEMBER 30, 2025**
**(UNAUDITED)**

| Fiscal Year Ending September 30, | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Total Pension Liability** | | | | | | | | | | |
| Service cost | $ 476,547 | $ 510,440 | $ 518,849 | $ 566,402 | $ 478,569 | $ 466,411 | $ 482,939 | $ 495,961 | $ 573,319 | $ 575,977 |
| Interest | 2,666,089 | 2,548,419 | 2,508,868 | 2,555,475 | 2,645,885 | 2,791,733 | 2,784,226 | 2,586,918 | 2,478,603 | 2,470,374 |
| Difference between actual and expected experience | 1,711,113 | 338,599 | (1,202,665) | (565,656) | (50,045) | (630,928) | (164,290) | (39,970) | 796,937 | (903,297) |
| Assumption changes | (2,109,488) | - | - | 3,321,080 | - | 1,506,303 | - | - | (69,325) | 2,428,892 |
| Benefit payments including refunds of contributions | (2,818,493) | (2,731,325) | (2,666,139) | (2,630,728) | (2,555,372) | (2,591,963) | (2,600,808) | (2,558,198) | (2,154,821) | (2,043,177) |
| Net change in total pension liability | (74,232) | 666,133 | (841,087) | 3,246,573 | 519,037 | 1,541,556 | 502,067 | 484,711 | 1,624,713 | 2,528,769 |
| Total pension liability - beginning | 43,656,406 | 45,519,041 | 46,360,128 | 43,113,555 | 42,594,518 | 41,052,962 | 40,550,895 | 40,066,184 | 38,441,471 | 33,383,933 |
| **Total pension liability - ending (a)** | $ 43,582,174 | $ 46,185,174 | $ 45,519,041 | $ 46,360,128 | $ 43,113,555 | $ 42,594,518 | $ 41,052,962 | $ 40,550,895 | $ 40,066,184 | $ 35,912,702 |
| **Total Fiduciary Net Position** | | | | | | | | | | |
| Contributions - employer | $ 674,990 | $ 611,995 | $ 546,132 | $ 812,453 | $ 966,934 | $ 849,692 | $ 866,364 | $ 735,559 | $ 794,333 | $ 880,209 |
| Contributions - employee | 249,609 | 261,322 | 266,117 | 279,119 | 292,005 | 275,875 | 305,057 | 318,883 | 360,185 | 396,597 |
| Net investment income | 3,367,668 | 5,674,508 | 1,612,270 | (3,763,794) | 7,340,151 | 2,927,287 | 1,138,227 | 3,846,860 | 3,368,574 | 2,811,791 |
| Benefit payments, including refunds of contributions | (2,818,493) | (2,731,325) | (2,666,139) | (2,630,728) | (2,555,372) | (2,591,963) | (2,600,808) | (2,558,198) | (2,154,821) | (2,043,177) |
| Administrative expense | (95,699) | (90,146) | (95,958) | (89,740) | (79,548) | (76,184) | (80,128) | (73,629) | (75,902) | (86,458) |
| Net change in plan fiduciary net position | 1,378,075 | 3,726,354 | (337,578) | (5,392,690) | 5,964,170 | 1,384,707 | (371,288) | 2,269,475 | 2,292,369 | 1,958,962 |
| Plan fiduciary net position - beginning | 38,824,683 | 35,098,329 | 35,435,907 | 40,828,597 | 34,864,427 | 33,479,720 | 33,851,008 | 31,581,533 | 29,289,164 | 27,330,202 |
| **Plan fiduciary net position - ending (b)** | $ 40,202,758 | $ 38,824,683 | $ 35,098,329 | $ 35,435,907 | $ 40,828,597 | $ 34,864,427 | $ 33,479,720 | $ 33,851,008 | $ 31,581,533 | $ 29,289,164 |
| **Net pension liability - ending (a) - (b)** | $ 3,379,416 | $ 5,401,529 | $ 8,461,750 | $ 8,965,259 | $ 325,996 | $ 5,771,129 | $ 5,614,280 | $ 4,740,925 | $ 6,525,689 | $ 6,623,538 |
| Plan fiduciary net position as a percentage of the total pension liability | 92.25% | 88.30% | 81.41% | 80.66% | 99.24% | 86.45% | 86.32% | 88.31% | 83.71% | 81.56% |
| Covered payroll | $ 3,328,117 | $ 3,484,290 | $ 3,548,147 | $ 3,696,265 | $ 3,893,292 | $ 3,678,337 | $ 4,067,567 | $ 4,251,780 | $ 4,802,452 | $ 5,287,951 |
| Net pension liability as a percentage of covered payroll | 155.03% | 155.03% | 238.48% | 242.55% | 8.37% | 156.90% | 138.03% | 111.50% | 135.88% | 125.26% |
| Plan fiduciary net position for financial statement purposes also includes the following amounts for voluntary contributions: | $ 1,216,503 | $ 1,128,015 | $ 1,078,828 | $ 1,172,202 | $ 1,452,775 | $ 1,659,489 | $ 1,543,336 | $ 1,514,307 | $ 1,445,671 | $ 1,341,946 |

**CITY OF PORT ORANGE, FLORIDA**
**REQUIRED SUPPLEMENTARY INFORMATION**
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**
**POLICE PLAN**
**SEPTEMBER 30, 2025**
**(UNAUDITED)**

| Fiscal Year Ending September 30, | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Total Pension Liability** | | | | | | | | | | |
| Service cost | $ 1,728,025 | $ 1,318,777 | $ 1,242,344 | $ 1,294,706 | $ 1,141,322 | $ 1,089,767 | $ 1,046,453 | $ 933,544 | $ 820,072 | $ 885,450 |
| Interest | 5,130,696 | 4,578,950 | 4,265,524 | 4,177,676 | 3,962,353 | 3,948,829 | 3,777,855 | 3,603,240 | 3,425,372 | 3,371,771 |
| Changes in benefit terms | - | 2,355,507 | 817,204 | - | - | - | - | - | (7,192) | - |
| Difference between actual and expected experience | 2,077,562 | 2,834,810 | 1,587,115 | (966,460) | 778,405 | (512,876) | 228,731 | 413,041 | 397,703 | (950,704) |
| Assumption changes | 2,090,663 | 864,499 | 721,778 | 690,124 | 670,075 | (854,131) | 646,883 | 485,735 | 585,900 | 771,544 |
| Benefit payments including refunds of contributions | (3,440,634) | (3,289,608) | (3,118,586) | (2,951,165) | (2,778,419) | (2,736,407) | (2,614,086) | (2,425,157) | (2,256,996) | (3,144,461) |
| Net change in total pension liability | 7,586,312 | 8,662,935 | 5,515,379 | 2,244,881 | 3,773,736 | 935,182 | 3,085,836 | 3,010,403 | 2,964,859 | 933,600 |
| Total pension liability - beginning | 76,002,608 | 67,339,673 | 61,824,294 | 59,579,413 | 55,805,677 | 54,870,495 | 51,784,659 | 48,774,256 | 45,809,397 | 44,875,797 |
| **Total pension liability - ending (a)** | $ 83,588,920 | $ 76,002,608 | $ 67,339,673 | $ 61,824,294 | $ 59,579,413 | $ 55,805,677 | $ 54,870,495 | $ 51,784,659 | $ 48,774,256 | $ 45,809,397 |
| **Total Fiduciary Net Position** | | | | | | | | | | |
| Contributions - employer | $ 2,600,544 | $ 2,201,908 | $ 2,862,774 | $ 2,614,761 | $ 2,967,626 | $ 2,846,074 | $ 3,051,552 | $ 2,813,517 | $ 2,824,801 | $ 2,817,806 |
| Contributions - state | 752,671 | 681,328 | 583,717 | 511,029 | 494,738 | 498,650 | 485,030 | 444,090 | 397,680 | 373,343 |
| Contributions - employee | 551,178 | 487,102 | 446,629 | 410,604 | 402,855 | 372,178 | 378,935 | 375,306 | 355,777 | 336,731 |
| Net investment income | 8,004,188 | 10,708,176 | 7,536,983 | (8,209,681) | 9,413,959 | 4,114,436 | 1,404,369 | 2,948,620 | 3,063,317 | 1,688,832 |
| Benefit payments, including refunds of contributions | (3,440,634) | (3,289,608) | (3,118,586) | (2,951,165) | (2,778,419) | (2,736,407) | (2,614,086) | (2,425,157) | (2,256,996) | (3,151,653) |
| Administrative expense | (170,701) | (151,798) | (180,825) | (129,154) | (122,327) | (121,286) | (129,585) | (116,145) | (106,538) | (116,769) |
| Net change in plan fiduciary net position | 8,297,246 | 10,637,108 | 8,130,692 | (7,753,606) | 10,378,432 | 4,973,645 | 2,576,215 | 4,040,231 | 4,278,041 | 1,948,290 |
| Plan fiduciary net position - beginning | 67,366,446 | 56,729,338 | 48,598,646 | 56,352,252 | 45,973,820 | 41,000,175 | 38,423,960 | 34,383,729 | 30,105,688 | 28,157,398 |
| **Plan fiduciary net position - ending (b)** | $ 75,663,692 | $ 67,366,446 | $ 56,729,338 | $ 48,598,646 | $ 56,352,252 | $ 45,973,820 | $ 41,000,175 | $ 38,423,960 | $ 34,383,729 | $ 30,105,688 |
| **Net pension liability - ending (a) - (b)** | $ 7,925,228 | $ 8,636,162 | $ 10,610,335 | $ 13,225,648 | $ 3,227,161 | $ 9,831,857 | $ 13,870,320 | $ 13,360,699 | $ 14,390,527 | $ 15,703,709 |
| Plan fiduciary net position as a percentage of the total pension liability | 90.52% | 88.64% | 84.24% | 78.61% | 94.58% | 82.38% | 74.72% | 74.20% | 70.50% | 65.72% |
| Covered employee payroll | $ 7,015,597 | $ 6,226,766 | $ 5,712,169 | $ 5,289,979 | $ 5,199,237 | $ 4,798,318 | $ 4,893,948 | $ 4,855,965 | $ 4,622,671 | $ 4,275,349 |
| Net pension liability as a percentage of covered payroll | 112.97% | 138.69% | 185.75% | 250.01% | 62.07% | 204.90% | 283.42% | 275.14% | 311.30% | 367.31% |

**CITY OF PORT ORANGE, FLORIDA**
**REQUIRED SUPPLEMENTARY INFORMATION**
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**
**FIRE PLAN**
**SEPTEMBER 30, 2025**
**(UNAUDITED)**

| Fiscal Year Ending September 30, | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Total Pension Liability** | | | | | | | | | | |
| Service cost | $ 774,627 | $ 659,386 | $ 651,832 | $ 610,421 | $ 616,749 | $ 570,654 | $ 511,607 | $ 506,131 | $ 468,739 | $ 424,216 |
| Interest | 4,508,340 | 4,228,079 | 4,046,331 | 3,841,890 | 3,703,649 | 3,601,516 | 3,443,468 | 3,348,084 | 3,225,607 | 3,037,757 |
| Changes in benefit terms | (349,745) | 1,879,064 | 57,355 | - | 156,468 | - | (8,591) | - | - | (1,577) |
| Difference between actual and expected experience | 659,245 | 645,390 | 1,148,966 | 1,337,174 | 660,698 | 569,957 | 337,913 | 21,178 | 367,210 | (100,351) |
| Contributions - buy back | 1,083,204 | - | 13,512 | 13,238 | - | - | - | 12,086 | - | - |
| Assumption changes | - | - | - | - | 582,920 | (717,430) | 1,349,692 | 528,047 | 549,204 | 2,361,584 |
| Benefit payments including refunds of contributions | (3,640,701) | (3,682,265) | (3,155,096) | (2,893,417) | (3,018,372) | (2,657,008) | (2,571,837) | (2,534,625) | (2,436,218) | (3,208,450) |
| Net change in total pension liability | 3,034,970 | 3,729,654 | 2,762,900 | 2,909,306 | 2,702,112 | 1,367,689 | 3,062,252 | 1,880,901 | 2,174,542 | 2,513,179 |
| Total pension liability - beginning | 63,229,728 | 59,500,074 | 56,737,174 | 53,827,868 | 51,125,756 | 49,758,067 | 46,695,815 | 44,814,914 | 42,640,372 | 40,127,193 |
| **Total pension liability - ending (a)** | $ 66,264,698 | $ 63,229,728 | $ 59,500,074 | $ 56,737,174 | $ 53,827,868 | $ 51,125,756 | $ 49,758,067 | $ 46,695,815 | $ 44,814,914 | $ 42,640,372 |
| **Total Fiduciary Net Position** | | | | | | | | | | |
| Contributions - employer | $ 3,569,522 | $ 3,428,987 | $ 3,423,262 | $ 2,681,868 | $ 2,314,229 | $ 2,225,281 | $ 2,509,962 | $ 2,582,544 | $ 2,449,781 | $ 2,459,983 |
| Contributions - state | 658,382 | 634,897 | 576,430 | 461,979 | 438,926 | 427,496 | 395,108 | 388,246 | 351,038 | 367,918 |
| Contributions - employee | 373,737 | 338,883 | 305,786 | 277,724 | 237,968 | 226,546 | 226,090 | 217,736 | 209,651 | 200,780 |
| Contributions - buy back | - | - | 13,512 | 13,238 | - | - | - | 12,086 | - | - |
| Net investment income | 4,702,949 | 8,331,528 | 3,088,030 | (7,261,379) | 6,693,113 | 2,769,135 | 1,576,221 | 1,718,519 | 2,516,903 | 2,064,410 |
| Benefit payments, including refunds of contributions | (3,640,701) | (3,682,265) | (3,155,096) | (2,893,417) | (3,018,372) | (2,657,008) | (2,571,837) | (2,534,625) | (2,436,218) | (3,208,450) |
| Administrative expense | (124,903) | (95,509) | (90,246) | (88,144) | (75,205) | (93,364) | (86,848) | (69,199) | (57,973) | (72,625) |
| Net change in plan fiduciary net position | 5,538,986 | 8,956,521 | 4,161,678 | (6,808,131) | 6,590,659 | 2,898,086 | 2,048,696 | 2,315,307 | 3,033,182 | 1,812,016 |
| Plan fiduciary net position - beginning | 48,083,837 | 39,127,316 | 34,965,638 | 41,773,769 | 35,183,110 | 32,285,024 | 30,236,328 | 27,921,021 | 24,887,839 | 23,075,823 |
| **Plan fiduciary net position - ending (b)** | $ 53,622,823 | $ 48,083,837 | $ 39,127,316 | $ 34,965,638 | $ 41,773,769 | $ 35,183,110 | $ 32,285,024 | $ 30,236,328 | $ 27,921,021 | $ 24,887,839 |
| **Net pension liability - ending (a) - (b)** | $ 12,641,875 | $ 15,145,891 | $ 20,372,758 | $ 21,771,536 | $ 12,054,099 | $ 15,942,646 | $ 17,473,043 | $ 16,459,487 | $ 16,893,893 | $ 17,752,533 |
| Plan fiduciary net position as a percentage of the total pension liability | 80.92% | 76.05% | 65.76% | 61.63% | 77.61% | 68.82% | 64.88% | 64.75% | 62.30% | 58.37% |
| Covered employee payroll | $ 4,758,584 | $ 4,338,253 | $ 3,934,872 | $ 3,585,349 | $ 3,081,159 | $ 2,940,474 | $ 2,936,534 | $ 2,837,507 | $ 2,735,484 | $ 2,629,023 |
| Net pension liability as a percentage of covered payroll | 265.66% | 349.12% | 517.75% | 607.24% | 391.22% | 542.18% | 595.02% | 580.07% | 617.58% | 675.25% |

**CITY OF PORT ORANGE, FLORIDA**
**REQUIRED SUPPLEMENTARY INFORMATION**
**SCHEDULE OF CONTRIBUTIONS**
**GENERAL EMPLOYEES PLAN**
**SEPTEMBER 30, 2025**
**(UNAUDITED)**

| Fiscal Year | Actuarially Determined Contribution (ADC) | Contributions in Relation to ADC | Contribution Deficiency (Excess) | Covered Payroll | Contributions as Percentage of Employee Payroll |
|---|---|---|---|---|---|
| 2025 | $ 668,952 | $ 674,990 | $ (6,038) | $ 3,328,117 | 20.28% |
| 2024 | 540,065 | 611,995 | (71,930) | 3,484,290 | 17.56% |
| 2023 | 546,415 | 546,132 | 283 | 3,548,147 | 15.39% |
| 2022 | 802,089 | 812,458 | (10,369) | 3,696,265 | 21.98% |
| 2021 | 965,147 | 966,934 | (1,787) | 3,893,292 | 24.84% |
| 2020 | 849,696 | 849,692 | 4 | 3,678,337 | 23.10% |
| 2019 | 866,392 | 866,364 | 28 | 4,067,567 | 21.30% |
| 2018 | 735,558 | 735,559 | (1) | 4,251,780 | 17.30% |
| 2017 | 744,380 | 794,333 | (49,953) | 4,622,671 | 17.18% |
| 2016 | 739,845 | 880,209 | (140,364) | 4,275,349 | 20.59% |

Notes to Schedule:

Valuation Date: 10/1/2025

Methods and assumptions used to determine contribution rates:

| | |
|---|---|
| Actuarial Cost Method: | Entry Age Normal (as of October 1, 2020) |
| Amortization Method: | The initial base upon transition will be amortized over 20 years. Thereafter all gains and losses, including amendments and changes in assumptions will be amortized over 10 years. |
| Asset Valuation Method: | 5-year smoothed market |
| Inflation: | 3.00% |
| Salary Increases: | 4.00%, including inflation |
| Investment Rate of Return: | 6.00%, net of pension plan investment expense including inflation<br>The 2023-24 valuation was based on a blend of 40% of the 6.75% contribution amount and 60% of the 6% valuation results |
| Mortality: | Pub 10 General Rates - projected generationally with Scale MP-2021 |
| Retirement Age: | Normal retirement date (NRD) or on valuation date if past NRD |

**CITY OF PORT ORANGE, FLORIDA**
**REQUIRED SUPPLEMENTARY INFORMATION**
**SCHEDULE OF CONTRIBUTIONS**
**POLICE PLAN**
**SEPTEMBER 30, 2025**
**(UNAUDITED)**

| Fiscal Year | Actuarially Determined Contribution (ADC) | Contributions in Relation to ADC | Contribution Deficiency (Excess) | Covered Payroll | Contributions as Percentage of Employee Payroll |
|---|---|---|---|---|---|
| 2025 | $ 2,360,774 | $ 3,353,215 | $ (992,441) | $ 7,015,597 | 47.80% |
| 2024 | 2,316,007 | 2,883,236 | (567,229) | 6,226,766 | 46.30% |
| 2023 | 2,836,107 | 3,446,491 | (610,384) | 5,712,169 | 60.34% |
| 2022 | 2,978,832 | 3,125,790 | (146,958) | 5,289,979 | 59.09% |
| 2021 | 3,184,038 | 3,462,364 | (278,326) | 5,199,237 | 66.59% |
| 2020 | 3,344,724 | 3,344,724 | - | 4,798,318 | 69.71% |
| 2019 | 3,240,623 | 3,536,582 | (295,959) | 4,893,948 | 72.26% |
| 2018 | 3,197,607 | 3,257,607 | (60,000) | 4,855,965 | 67.08% |
| 2017 | 3,214,965 | 3,222,481 | (7,516) | 4,622,671 | 69.71% |
| 2016 | 3,054,694 | 3,191,149 | (136,455) | 4,275,349 | 74.64% |

Notes to Schedule:

Valuation Date: 10/1/2025

Methods and assumptions used to determine contribution rates:

| | |
|---|---|
| Actuarial Cost Method: | Entry Age |
| Amortization Method: | Level percent of pay, closed |
| Remaining Amortization Period: | 25 years for change in Plan provisions, assumptions, and methods. (2015 and later)<br>30 years for plan provisions; 15 years for actuarial gains and losses (prior to 2015) |
| Asset Valuation Method: | 5-year smoothed market |
| Inflation: | 2.00% |
| Salary Increases: | 7.5% (7.25% beginning October 1, 2018) |
| Investment Rate of Return: | 7.75%, net of pension plan investment expense including inflation, as of 10/1/14<br>(7.65% beginning with 2016 contributions; 7.55% with 2017 contributions)<br>(7.45% beginning with 2018 contributions; 7.35% with 2019 contributions)<br>(7.15% beginning with 2020 contributions; 7.05% with 2021 contributions)<br>(6.95% beginning with 2022 contributions; 6.85% with 2023 contributions)<br>(6.75% beginning with 2024 contributions) |
| Mortality: | The mortality table was revised with the October 1, 2025 actuarial valuation to be that used for special risk employees in the valuation of the Florida Retirement System (FRS) as of July 1, 2024. In the prior year the July 1, 2019 FRS special risk mortality was used. |
| Retirement Age: | Members hired after January 31, 2011 – 100% at age 48 and 10 years of service<br>Members hired before January 31, 2011 – 100% at age 45 with 25 years of service or at age 48 with 10 years of service<br>Effective with Ordinance No. 2024-10 members who are 48 years of age with 10 years of service or 20 years of service, regardless of age |

**CITY OF PORT ORANGE, FLORIDA**
**REQUIRED SUPPLEMENTARY INFORMATION**
**SCHEDULE OF CONTRIBUTIONS**
**FIRE PLAN**
**SEPTEMBER 30, 2025**
**(UNAUDITED)**

| Fiscal Year | Actuarially Determined Contribution (ADC) | Contributions in Relation to ADC | Contribution Deficiency (Excess) | Covered Payroll | Contributions as Percentage of Employee Payroll |
|---|---|---|---|---|---|
| 2025 | $ 4,249,616 | $ 4,227,904 | $ 21,712 | $ 4,758,584 | 88.85% |
| 2024 | 4,073,619 | 4,063,884 | 9,735 | 4,338,253 | 93.68% |
| 2023 | 3,702,715 | 3,999,692 | (296,977) | 3,934,872 | 101.65% |
| 2022 | 3,223,229 | 3,143,847 | 79,382 | 3,585,349 | 87.69% |
| 2021 | 2,646,715 | 2,753,155 | (106,440) | 3,081,159 | 89.35% |
| 2020 | 2,619,962 | 2,652,777 | (32,815) | 2,940,474 | 90.22% |
| 2019 | 2,739,786 | 2,905,070 | (165,284) | 2,936,534 | 98.93% |
| 2018 | 2,897,095 | 2,970,790 | (73,695) | 2,837,507 | 104.70% |
| 2017 | 2,776,516 | 2,800,819 | (24,303) | 2,735,484 | 102.39% |
| 2016 | 2,689,491 | 2,827,901 | (138,410) | 2,629,023 | 107.56% |

Notes to Schedule:

Valuation Date: 10/1/2024

Methods and assumptions used to determine contribution rates:

| | |
|---|---|
| Actuarial Cost Method: | Entry Age Normal |
| Amortization Method | Level Percentage of Pay, Closed |
| Remaining Amortization Period | 28 Years (as of 10/1/2017) |
| Asset Valuation Method: | Each year, the prior Actuarial Value of Assets is brought forward utilizing geometric 4-year average Fair Value return (net of fees). It is possible that over time this technique will produce an insignificant bias above or below Fair Value. |
| Salary Increases: | 4.00% to 5.50% based on years of service |
| Interest Rate: | 7.25% per year, compounded annually, net of investment-related expenses. |
| Payroll Growth: | None. |
| Cost-of-Living Adjustment: | |
| "Frozen Benefit" | At least 20 years at retirement: 3% per year beginning 5 years after retirement. Otherwise, 1% per year beginning 1 year after retirement. |
| "Future Service Piece" | At least 25 years at retirement: 3% per year in years that the Plan met or exceeded actuarial assumptions and when GASB 25 funded ration is above 80% and the later of 8 years after retirement and age 59.5 |
| Retirement Rates: | |
| "Frozen Benefit" | Old Normal Retirement Date (30%); Old Normal Retirement Date + 1 (15%); Old Normal Retirement Date + 2 (15%); Old Normal Retirement Date +3 (15%); Old Normal Retirement Date + 4 (15%); Old Normal Retirement Date + 5 (100%) |
| "Future Service Piece" | New Normal Retirement Date (100%) |
| Termination Rates: | See table below. |
| Disability Rates: | See table below. 90% of disability occurrences are assumed to be service-connected. |
| Mortality: | RP-2000 Table with no projection – based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements. Disability mortality is set forward five years. |

Termination and Disability Rate Table

| Service | % Terminating During the Year |
|---|---|
| 0-4 | 7.50% |
| 5-9 | 3.00% |
| 10+ | 1.00% |

| | % Becoming Disabled During the Year |
|---|---|
| 20 | 0.07% |
| 25 | 0.09% |
| 30 | 0.11% |
| 35 | 0.14% |
| 40 | 0.19% |
| 45 | 0.30% |
| 50 | 0.51% |
| 55 | 0.96% |
| 60 | 1.66% |
| 65 | 2.39% |

**CITY OF PORT ORANGE, FLORIDA**
**REQUIRED SUPPLEMENTARY INFORMATION**
**SCHEDULES OF INVESTMENT RETURNS**
**SEPTEMBER 30, 2025**

| For the Year Ending September 30, | General Employees Plan | Police Plan | Fire Plan |
|---|---|---|---|
| 2025 | 8.84% | 12.05% | 9.81% |
| 2024 | 16.48% | 22.20% | 21.36% |
| 2023 | 4.72% | 12.34% | 8.83% |
| 2022 | -9.40% | -13.05% | -17.41% |
| 2021 | 21.52% | 21.56% | 19.09% |
| 2020 | 8.78% | 9.26% | 8.61% |
| 2019 | 3.44% | 3.24% | 5.22% |
| 2018 | 12.47% | 8.45% | 6.13% |
| 2017 | 11.72% | 10.34% | 10.11% |
| 2016 | 11.50% | 6.18% | 9.01% |

## SUPPORTING SCHEDULES

Financial schedules are presented to provide greater detailed information than reported in the preceding financial statements. This information, in many cases, has been spread throughout the report and is brought together here for greater clarity. Financial schedules are not necessary for fair presentation in conformity with generally accepted accounting principles.

**CITY OF PORT ORANGE, FLORIDA**
**COMBINING BALANCE SHEET**
**NONMAJOR GOVERNMENTAL FUNDS**
**SEPTEMBER 30, 2025**

| | Special Revenue Funds | | | | |
|---|---|---|---|---|---|
| | Business Development | Recreation Facilities | Community Development Building | Total | Debt Service |
| **ASSETS** | | | | | |
| Equity in pooled cash and investments | $ 119,410 | $ 1,681,982 | $ 481,623 | $ 2,283,015 | $ 2,179,616 |
| Receivables, net | - | - | - | - | 2,112 |
| Due from other governments | - | - | - | - | 18 |
| Leases receivable | - | 553,591 | - | 553,591 | - |
| Total assets | $ 119,410 | $ 2,235,573 | $ 481,623 | $ 2,836,606 | $ 2,181,746 |
| **LIABILITIES** | | | | | |
| Accounts payable and accrued liabilities | $ - | $ - | $ 45,262 | $ 45,262 | $ 52,011 |
| Customer deposits | - | - | 10,060 | 10,060 | - |
| Unearned revenue | - | - | - | - | 2,112 |
| Total liabilities | - | - | 55,322 | 55,322 | 54,123 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | | |
| Deferred inflows related to leases | - | 502,744 | - | 502,744 | - |
| Total deferred inflows of resources | - | 502,744 | - | 502,744 | - |
| **FUND BALANCES** | | | | | |
| Restricted for: | | | | | |
| Public safety | $ - | $ - | - | - | - |
| Inspections | - | - | 426,301 | 426,301 | - |
| Debt service | - | - | - | - | 2,127,623 |
| Capital improvements | - | - | - | - | - |
| Transportation projects | - | - | - | - | - |
| Transportation impact | - | - | - | - | - |
| Committed to: | | | | | |
| Recreation facility improvements | - | 1,732,829 | - | 1,732,829 | - |
| Assigned to: | | | | | |
| Capital improvements | - | - | - | - | - |
| Business development | 119,410 | - | - | 119,410 | - |
| Total fund balances | 119,410 | 1,732,829 | 426,301 | 2,278,540 | 2,127,623 |
| Total liabilities, deferred inflows of resources, and fund balances | $ 119,410 | $ 2,235,573 | $ 481,623 | $ 2,836,606 | $ 2,181,746 |

**CITY OF PORT ORANGE, FLORIDA**
**COMBINING BALANCE SHEET**
**NONMAJOR GOVERNMENTAL FUNDS**
**SEPTEMBER 30, 2025**
**(CONTINUED)**

| | Capital Project Funds | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | General Construction | Transportation Capital Projects | Police Impact | Fire Impact | Transportation Impact | General Obligation Capital Projects | Capital Replacement | Economic Development Capital | 2014 Capital Improvement Bond Project | Recreation Impact | Total | Total Nonmajor Governmental Funds |
| **ASSETS** | | | | | | | | | | | | |
| Equity in pooled cash and investments | $ 4,108,805 | $ 1,657,055 | $ 122,908 | $ 223,116 | $ 2,352,174 | $ 101,450 | $ 10,316,099 | $ 15,151 | $ 7,648 | $ 2,639,757 | $ 21,544,163 | $ 26,006,794 |
| Receivables, net | - | - | - | - | - | - | - | - | - | - | - | 2,112 |
| Due from other governments | 233,708 | - | - | - | - | - | 242,000 | - | - | - | 475,708 | 475,726 |
| Leases receivable | - | - | - | - | - | - | - | - | - | - | - | 553,591 |
| Total assets | $ 4,342,513 | $ 1,657,055 | $ 122,908 | $ 223,116 | $ 2,352,174 | $ 101,450 | $ 10,558,099 | $ 15,151 | $ 7,648 | $ 2,639,757 | $ 22,019,871 | $ 27,038,223 |
| **LIABILITIES** | | | | | | | | | | | | |
| Accounts payable and accrued liabilities | $ 22,281 | $ - | $ - | $ - | $ 10,380 | $ - | $ 431,464 | $ - | $ - | $ - | $ 464,125 | $ 561,398 |
| Customer deposits | - | 1,157,182 | - | - | - | - | - | - | - | - | 1,157,182 | 1,167,242 |
| Unearned revenue | - | - | - | - | - | - | - | - | - | - | - | 2,112 |
| Total liabilities | 22,281 | 1,157,182 | - | - | 10,380 | - | 431,464 | - | - | - | 1,621,307 | 1,730,752 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | | | | | | | | | |
| Deferred inflows related to leases | - | - | - | - | - | - | - | - | - | - | - | 502,744 |
| Total deferred inflows of resources | - | - | - | - | - | - | - | - | - | - | - | 502,744 |
| **FUND BALANCES** | | | | | | | | | | | | |
| Restricted for: | | | | | | | | | | | | |
| Public safety | - | - | 122,908 | 223,116 | - | - | - | - | - | - | 346,024 | 346,024 |
| Inspections | - | - | - | - | - | - | - | - | - | - | - | 426,301 |
| Debt service | - | - | - | - | - | - | - | - | - | - | - | 2,127,623 |
| Capital improvements | - | - | - | - | - | 101,450 | - | 15,151 | 7,648 | 2,639,757 | 2,764,006 | 2,764,006 |
| Transportation projects | 4,320,232 | 499,873 | - | - | - | - | - | - | - | - | 4,820,105 | 4,820,105 |
| Transportation impact | - | - | - | - | 2,341,794 | - | - | - | - | - | 2,341,794 | 2,341,794 |
| Committed to: | | | | | | | | | | | | |
| Recreation facility improvements | - | - | - | - | - | - | - | - | - | - | - | 1,732,829 |
| Assigned to: | | | | | | | | | | | | |
| Capital improvements | - | - | - | - | - | - | 10,126,635 | - | - | - | 10,126,635 | 10,126,635 |
| Business development | - | - | - | - | - | - | - | - | - | - | - | 119,410 |
| Total fund balances | 4,320,232 | 499,873 | 122,908 | 223,116 | 2,341,794 | 101,450 | 10,126,635 | 15,151 | 7,648 | 2,639,757 | 20,398,564 | 24,804,727 |
| Total liabilities, deferred inflows of resources, and fund balances | $ 4,342,513 | $ 1,657,055 | $ 122,908 | $ 223,116 | $ 2,352,174 | $ 101,450 | $ 10,558,099 | $ 15,151 | $ 7,648 | $ 2,639,757 | $ 22,019,871 | $ 27,038,223 |

**CITY OF PORT ORANGE, FLORIDA**
**COMBINING STATEMENT OF REVENUES**
**EXPENDITURES, AND CHANGES IN FUND BALANCE**
**NONMAJOR GOVERNMENTAL FUNDS**
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

| | Special Revenue Funds | | | | |
|---|---|---|---|---|---|
| | Business Development | Recreation Facilities | Community Development Building | Total | Debt Service |
| **Revenues** | | | | | |
| Taxes | $ - | $ - | $ - | $ - | $ 918,658 |
| Permits and fees | - | - | 1,620,810 | 1,620,810 | - |
| Intergovernmental | - | - | - | - | - |
| Charges for services | - | 289,761 | - | 289,761 | - |
| Investment income (loss) | - | 82,384 | 36,718 | 119,102 | 11,556 |
| Miscellaneous | - | - | 535 | 535 | - |
| Total revenues | - | 372,145 | 1,658,063 | 2,030,208 | 930,214 |
| **Expenditures** | | | | | |
| Current: | | | | | |
| General government | - | - | 2,526,384 | 2,526,384 | 20,426 |
| Transportation | - | - | - | - | - |
| Culture and recreation | - | 74,998 | - | 74,998 | 121,950 |
| Capital outlay | - | - | - | - | - |
| Debt service: | | | | | |
| Principal | - | - | - | - | 1,780,000 |
| Interest and fiscal charges | - | - | - | - | 903,823 |
| Other charges | - | - | - | - | 322,826 |
| Total expenditures | - | 74,998 | 2,526,384 | 2,601,382 | 3,149,025 |
| Excess (deficiency) of revenues over expenditures | - | 297,147 | (868,321) | (571,174) | (2,218,811) |
| **Other financing sources (uses)** | | | | | |
| Transfers in | - | - | - | - | 1,914,246 |
| Capital improvement bond issued | - | - | - | - | 254,604 |
| Total other financing sources (uses) | - | - | - | - | 2,168,850 |
| **Net change in fund balances** | - | 297,147 | (868,321) | (571,174) | (49,961) |
| **Fund balances**, beginning of year | 119,410 | 1,435,682 | 1,294,622 | 2,849,714 | 2,177,584 |
| **Fund balances**, end of year | $ 119,410 | $ 1,732,829 | $ 426,301 | $ 2,278,540 | $ 2,127,623 |

**CITY OF PORT ORANGE, FLORIDA**
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**
**AND CHANGES IN FUND BALANCE**
**NONMAJOR GOVERNMENTAL FUNDS**
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

| | Capital Project Funds | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | General Construction | Transportation Capital Projects | Police Impact | Fire Impact | Transportation Impact | General Obligation Capital Projects | Capital Replacement | Economic Development Capital | 2014 Capital Improvement Bond Project | Recreation Impact | Total | Total Nonmajor Governmental Funds |
| **Revenues** | | | | | | | | | | | | |
| Taxes | $ 1,441,852 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 1,441,852 | $ 2,360,510 |
| Permits and fees | - | - | 93,172 | 51,596 | 122,542 | - | - | - | - | 90,728 | 358,038 | 1,978,848 |
| Intergovernmental | - | - | - | - | - | - | 283,235 | - | - | - | 283,235 | 283,235 |
| Charges for services | - | - | - | - | - | - | - | - | - | - | - | 289,761 |
| Investment income (loss) | 156,752 | 65,305 | 2,879 | 7,616 | 88,082 | 9,152 | 299,535 | - | - | 100,276 | 729,597 | 860,255 |
| Miscellaneous | 22,743 | - | - | - | - | - | - | - | - | - | 22,743 | 23,278 |
| Total revenues | 1,621,347 | 65,305 | 96,051 | 59,212 | 210,624 | 9,152 | 582,770 | - | - | 191,004 | 2,835,465 | 5,795,887 |
| **Expenditures** | | | | | | | | | | | | |
| Current: | | | | | | | | | | | | |
| General government | 13,814 | - | - | - | - | - | - | - | - | - | 13,814 | 2,560,624 |
| Transportation | 1,494,866 | - | - | - | - | - | 129,520 | - | - | - | 1,624,386 | 1,624,386 |
| Culture and recreation | - | - | - | - | - | - | 210,297 | - | - | - | 210,297 | 407,245 |
| Capital outlay | 82,994 | - | - | - | - | - | 4,811,536 | - | - | - | 4,894,530 | 4,894,530 |
| Debt service: | | | | | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - | - | - | - | 1,780,000 |
| Interest and fiscal charges | - | - | - | - | - | - | - | - | - | - | - | 903,823 |
| Other charges | - | - | - | - | - | - | - | - | - | - | - | 322,826 |
| Total expenditures | 1,591,674 | - | - | - | - | - | 5,151,353 | - | - | - | 6,743,027 | 12,493,434 |
| Excess (deficiency) of revenues over expenditures | 29,673 | 65,305 | 96,051 | 59,212 | 210,624 | 9,152 | (4,568,583) | - | - | 191,004 | (3,907,562) | (6,697,547) |
| **Other financing sources (uses)** | | | | | | | | | | | | |
| Transfers in | - | - | - | - | - | - | 4,883,115 | - | - | - | 4,883,115 | 6,797,361 |
| Capital improvement bond issued | - | - | - | - | - | - | - | - | - | - | - | 254,604 |
| Total other financing sources (uses) | - | - | - | - | - | - | 4,883,115 | - | - | - | 4,883,115 | 7,051,965 |
| **Net change in fund balances** | 29,673 | 65,305 | 96,051 | 59,212 | 210,624 | 9,152 | 314,532 | - | - | 191,004 | 975,553 | 354,418 |
| **Fund balances**, beginning of year | 4,290,559 | 434,568 | 26,857 | 163,904 | 2,131,170 | 92,298 | 9,812,103 | 15,151 | 7,648 | 2,448,753 | 19,423,011 | 24,450,309 |
| **Fund balances**, end of year | $ 4,320,232 | $ 499,873 | $ 122,908 | $ 223,116 | $ 2,341,794 | $ 101,450 | $ 10,126,635 | $ 15,151 | $ 7,648 | $ 2,639,757 | $ 20,398,564 | $ 24,804,727 |

**CITY OF PORT ORANGE, FLORIDA**
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**
**BUDGET AND ACTUAL - BUSINESS DEVELOPMENT**
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance with Final Budget |
| **Revenues** | | | | |
| Investment income (loss) | $ - | $ - | $ - | $ - |
| **Net change in fund balances** | - | - | - | - |
| **Fund balances**, beginning of year | 119,410 | 119,410 | 119,410 | - |
| **Fund balances**, end of year | $ 119,410 | $ 119,410 | $ 119,410 | $ - |

**CITY OF PORT ORANGE, FLORIDA**
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**
**BUDGET AND ACTUAL - RECREATION FACILITIES**
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance with Final Budget |
| **Revenues** | | | | |
| Charges for services | $ 202,700 | $ 202,700 | $ 289,761 | $ 87,061 |
| Investment income (loss) | 3,000 | 3,000 | 82,384 | 79,384 |
| Total revenues | 205,700 | 205,700 | 372,145 | 166,445 |
| **Expenditures** | | | | |
| Current: | | | | |
| General government: | | | | |
| Nondepartmental | 174,581 | 5,581 | - | 5,581 |
| Culture and recreation | 31,019 | 232,382 | 74,998 | 157,384 |
| Capital outlay | 41,100 | 41,100 | - | 41,100 |
| Total expenditures | 246,700 | 279,063 | 74,998 | 204,065 |
| **Net change in fund balances** | (41,000) | (73,363) | 297,147 | 370,510 |
| **Fund balances**, beginning of year | 1,435,682 | 1,435,682 | 1,435,682 | - |
| **Fund balances**, end of year | $ 1,394,682 | $ 1,362,319 | $ 1,732,829 | $ 370,510 |

**CITY OF PORT ORANGE, FLORIDA**
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**
**BUDGET AND ACTUAL - COMMUNITY DEVELOPMENT BUILDING**
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance with Final Budget |
| **Revenues** | | | | |
| Permits and fees | $ 1,290,000 | $ 1,290,000 | $ 1,620,810 | $ 330,810 |
| Investment income (loss) | 15,000 | 15,000 | 36,718 | 21,718 |
| Miscellaneous | - | - | 535 | 535 |
| Total revenues | 1,305,000 | 1,305,000 | 1,658,063 | 353,063 |
| **Expenditures** | | | | |
| Current: | | | | |
| General government: | | | | |
| Planning and community development | 2,649,016 | 2,689,016 | 2,526,384 | 162,632 |
| Total expenditures | 2,649,016 | 2,689,016 | 2,526,384 | 162,632 |
| **Net change in fund balances** | (1,344,016) | (1,384,016) | (868,321) | 515,695 |
| **Fund balances**, beginning of year | 1,294,622 | 1,294,622 | 1,294,622 | - |
| **Fund balances**, end of year | $ (49,394) | $ (89,394) | $ 426,301 | $ 515,695 |

**CITY OF PORT ORANGE, FLORIDA**
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**
**BUDGET AND ACTUAL - DEBT SERVICE FUNDS**
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance with Final Budget |
| **Revenues** | | | | |
| Taxes | $ 901,838 | $ 901,838 | $ 918,658 | $ 16,820 |
| Investment income (loss) | - | - | 11,556 | 11,556 |
| Total revenues | 901,838 | 901,838 | 930,214 | 28,376 |
| **Expenditures** | | | | |
| Current: | | | | |
| General government: | | | | |
| Legal | - | - | 20,426 | (20,426) |
| Nondepartmental | 20,000,000 | - | - | - |
| Total general government | 20,000,000 | - | 20,426 | (20,426) |
| Culture and recreation | - | - | 121,950 | (121,950) |
| Debt service: | | | | |
| Principal retirement | 1,780,000 | 1,780,000 | 1,780,000 | - |
| Interest and fiscal charges | 906,074 | 1,071,074 | 1,226,649 | (155,575) |
| Total expenditures | 22,686,074 | 2,851,074 | 3,149,025 | (297,951) |
| **Excess (deficiency) of revenues over expenditures** | (21,784,236) | (1,949,236) | (2,218,811) | (269,575) |
| **Other financing sources (uses)** | | | | |
| Transfers in | 1,784,236 | 1,784,236 | 1,914,246 | 130,010 |
| Transfers out | (10,000,000) | (10,000,000) | - | 10,000,000 |
| Refunding bonds issued | 30,000,000 | 10,165,000 | 254,604 | (9,910,396) |
| Total other financing sources (uses) | 21,784,236 | 1,949,236 | 2,168,850 | 219,614 |
| **Net change in fund balances** | - | - | (49,961) | (49,961) |
| **Fund balances**, beginning of year | 2,177,584 | 2,177,584 | 2,177,584 | - |
| **Fund balances**, end of year | $ 2,177,584 | $ 2,177,584 | $ 2,127,623 | $ (49,961) |

**CITY OF PORT ORANGE, FLORIDA**
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**
**BUDGET AND ACTUAL - GENERAL CONSTRUCTION**
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance with Final Budget |
| **Revenues** | | | | |
| Taxes | $ 1,427,274 | $ 1,427,274 | $ 1,441,852 | $ 14,578 |
| Permits and fees | 200,000 | 200,000 | - | (200,000) |
| Investment income (loss) | 15,000 | 15,000 | 156,752 | 141,752 |
| Miscellaneous | - | - | 22,743 | 22,743 |
| Total revenues | 1,642,274 | 1,642,274 | 1,621,347 | (20,927) |
| **Expenditures** | | | | |
| Current: | | | | |
| General government: | | | | |
| Planning and community development | 1,193,163 | 30,000 | 13,814 | 16,186 |
| Transportation | 1,261,804 | 1,165,476 | 1,494,866 | (329,390) |
| Capital outlay | 5,020,862 | 6,037,060 | 82,994 | 5,954,066 |
| Total expenditures | 7,475,829 | 7,232,536 | 1,591,674 | 5,640,862 |
| **Excess (deficiency) of revenues over expenditures** | (5,833,555) | (5,590,262) | 29,673 | 5,619,935 |
| **Other financing sources (uses)** | | | | |
| Transfers in | 5,755,251 | 3,755,251 | - | (3,755,251) |
| Total other financing sources (uses) | 5,755,251 | 3,755,251 | - | (3,755,251) |
| **Net change in fund balances** | (78,304) | (1,835,011) | 29,673 | 1,864,684 |
| **Fund balances**, beginning of year | 4,290,559 | 4,290,559 | 4,290,559 | - |
| **Fund balances**, end of year | $ 4,212,255 | $ 2,455,548 | $ 4,320,232 | $ 1,864,684 |

**CITY OF PORT ORANGE, FLORIDA**
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**
**BUDGET AND ACTUAL - TRANSPORTATION CAPITAL PROJECTS**
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | **Original** | **Final** | **Actual** | **Variance with Final Budget** |
| **Revenues** | | | | |
| Investment income (loss) | $ - | $ - | $ 65,305 | $ 65,305 |
| Total revenues | - | - | 65,305 | 65,305 |
| **Expenditures** | | | | |
| Total expenditures | - | - | - | - |
| **Excess (deficiency) of revenues over expenditures** | - | - | 65,305 | 65,305 |
| **Net change in fund balances** | - | - | 65,305 | 65,305 |
| **Fund balances**, beginning of year | 434,568 | 434,568 | 434,568 | - |
| **Fund balances**, end of year | $ 434,568 | $ 434,568 | $ 499,873 | $ 65,305 |

**CITY OF PORT ORANGE, FLORIDA**
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**
**BUDGET AND ACTUAL - POLICE IMPACT**
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance with Final Budget |
| **Revenues** | | | | |
| Permits and fees | $ 109,785 | $ 109,785 | $ 93,172 | $ (16,613) |
| Investment income (loss) | - | - | 2,879 | 2,879 |
| Total revenues | 109,785 | 109,785 | 96,051 | (13,734) |
| **Expenditures** | | | | |
| Current: | | | | |
| Public safety: | | | | |
| Law enforcement | 109,785 | 109,785 | - | 109,785 |
| Total expenditures | 109,785 | 109,785 | - | 109,785 |
| **Net change in fund balances** | - | - | 96,051 | 96,051 |
| **Fund balances**, beginning of year | 26,857 | 26,857 | 26,857 | - |
| **Fund balances**, end of year | $ 26,857 | $ 26,857 | $ 122,908 | $ 96,051 |

**CITY OF PORT ORANGE, FLORIDA**
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**
**BUDGET AND ACTUAL - FIRE IMPACT**
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance with Final Budget |
| **Revenues** | | | | |
| Permits and fees | $ 62,660 | $ 62,660 | $ 51,596 | $ (11,064) |
| Investment income (loss) | 10,000 | 10,000 | 7,616 | (2,384) |
| Total revenues | 72,660 | 72,660 | 59,212 | (13,448) |
| **Expenditures** | | | | |
| Current: | | | | |
| Public safety: | | | | |
| Fire safety | 72,660 | 72,660 | - | 72,660 |
| Total expenditures | 72,660 | 72,660 | - | 72,660 |
| **Excess (deficiency) of revenues over expenditures** | - | - | 59,212 | 59,212 |
| **Other financing sources (uses)** | | | | |
| Transfers out | - | (27,000) | - | 27,000 |
| Total other financing sources (uses) | - | (27,000) | - | 27,000 |
| **Net change in fund balances** | - | (27,000) | 59,212 | 86,212 |
| **Fund balances**, beginning of year | 163,904 | 163,904 | 163,904 | - |
| **Fund balances**, end of year | $ 163,904 | $ 136,904 | $ 223,116 | $ 86,212 |

**CITY OF PORT ORANGE, FLORIDA**
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**
**BUDGET AND ACTUAL - TRANSPORTATION IMPACT**
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | **Original** | **Final** | **Actual** | **Variance with Final Budget** |
| **Revenues** | | | | |
| Permits and fees | $ 268,530 | $ 268,530 | $ 122,542 | $ (145,988) |
| Intergovernmental | - | - | - | - |
| Investment income (loss) | 5,000 | 5,000 | 88,082 | 83,082 |
| Total revenues | 273,530 | 273,530 | 210,624 | (62,906) |
| **Expenditures** | | | | |
| Current: | | | | |
| Transportation | - | - | - | - |
| Total expenditures | - | - | - | - |
| **Excess (deficiency) of revenues over expenditures** | 273,530 | 273,530 | 210,624 | (62,906) |
| **Other financing sources (uses)** | | | | |
| Transfers out | (273,530) | (273,530) | - | 273,530 |
| Total other financing sources (uses) | (273,530) | (273,530) | - | 273,530 |
| **Net change in fund balances** | - | - | 210,624 | 210,624 |
| **Fund balances**, beginning of year | 2,131,170 | 2,131,170 | 2,131,170 | - |
| **Fund balances**, end of year | $ 2,131,170 | $ 2,131,170 | $ 2,341,794 | $ 210,624 |

**CITY OF PORT ORANGE, FLORIDA**
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**
**BUDGET AND ACTUAL - GENERAL OBLIGATION CAPITAL PROJECTS**
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | **Original** | **Final** | **Actual** | **Variance with Final Budget** |
| **Revenues** | | | | |
| Investment income (loss) | $ - | $ - | $ 9,152 | $ 9,152 |
| Miscellaneous | - | - | - | - |
| Total revenues | - | - | 9,152 | 9,152 |
| **Expenditures** | | | | |
| Capital outlay | - | - | - | - |
| Total expenditures | - | - | - | - |
| **Net change in fund balances** | - | - | 9,152 | 9,152 |
| **Fund balances**, beginning of year | 92,298 | 92,298 | 92,298 | - |
| **Fund balances**, end of year | $ 92,298 | $ 92,298 | $ 101,450 | $ 9,152 |

**CITY OF PORT ORANGE, FLORIDA**
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**
**BUDGET AND ACTUAL - CAPITAL REPLACEMENT**
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance with Final Budget |
| **Revenues** | | | | |
| Intergovernmental | $ 1,766,179 | $ 1,766,179 | $ 283,235 | $ (1,482,944) |
| Investment income (loss) | - | - | 299,535 | 299,535 |
| Miscellaneous | 337,090 | 337,090 | - | (337,090) |
| Total revenues | 2,103,269 | 2,103,269 | 582,770 | (1,520,499) |
| **Expenditures** | | | | |
| Current: | | | | |
| General government: | | | | |
| Planning and community development | 405,000 | - | - | - |
| Total general government | 405,000 | - | - | - |
| Transportation | - | 154,076 | 129,520 | 24,556 |
| Culture and recreation | - | 420,148 | 210,297 | 209,851 |
| Capital outlay | 5,422,865 | 11,433,148 | 4,811,536 | 6,621,612 |
| Total expenditures | 5,827,865 | 12,007,372 | 5,151,353 | 6,856,019 |
| **Excess (deficiency) of revenues over expenditures** | (3,724,596) | (9,904,103) | (4,568,583) | 5,335,520 |
| **Other financing sources (uses)** | | | | |
| Transfers in | 3,724,596 | 5,594,105 | 4,883,115 | (710,990) |
| Total other financing sources (uses) | 3,724,596 | 5,594,105 | 4,883,115 | (710,990) |
| **Net change in fund balances** | - | (4,309,998) | 314,532 | 4,624,530 |
| **Fund balances**, beginning of year | 9,812,103 | 9,812,103 | 9,812,103 | - |
| **Fund balances**, end of year | $ 9,812,103 | $ 5,502,105 | $ 10,126,635 | $ 4,624,530 |

**CITY OF PORT ORANGE, FLORIDA**
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**
**BUDGET AND ACTUAL - ECONOMIC DEVELOPMENT CAPITAL**
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance with Final Budget |
| **Revenues** | | | | |
| Investment income (loss) | $ - | $ - | $ - | $ - |
| **Net change in fund balances** | - | - | - | - |
| **Fund balances**, beginning of year | 15,151 | 15,151 | 15,151 | - |
| **Fund balances**, end of year | $ 15,151 | $ 15,151 | $ 15,151 | $ - |

**CITY OF PORT ORANGE, FLORIDA**
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**
**BUDGET AND ACTUAL - 2014 CAPITAL IMPROVEMENT BOND PROJECT**
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | **Original** | **Final** | **Actual** | **Variance with Final Budget** |
| **Revenues** | | | | |
| Investment income (loss) | $ - | $ - | $ - | $ - |
| Total revenues | - | - | - | - |
| **Expenditures** | | | | |
| Capital outlay | 10,000,000 | - | - | - |
| Total expenditures | 10,000,000 | - | - | - |
| **Excess (deficiency) of revenues over expenditures** | (10,000,000) | - | - | - |
| **Other financing sources (uses)** | | | | |
| Transfers in | 10,000,000 | - | - | - |
| Total other financing sources (uses) | 10,000,000 | - | - | - |
| **Net change in fund balances** | - | - | - | - |
| **Fund balances**, beginning of year | 7,648 | 7,648 | 7,648 | - |
| **Fund balances**, end of year | $ 7,648 | $ 7,648 | $ 7,648 | $ - |

**CITY OF PORT ORANGE, FLORIDA**
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**
**BUDGET AND ACTUAL - RECREATION IMPACT**
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | **Original** | **Final** | **Actual** | **Variance with Final Budget** |
| **Revenues** | | | | |
| Permits and fees | $ 210,774 | $ 210,774 | $ 90,728 | $ (120,046) |
| Investment income (loss) | 2,000 | 2,000 | 100,276 | 98,276 |
| Total revenues | 212,774 | 212,774 | 191,004 | (21,770) |
| **Expenditures** | | | | |
| Current: | | | | |
| Culture and recreation | 212,774 | 212,774 | - | 212,774 |
| Capital outlay | - | - | - | - |
| Total expenditures | 212,774 | 212,774 | - | 212,774 |
| **Net change in fund balances** | - | - | 191,004 | 191,004 |
| **Fund balances**, beginning of year | 2,448,753 | 2,448,753 | 2,448,753 | - |
| **Fund balances**, end of year | $ 2,448,753 | $ 2,448,753 | $ 2,639,757 | $ 191,004 |

**CITY OF PORT ORANGE, FLORIDA**
**COMBINING STATEMENT OF NET POSITION**
**INTERNAL SERVICE FUNDS**
**SEPTEMBER 30, 2025**

| | Information Technology | Vehicle Maintenance | Insurance | Lease & Replacement | Internal Loan Pool | Total |
|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | |
| Equity in pooled cash | $ 1,647,354 | $ 314,144 | $ 1,050,528 | $ 5,384,986 | $ 20,306 | $ 8,417,318 |
| Prepaid items | 610,948 | - | 84,373 | 1,108,023 | - | 1,803,344 |
| Total current assets | 2,258,302 | 314,144 | 1,134,901 | 6,493,009 | 20,306 | 10,220,662 |
| Noncurrent assets: | | | | | | |
| Capital assets: | | | | | | |
| Building and improvements | - | 234,752 | - | 93,326 | - | 328,078 |
| Machinery and equipment | 3,818,083 | 367,093 | 172,962 | 34,497,647 | - | 38,855,785 |
| Accumulated depreciation | (1,755,505) | (486,076) | (145,582) | (25,806,723) | - | (28,193,886) |
| Total capital assets, net | 2,062,578 | 115,769 | 27,380 | 8,784,250 | - | 10,989,977 |
| Advances to other funds | - | - | - | - | 2,465,390 | 2,465,390 |
| Total noncurrent assets | 2,062,578 | 115,769 | 27,380 | 8,784,250 | 2,465,390 | 13,455,367 |
| Total assets | $ 4,320,880 | $ 429,913 | $ 1,162,281 | $ 15,277,259 | $ 2,485,696 | $ 23,676,029 |
| **LIABILITIES** | | | | | | |
| Current liabilities: | | | | | | |
| Accounts payable and accrued liabilities | $ 28,042 | $ 57,159 | $ 6,682 | $ 9,000 | $ - | $ 100,883 |
| Estimated claims payable | - | - | 400,000 | - | - | 400,000 |
| Compensated absences | 16,162 | 14,796 | - | - | - | 30,958 |
| Payable from restricted assets: | | | | | | |
| Subscription liability | 437,633 | 10,190 | - | - | - | 447,823 |
| Current maturities on long-term debt | - | - | - | 216,060 | - | 216,060 |
| Accrued interest payable | 23,830 | 179 | - | 7,036 | - | 31,045 |
| Total current liabilities | 505,667 | 82,324 | 406,682 | 232,096 | - | 1,226,769 |
| Noncurrent liabilities: | | | | | | |
| Bonds, notes, and leases payable (net) | - | - | - | 942,401 | - | 942,401 |
| Subscription liability | 636,492 | - | - | - | - | 636,492 |
| Compensated absences | 48,485 | 44,388 | - | - | - | 92,873 |
| Total noncurrent liabilities | 684,977 | 44,388 | - | 942,401 | - | 1,671,766 |
| Total liabilities | $ 1,190,644 | $ 126,712 | $ 406,682 | $ 1,174,497 | $ - | $ 2,898,535 |
| **NET POSITION** | | | | | | |
| Net investment in capital assets | $ 2,062,578 | $ 115,769 | $ 27,380 | $ 7,625,789 | $ - | $ 9,831,516 |
| Unrestricted | 1,067,658 | 187,432 | 728,219 | 6,476,973 | 2,485,696 | 10,945,978 |
| Total net position | $ 3,130,236 | $ 303,201 | $ 755,599 | $ 14,102,762 | $ 2,485,696 | $ 20,777,494 |

**CITY OF PORT ORANGE, FLORIDA**
**COMBINING STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION**
**INTERNAL SERVICE FUNDS**
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

| | Information Technology | Vehicle Maintenance | Insurance | Lease & Replacement | Internal Loan Pool | Total |
|---|---|---|---|---|---|---|
| **Operating revenues** | | | | | | |
| Charges for services | $ 3,771,936 | $ 1,799,785 | $ 2,085,093 | $ 131,383 | $ - | $ 7,788,197 |
| Other revenues | 8,549 | 7,153 | 51,544 | 125,114 | - | 192,360 |
| Total operating revenues | 3,780,485 | 1,806,938 | 2,136,637 | 256,497 | - | 7,980,557 |
| **Operating expenses** | | | | | | |
| Personal services | 1,107,503 | 570,472 | - | - | - | 1,677,975 |
| Contractual services | 383,466 | 118,664 | 149,366 | - | - | 651,496 |
| Other operating expenses | 1,199,881 | 1,138,354 | 1,535,792 | 109,441 | - | 3,983,468 |
| Insurance claims and expenses | - | - | 819,530 | - | - | 819,530 |
| Depreciation | 797,674 | 51,772 | - | 2,266,065 | - | 3,115,511 |
| Total operating expenses | 3,488,524 | 1,879,262 | 2,504,688 | 2,375,506 | - | 10,247,980 |
| **Operating income (loss)** | 291,961 | (72,324) | (368,051) | (2,119,009) | - | (2,267,423) |
| **Nonoperating revenues (expenses)** | | | | | | |
| Interest earnings | 38,113 | 5,541 | 18,823 | 264,536 | 788 | 327,801 |
| Gain (loss) on disposition of capital assets | - | - | - | 568,635 | - | 568,635 |
| Interest and amortization expense | (26,154) | (561) | - | (86,779) | - | (113,494) |
| Total nonoperating revenues (expenses) | 11,959 | 4,980 | 18,823 | 746,392 | 788 | 782,942 |
| **Change in net position** | 303,920 | (67,344) | (349,228) | (1,372,617) | 788 | (1,484,481) |
| **Net position**, beginning of year | 2,826,316 | 370,545 | 1,104,827 | 15,475,379 | 2,484,908 | 22,261,975 |
| **Net position**, end of year | $ 3,130,236 | $ 303,201 | $ 755,599 | $ 14,102,762 | $ 2,485,696 | $ 20,777,494 |

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

| | Information Technology | Vehicle Maintenance | Insurance | Lease & Replacement | Internal Loan Pool | Total |
|---|---|---|---|---|---|---|
| **Cash flows from operating activities** | | | | | | |
| Cash received from customers | $ 3,780,485 | $ 1,806,938 | $ 2,136,637 | $ 256,497 | $ - | $ 7,980,557 |
| Cash paid to employees | (1,121,955) | (547,212) | (1,000) | - | - | (1,670,167) |
| Cash paid to suppliers | (1,654,170) | (1,217,204) | (2,523,891) | (1,325,069) | - | (6,720,334) |
| Net cash provided by (used in) operating activities | 1,004,360 | 42,522 | (388,254) | (1,068,572) | - | (409,944) |
| **Cash flows from capital and related financing activities** | | | | | | |
| Acquisition and construction of capital assets | (1,967,292) | (20,367) | - | (4,250,977) | - | (6,238,636) |
| Proceeds from sale of capital assets | - | - | - | 568,635 | - | 568,635 |
| Principal payments of long-term debt | 1,074,125 | 10,190 | - | (104,339) | - | 979,976 |
| Proceeds from issuance of long-term debt | - | - | - | 1,262,800 | - | 1,262,800 |
| Interest paid | (2,324) | (382) | - | (79,743) | - | (82,449) |
| Net cash provided by (used in) capital and related financing activities | (895,491) | (10,559) | - | (2,603,624) | - | (3,509,674) |
| **Cash flows from investing activities** | | | | | | |
| Interest received (loss) | 38,113 | 5,541 | 18,823 | 264,536 | 788 | 327,801 |
| Net cash provided by (used in) investment activities | 38,113 | 5,541 | 18,823 | 264,536 | 788 | 327,801 |
| **Net change in cash and cash equivalents** | 146,982 | 37,504 | (369,431) | (3,407,660) | 788 | (3,591,817) |
| **Cash and cash equivalents**, beginning of year | 1,500,372 | 276,640 | 1,419,959 | 8,792,646 | 19,518 | 12,009,135 |
| **Cash and cash equivalents**, end of year | $ 1,647,354 | $ 314,144 | $ 1,050,528 | $ 5,384,986 | $ 20,306 | $ 8,417,318 |
| **Cash and cash equivalents classified as:** | | | | | | |
| Unrestricted | $ 1,647,354 | $ 314,144 | $ 1,050,528 | $ 5,384,986 | $ 20,306 | $ 8,417,318 |
| Restricted | - | - | - | - | - | - |
| Total cash and cash equivalents | $ 1,647,354 | $ 314,144 | $ 1,050,528 | $ 5,384,986 | $ 20,306 | $ 8,417,318 |
| **Reconciliation of operating income to net cash provided by (used in) operating activities:** | | | | | | |
| Operating income (loss) | $ 291,961 | $ (72,324) | $ (368,051) | $ (2,119,009) | $ - | $ (2,267,423) |
| Adjustments to reconcile net operating income to net cash provided by (used in) operating activities: | | | | | | |
| Depreciation | 797,674 | 51,772 | - | 2,266,065 | - | 3,115,511 |
| Changes in assets and liabilities: | | | | | | |
| Prepaid items | (60,650) | - | 9,344 | (1,100,451) | - | (1,151,757) |
| Accounts payable and accrued liabilities | (10,173) | 39,814 | (28,547) | (115,177) | - | (114,083) |
| Compensated absences | (14,452) | 23,260 | - | - | - | 8,808 |
| Claims liability | - | - | (1,000) | - | - | (1,000) |
| Net cash provided by (used in) operating activities | $ 1,004,360 | $ 42,522 | $ (388,254) | $ (1,068,572) | $ - | $ (409,944) |

# Statistical Section

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

**Contents**

**Financial Trends**

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

**Revenue Capacity**

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.

**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.

**Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and help make comparisons over time and with other governments.

**Operating Information**

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the ACFR for the relevant year.

**NET POSITION BY COMPONENT** **Table I**
**LAST TEN FISCAL YEARS**
September 30, 2025
CITY OF PORT ORANGE, FLORIDA
*(Accrual basis of accounting)*
*(Shown in thousands)*

| | Fiscal Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
| Governmental Activities: | | | | | | | | | | |
| Net investment in capital assets | $ 116,877 | $ 111,816 | $ 106,867 | $ 111,591 | $ 111,482 | $ 111,157 | $ 109,638 | $ 107,192 | $ 100,978 | $ 99,823 |
| Restricted | 14,666 | 13,689 | 16,710 | 15,211 | 17,414 | 16,104 | 15,822 | 15,804 | 14,912 | 11,769 |
| Unrestricted | 16,293 | 14,974 | 11,854 | 8,843 | (2,717) | (12,169) | (16,286) | (15,824) | (5,988) | (5,457) |
| Total governmental activities net position | $ 147,836 | $ 140,479 | $ 135,431 | $ 135,645 | $ 126,179 | $ 115,092 | $ 109,174 | $ 107,172 | $ 109,902 | $ 106,135 |
| Business-type Activities: | | | | | | | | | | |
| Net investment in capital assets | $ 203,179 | $ 207,257 | $ 205,317 | $ 208,052 | $ 208,751 | $ 206,168 | $ 200,127 | $ 194,473 | $ 189,582 | $ 191,186 |
| Restricted | 58,361 | 40,985 | 36,306 | 27,084 | 25,080 | 21,143 | 19,778 | 18,185 | 15,090 | 8,764 |
| Unrestricted | 37,697 | 42,942 | 39,839 | 39,018 | 33,974 | 33,442 | 32,699 | 30,596 | 27,682 | 22,687 |
| Total business-type activities net position | $ 299,237 | $ 291,184 | $ 281,462 | $ 274,154 | $ 267,805 | $ 260,753 | $ 252,604 | $ 243,254 | $ 232,354 | $ 222,637 |
| Primary Government: | | | | | | | | | | |
| Net investment in capital assets | $ 320,056 | $ 319,073 | $ 312,184 | $ 319,643 | $ 320,233 | $ 317,325 | $ 309,765 | $ 301,665 | $ 290,560 | $ 291,009 |
| Restricted | 73,027 | 54,674 | 53,016 | 42,295 | 42,494 | 37,247 | 35,600 | 33,989 | 30,002 | 20,533 |
| Unrestricted | 53,990 | 57,916 | 51,693 | 47,861 | 31,257 | 21,273 | 16,413 | 14,772 | 21,694 | 17,230 |
| Total primary government net position | $ 447,073 | $ 431,663 | $ 416,893 | $ 409,799 | $ 393,984 | $ 375,845 | $ 361,778 | $ 350,426 | $ 342,256 | $ 328,772 |

* In 2022, GASB #87 was implemented, resulting in the recording of lease receivables, which ultimately impacted unrestricted net position.
* In 2018, GASB #75 was implemented, resulting in the recording of the total OPEB liability, which ultimately impacted unrestricted net position.
* In 2015, GASB #68 was implemented, resulting in the recording of the net pension liability, which ultimately impacted unrestricted net position.
* In 2013, GASB #65 was implemented, resulting in the write-off of unamortized debt issuance costs.

**CHANGES IN NET POSITION** **Table II**
**LAST TEN FISCAL YEARS**
September 30, 2025
CITY OF PORT ORANGE, FLORIDA
*(Accrual basis of accounting)*
*(Shown in thousands)*

| | Fiscal Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
| **Expenses:** | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| General government | $ 21,327 | $ 16,232 | $ 18,275 | $ 13,306 | $ 10,798 | $ 9,942 | $ 7,320 | $ 8,241 | $ 14,791 | $ 6,418 |
| Public safety | 29,675 | 32,403 | 29,410 | 28,294 | 19,611 | 23,586 | 23,543 | 22,052 | 20,330 | 20,010 |
| Transportation | 5,656 | 6,495 | 6,679 | 7,715 | 6,207 | 6,587 | 6,989 | 6,535 | 6,460 | 5,934 |
| Economic environment | 39 | 20 | 22 | 41 | 25 | 422 | 40 | 24 | 36 | 95 |
| Culture/recreation | 6,602 | 6,058 | 6,587 | 5,350 | 4,548 | 4,591 | 5,654 | 5,186 | 4,478 | 4,264 |
| Interest on long-term debt | 1,371 | 911 | 907 | 942 | 995 | 1,099 | 1,142 | 1,199 | 1,263 | 1,659 |
| Total governmental activities expenses | 64,670 | 62,119 | 61,880 | 55,648 | 42,184 | 46,227 | 44,688 | 43,237 | 47,358 | 38,380 |
| Business-Type Activities: | | | | | | | | | | |
| Water | 31,605 | 27,042 | 28,572 | 25,937 | 21,701 | 22,849 | 20,575 | 20,215 | 20,465 | 20,671 |
| Solid waste | 8,491 | 8,030 | 7,993 | 7,838 | 7,770 | 7,737 | 7,709 | 7,098 | 6,965 | 6,711 |
| Stormwater | 5,643 | 5,991 | 4,796 | 4,198 | 3,852 | 3,991 | 3,834 | 3,456 | 3,412 | 3,116 |
| Golf course | 2,491 | 2,542 | 2,289 | 1,838 | 1,640 | 1,598 | 1,538 | 1,545 | 1,492 | 1,507 |
| Total business-type activities expenses | 48,230 | 43,605 | 43,650 | 39,811 | 34,963 | 36,175 | 33,656 | 32,314 | 32,334 | 32,005 |
| Total primary government expenses | $ 112,900 | $ 105,724 | $ 105,530 | $ 95,459 | $ 77,147 | $ 82,402 | $ 78,344 | $ 75,551 | $ 79,692 | $ 70,385 |
| **Program Revenues:** | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | $ 4,914 | $ 5,294 | $ 5,320 | $ 5,934 | $ 5,612 | $ 5,573 | $ 3,259 | $ 3,238 | $ 3,098 | $ 1,934 |
| Public safety | 510 | 1,370 | 1,995 | 1,637 | 916 | 1,276 | 826 | 616 | 631 | 1,532 |
| Transportation | 1 | 174 | 193 | 336 | 250 | 243 | 170 | 165 | 160 | 143 |
| Economic environment | - | 2 | 5 | 52 | 4 | 4 | 3 | 2 | 7 | 28 |
| Culture/recreation | 602 | 1,004 | 785 | 754 | 628 | 332 | 733 | 718 | 708 | 736 |
| Operating grants and contributions | 3,662 | 3,281 | 8,502 | 12,039 | 1,598 | 1,391 | 2,191 | 1,605 | 7,873 | 1,313 |
| Capital grants and contributions | 524 | 1,577 | 872 | 2,936 | 4,989 | 8,095 | 3,061 | 8,348 | 6,176 | 4,877 |
| Total governmental activities program revenues | 10,213 | 12,702 | 17,672 | 23,688 | 13,997 | 16,914 | 10,243 | 14,692 | 18,653 | 10,563 |
| Business-Type Activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Water and sewer | 31,232 | 29,756 | 28,015 | 28,369 | 28,086 | 27,784 | 27,260 | 27,178 | 27,379 | 26,979 |
| Solid waste | 10,769 | 10,229 | 9,656 | 8,798 | 7,519 | 7,414 | 7,379 | 7,250 | 7,129 | 7,170 |
| Stormwater | 5,924 | 5,269 | 4,640 | 4,619 | 4,608 | 4,569 | 4,485 | 4,543 | 3,924 | 3,884 |
| Golf course | 2,427 | 2,361 | 2,224 | 1,816 | 1,565 | 1,351 | 1,232 | 1,396 | 1,342 | 1,245 |
| Operating grants and contributions | 1,636 | - | 516 | 1,273 | - | - | - | - | 156 | - |
| Capital grants and contributions | 1,383 | 2,646 | 668 | 2,288 | 1,717 | 1,613 | 2,734 | 3,812 | 3,628 | 2,003 |
| Total business-type activities program revenue | 53,371 | 50,261 | 45,719 | 47,163 | 43,495 | 42,731 | 43,090 | 44,179 | 43,558 | 41,281 |
| Total primary government program revenues | $ 63,584 | $ 62,963 | $ 63,391 | $ 70,851 | $ 57,492 | $ 59,645 | $ 53,333 | $ 58,871 | $ 62,211 | $ 51,844 |
| **Net (Expense)/Revenue:** | | | | | | | | | | |
| Governmental activities | $ (54,457) | $ (49,417) | $ (44,208) | $ (31,960) | $ (28,187) | $ (29,313) | $ (34,445) | $ (28,545) | $ (28,705) | $ (27,817) |
| Business-type activities | 5,141 | 6,656 | 2,069 | 7,352 | 8,532 | 6,556 | 9,434 | 11,865 | 11,224 | 9,276 |
| Total primary government net expense | $ (49,316) | $ (42,761) | $ (42,139) | $ (24,608) | $ (19,655) | $ (22,757) | $ (25,011) | $ (16,680) | $ (17,481) | $ (18,541) |
| **General Revenues and Other Changes in Net Position:** | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Property taxes | $ 27,932 | $ 25,756 | $ 22,361 | $ 19,736 | $ 17,846 | $ 16,095 | $ 15,380 | $ 14,016 | $ 12,967 | $ 12,181 |
| Sales taxes | 4,184 | 4,223 | 4,419 | 4,377 | 3,982 | 3,426 | 3,472 | 3,450 | 3,267 | 3,117 |
| Franchise and utility taxes | 4,489 | 4,307 | 4,461 | 12,163 | 11,078 | 10,810 | 11,620 | 11,479 | 10,220 | 10,251 |
| Other taxes | 1,898 | 1,310 | 1,160 | 973 | 933 | 926 | 120 | 129 | 869 | 889 |
| Intergovernmental revenues | 13,064 | 13,064 | 12,800 | 3,670 | 2,974 | 2,522 | 2,750 | 2,668 | 2,553 | 2,380 |
| Investment earnings | 2,904 | 3,284 | 1,561 | (837) | 34 | 945 | 1,069 | 225 | 240 | 322 |
| Miscellaneous revenue | 6,682 | 387 | 230 | 1,254 | 505 | 554 | 245 | 176 | 660 | 144 |
| Transfers | 580 | 1,983 | (2,998) | 91 | 1,923 | (47) | 1,768 | - | 1,695 | 1,011 |
| Total governmental activities | 61,733 | 54,314 | 43,994 | 41,427 | 39,275 | 35,231 | 36,424 | 32,143 | 32,471 | 30,295 |
| Business-Type Activities: | | | | | | | | | | |
| Investment earnings | 3,478 | 4,053 | 1,575 | (912) | 78 | 1,048 | 1,474 | 194 | 153 | 233 |
| Miscellaneous revenue | - | 1,013 | 667 | (2) | 322 | 376 | 211 | 191 | 38 | 8 |
| Transfers | (580) | (1,983) | 2,998 | (91) | (1,923) | 47 | (1,768) | - | (1,695) | (1,011) |
| Total business-type activities | 2,898 | 3,083 | 5,240 | (1,005) | (1,523) | 1,471 | (83) | 385 | (1,504) | (770) |
| Total primary government | $ 64,631 | $ 57,397 | $ 49,234 | $ 40,422 | $ 37,752 | $ 36,702 | $ 36,341 | $ 32,528 | $ 30,967 | $ 29,525 |
| **Changes in Net Position:** | | | | | | | | | | |
| Governmental activities | $ 7,276 | $ 4,897 | $ (214) | $ 9,467 | $ 11,088 | $ 5,918 | $ 1,979 | $ 3,598 | $ 3,766 | $ 2,478 |
| Business-type activities | 8,039 | 9,739 | 7,309 | 6,347 | 7,009 | 8,027 | 9,351 | 12,250 | 9,720 | 8,506 |
| Total primary government | $ 15,315 | $ 14,636 | $ 7,095 | $ 15,814 | $ 18,097 | $ 13,945 | $ 11,330 | $ 15,848 | $ 13,486 | $ 10,984 |

*Local option gas taxes reported as transportation operating grants beginning in FY2012.

**FUND BALANCES - GOVERNMENTAL FUNDS** **Table III**
**LAST TEN FISCAL YEARS**
September 30, 2025
CITY OF PORT ORANGE, FLORIDA
*(Accrual basis of accounting)*
*(Shown in thousands)*

| | Fiscal Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
| General Fund: | | | | | | | | | | |
| Nonspendable | $ 4,286 | $ 3,597 | $ 2,544 | $ 2,126 | $ 1,585 | $ 2,072 | $ 1,612 | $ 61 | $ 42 | $ 55 |
| Restricted | 927 | 1,096 | 837 | 806 | 842 | 830 | 1,076 | 1,200 | 1,272 | 1,087 |
| Committed | 5,275 | 6,883 | 8,813 | 9,306 | 59 | 23 | - | - | - | - |
| Assigned | 10,000 | - | 550 | 608 | 1,608 | 2,052 | 718 | 914 | 3,725 | 3,392 |
| Unassigned | 17,851 | 25,866 | 23,657 | 21,973 | 20,612 | 14,954 | 13,686 | 14,079 | 12,269 | 14,122 |
| Total general fund | $ 38,339 | $ 37,442 | $ 36,401 | $ 34,819 | $ 24,706 | $ 19,931 | $ 17,092 | $ 16,254 | $ 17,308 | $ 18,656 |
| Other Governmental Funds: | | | | | | | | | | |
| Nonspendable | $ - | $ 1,407 | $ - | $ - | $ - | $ - | $ 12 | $ 18 | $ 11 | $ 1,266 |
| Restricted | 44,577 | 12,610 | 17,275 | 15,808 | 17,129 | 15,860 | 15,359 | 15,247 | 14,305 | 13,261 |
| Committed | 1,733 | 1,436 | 1,058 | 822 | 676 | 487 | 244 | 309 | - | - |
| Assigned | 10,246 | 9,932 | 2,250 | 3,131 | 803 | 1,153 | 2,220 | 2,394 | 5,150 | 3,821 |
| Unassigned | (4,526) | (4,511) | (4,440) | (4,442) | (4,416) | (4,326) | (4,172) | (4,172) | (2,655) | (2,644) |
| Total all other governmental funds | $ 52,030 | $ 20,874 | $ 16,143 | $ 15,319 | $ 14,192 | $ 13,174 | $ 13,663 | $ 13,796 | $ 16,811 | $ 15,704 |

**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS** **Table IV**
**LAST TEN FISCAL YEARS**
September 30, 2025
CITY OF PORT ORANGE, FLORIDA
*(Accrual basis of accounting)*
*(Shown in thousands)*

| | Fiscal Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
| Revenue: | | | | | | | | | | |
| Taxes | $ 40,351 | $ 37,676 | $ 33,664 | $ 30,052 | $ 27,705 | $ 25,888 | $ 25,124 | $ 23,581 | $ 22,127 | $ 21,377 |
| Permits and fees | 6,521 | 7,043 | 6,972 | 7,480 | 7,489 | 6,628 | 6,397 | 6,364 | 6,450 | 5,169 |
| Intergovernmental | 10,687 | 10,104 | 15,690 | 19,471 | 8,371 | 11,694 | 7,311 | 7,772 | 13,401 | 6,449 |
| Charges for services | 4,987 | 5,305 | 5,123 | 5,305 | 4,420 | 4,333 | 4,275 | 3,632 | 3,871 | 3,603 |
| Fines and forfeitures | 470 | 438 | 842 | 353 | 242 | 335 | 323 | 432 | 38 | 917 |
| Miscellaneous | 3,164 | 3,172 | 1,738 | 143 | 536 | 1,033 | 1,493 | 508 | 825 | 536 |
| Total revenue | 66,180 | 63,738 | 64,029 | 62,804 | 48,763 | 49,911 | 44,923 | 42,289 | 46,712 | 38,051 |
| Expenditures: | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General government | 17,244 | 13,098 | 18,298 | 9,516 | 9,186 | 9,231 | 8,194 | 9,786 | 15,551 | 7,363 |
| Public safety | 29,795 | 28,220 | 28,012 | 26,272 | 23,400 | 23,575 | 23,049 | 22,312 | 20,489 | 20,109 |
| Transportation | 5,038 | 6,118 | 3,263 | 4,395 | 2,775 | 2,870 | 3,231 | 2,875 | 3,009 | 2,543 |
| Economic environment | 26 | 37 | 37 | 35 | 32 | 23 | 43 | 30 | 39 | 96 |
| Culture/recreation | 5,979 | 5,510 | 5,614 | 4,552 | 3,818 | 3,909 | 4,022 | 3,637 | 3,402 | 3,157 |
| Capital outlay | 10,024 | 5,937 | 2,131 | 6,443 | 3,614 | 5,775 | 4,386 | 6,999 | 5,002 | 3,877 |
| Debt service: | | | | | | | | | | |
| Principal retirement | 2,112 | 1,862 | 1,705 | 1,590 | 1,535 | 1,485 | 1,380 | 1,330 | 1,360 | 1,205 |
| Interest and fiscal charges | 1,030 | 1,043 | 1,058 | 1,098 | 1,155 | 1,267 | 1,309 | 1,369 | 1,354 | 1,695 |
| Payment to refunded bond escrow agent | - | - | - | - | - | - | - | - | - | 13,807 |
| Refunding bond issuance costs | 323 | 3 | 2 | 2 | 2 | - | - | - | - | 145 |
| Total expenditures | 71,571 | 61,828 | 60,120 | 53,903 | 45,517 | 48,135 | 45,614 | 48,338 | 50,206 | 53,997 |
| Excess (deficiency) of revenue over (under) expenditures | (5,391) | 1,910 | 3,909 | 8,901 | 3,246 | 1,776 | (691) | (6,049) | (3,494) | (15,946) |
| Other Financing Sources (Uses): | | | | | | | | | | |
| Debt proceeds | 255 | 1,083 | 1,143 | - | - | - | - | - | - | 13,959 |
| Proceeds from sale of capital assets | 4,021 | - | - | - | - | - | - | - | 1,242 | 1,403 |
| Issuance of financed purchases | 32,590 | - | - | - | - | - | - | - | - | - |
| Transfers in | 9,007 | 20,209 | 3,885 | 10,478 | 3,633 | 3,648 | 4,042 | 4,499 | 5,742 | 4,958 |
| Transfers out | (8,427) | (17,432) | (6,530) | (8,138) | (1,087) | (3,074) | (2,645) | (2,519) | (3,728) | (3,320) |
| Total other financing sources (uses) | 37,446 | 3,860 | (1,502) | 2,340 | 2,546 | 574 | 1,397 | 1,980 | 3,256 | 17,000 |
| Net change in fund balances | $ 32,055 | $ 5,770 | $ 2,407 | $ 11,241 | $ 5,792 | $ 2,350 | $ 706 | $ (4,069) | $ (238) | $ 1,054 |
| Debt service as a percentage of noncapital expenditures | 5.11% | 5.20% | 4.76% | 5.66% | 6.42% | 6.50% | 6.52% | 6.53% | 6.00% | 5.79% |

**TAX REVENUES BY SOURCE - GOVERNMENTAL FUNDS** **Table V**
**LAST TEN FISCAL YEARS**
September 30, 2025
CITY OF PORT ORANGE, FLORIDA
*(Accrual basis of accounting)*

| | Fiscal Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
| Ad Valorem Property Tax: | | | | | | | | | | |
| City operating and debt service | $ 26,442,265 | $ 25,353,301 | $ 22,070,754 | $ 19,538,476 | $ 17,644,752 | $ 15,928,774 | $ 15,252,700 | $ 13,801,060 | $ 12,839,236 | $ 12,077,471 |
| Tax increment districts [1] | 898,658 | 909,648 | 668,888 | 549,249 | 453,609 | 416,867 | 335,002 | 341,665 | 306,246 | 283,110 |
| Total property tax | $ 27,340,923 | $ 26,262,949 | $ 22,739,642 | $ 20,087,725 | $ 18,098,361 | $ 16,345,641 | $ 15,587,702 | $ 14,142,725 | $ 13,145,482 | $ 12,360,581 |
| Sales and use tax | $ 4,184,000 | $ 4,223,126 | $ 4,419,453 | $ 4,377,233 | $ 3,981,965 | $ 3,425,661 | $ 3,472,065 | $ 3,302,153 | $ 3,266,628 | $ 3,116,961 |
| Franchise tax | 4,488,610 | 4,307,333 | 4,460,446 | 4,020,775 | 3,408,531 | 3,206,532 | 3,303,114 | 3,303,114 | 3,230,368 | 3,195,761 |
| Utility service taxes | 7,591,438 | 7,214,993 | 6,949,302 | 6,204,935 | 5,831,407 | 5,703,323 | 5,718,089 | 5,602,896 | 5,332,884 | 5,270,749 |
| Communications services tax | 1,880,366 | 1,850,892 | 1,742,804 | 1,742,804 | 1,640,897 | 1,676,838 | 1,674,912 | 1,740,753 | 1,656,402 | 1,784,375 |

[1] Includes pro-rata share of other government tax increment reported as intergovernmental revenue in the governmental fund financial statements.

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY** **Table VI**

**LAST TEN FISCAL YEARS**

September 30, 2025

CITY OF PORT ORANGE, FLORIDA

*(in thousands)*

| Fiscal Year Ended September 30, | Residential Property | Commercial Property | Industrial Property | Other Property | Less: Tax-Exempt Property | Total Just Value | Total Direct Tax Rate | Assessed Taxable Value | Assessed Value as a Percentage of Total Just Value |
|---|---|---|---|---|---|---|---|---|---|
| 2016 | 3,727,810 | 1,119,879 | 132,782 | 525,124 | 1,450,442 | 4,055,152 | 4.8270 | 2,604,710 | 64.23% |
| 2017 | 4,025,371 | 1,253,143 | 138,262 | 555,924 | 1,593,475 | 4,379,224 | 4.7944 | 2,785,749 | 63.61% |
| 2018 | 4,388,396 | 1,356,968 | 148,033 | 599,273 | 1,752,167 | 4,740,503 | #REF! | 2,988,336 | 63.04% |
| 2019 | 4,736,345 | 1,500,159 | 153,736 | 629,688 | 1,892,250 | 5,127,678 | 4.9211 | 3,235,428 | 63.10% |
| 2020 | 5,062,856 | 1,581,022 | 170,356 | 657,514 | 1,997,938 | 5,473,809 | 4.7965 | 3,475,870 | 63.50% |
| 2021 | 5,407,607 | 1,740,943 | 179,156 | 706,178 | 2,135,819 | 5,898,065 | 4.9141 | 3,762,246 | 63.79% |
| 2022 | 5,741,313 | 1,843,089 | 194,233 | 703,139 | 2,245,528 | 6,236,246 | 5.1356 | 3,990,718 | 63.99% |
| 2023 | 7,357,932 | 2,374,541 | 431,735 | 683,399 | 3,170,224 | 7,677,383 | 5.0710 | 4,507,159 | 58.71% |
| 2024 | 8,487,426 | 2,771,276 | 461,670 | 859,184 | 3,764,347 | 8,815,208 | 5.1884 | 5,050,861 | 57.30% |
| 2025 | 8,849,774 | 2,867,569 | 345,633 | 1,077,638 | 3,814,663 | 9,327,265 | 5.1884 | 5,512,602 | 59.10% |

Source: Volusia County Property Tax Appraiser

Note: The total direct tax rate is the rate per thousand dollars of assessed taxable value

**PROPERTY TAX RATES AND TAX LEVIES-**
**ALL DIRECT AND OVERLAPPING GOVERNMENTS-**
**LAST TEN FISCAL YEARS**

**Table VII**

September 30, 2025
CITY OF PORT ORANGE, FLORIDA

| Fiscal Year Ended September 30, | City of Port Orange | | | School District | Volusia County | Florida Inland Navigation District | Volusia Hospital District | Halifax Hospital District | Ponce DeLeon Inlet and Port Authority | St. Johns River Water Management District |
|---|---|---|---|---|---|---|---|---|---|---|
| | Operating | Debt Service | Total | | | | | | | |
| | | | Tax Levies | | | | | | | |
| 2016 | 11,439,888 | 1,133,049 | 12,572,937 | 18,746,098 | 18,938,586 | 83,351 | 6,860,806 | 2,487,498 | 241,978 | 787,404 |
| 2017 | 12,408,286 | 947,712 | 13,355,998 | 19,076,813 | 19,645,106 | 89,144 | 6,685,799 | 2,106,305 | 258,796 | 803,689 |
| 2018 | 13,411,952 | 948,498 | 14,360,450 | 19,483,951 | 21,073,745 | 95,627 | 3,822,082 | 1,129,890 | 277,616 | 814,023 |
| 2019 | 14,976,151 | 945,716 | 15,921,867 | 20,321,723 | 21,503,949 | 103,534 | 3,877,337 | 1,147,283 | 300,571 | 828,917 |
| 2020 | 15,729,702 | 947,175 | 16,676,877 | 21,136,765 | 25,333,531 | 111,228 | 3,897,493 | 1,232,544 | 322,908 | 839,075 |
| 2021 | 17,547,611 | 948,102 | 18,495,713 | 22,223,587 | 25,074,617 | 120,392 | 3,978,199 | 3,716,723 | 331,078 | 860,426 |
| 2022 | 19,591,711 | 911,874 | 20,503,585 | 23,154,146 | 27,461,328 | 127,703 | 4,020,648 | 3,802,755 | 337,216 | 873,568 |
| 2023 | 21,925,097 | 947,186 | 22,872,283 | 24,708,246 | 29,734,179 | 144,229 | 4,874,943 | 3,878,861 | 342,544 | 889,713 |
| 2024 | 25,253,801 | 952,087 | 26,205,888 | 27,320,107 | 39,515,411 | 145,465 | 4,122,513 | 3,979,068 | 349,520 | 905,619 |
| 2025 | 27,425,197 | 948,168 | 28,373,365 | 29,134,102 | 43,127,842 | 158,763 | 4,499,386 | 4,342,828 | 381,472 | 988,410 |
| | | | Tax Rates per Thousand Dollars of Assessed Valuation | | | | | | | |
| 2016 | 4.3920 | 0.4350 | 4.82700 | 7.197 | 7.271 | 0.0320 | 2.634 | 0.955 | 0.093 | 0.302 |
| 2017 | 4.4542 | 0.3402 | 4.79440 | 6.848 | 7.052 | 0.0320 | 2.400 | 0.756 | 0.093 | 0.289 |
| 2018 | 4.4881 | 0.3174 | 4.80550 | 6.520 | 7.052 | 0.0320 | 1.279 | 0.378 | 0.093 | 0.272 |
| 2019 | 4.6288 | 0.2923 | 4.92110 | 6.281 | 7.288 | 0.0320 | 1.198 | 0.355 | 0.093 | 0.256 |
| 2020 | 4.5254 | 0.2725 | 4.79790 | 6.081 | 7.288 | 0.0320 | 1.121 | 0.355 | 0.093 | 0.241 |
| 2021 | 4.6622 | 0.2519 | 4.91410 | 5.907 | 6.665 | 0.0320 | 1.057 | 0.988 | 0.088 | 0.229 |
| 2022 | 4.9072 | 0.2284 | 5.13560 | 5.802 | 6.881 | 0.0320 | 1.008 | 0.953 | 0.085 | 0.219 |
| 2023 | 4.8610 | 0.2100 | 5.07100 | 5.482 | 6.597 | 0.0320 | 1.082 | 0.861 | 0.076 | 0.197 |
| 2024 | 4.9999 | 0.1885 | 5.18840 | 8.805 | 8.071 | 0.0288 | 0.816 | 0.788 | 0.069 | 0.179 |
| 2025 | 4.9750 | 0.1720 | 5.14700 | 5.285 | 7.936 | 0.0288 | 0.751 | 0.731 | 0.069 | 0.179 |

Source: Volusia County Property Tax Appraiser

**PRINCIPAL PROPERTY TAXPAYERS** **Table VIII**
**CURRENT AND NINE YEARS AGO**
September 30, 2025
CITY OF PORT ORANGE, FLORIDA

| | September 30, 2025 | | | September 30, 2016 | | |
|---|---|---|---|---|---|---|
| Taxpayer | Assessed Taxable Value | Rank | Percent to Total Assessed Taxable Value | Assessed Taxable Value | Rank | Percent to Total Assessed Taxable Value |
| Florida Power & Light Company | 134,378,223 | 1 | 2.3% | 57,582,094 | 1 | 2.1% |
| Port Orange Apt Assoc II LLC | 63,906,270 | 2 | 1.1% | 14,210,757 | 10 | 0.5% |
| Collier Clyde Morris Blvd LLC | 54,713,367 | 3 | 0.9% | 15,744,698 | 8 | 0.6% |
| Edge Cove LLC | 54,335,219 | 4 | 0.9% | | | |
| POA Development LLC | 53,871,708 | 5 | 0.9% | | | |
| Hawthorne Village at Port Orange Inc | 48,236,048 | 6 | 0.8% | 22,778,671 | 4 | 0.8% |
| Whitepalm Bay LLC | 46,845,534 | 7 | 0.8% | 34,684,254 | 3 | 1.2% |
| Eden GPC Port Orange Owner LLC | 43,168,738 | 8 | 0.7% | | | |
| Port Orange Town Center LLC | 42,801,884 | 9 | 0.7% | 37,696,659 | 2 | 1.4% |
| Becks Farm LTD | 41,316,333 | 10 | 0.7% | 18,247,888 | 5 | 0.7% |
| Walmart Stores East LP | | | | 14,284,839 | 9 | 0.5% |
| Brickwalk Assoc | | | | 16,400,533 | 7 | 0.6% |
| USF Propco II LLC | | | | 16,887,168 | 6 | 0.6% |
| Total taxable assessed value of the largest taxpayers | $ 583,573,324 | | | $ 248,517,561 | | |
| Total taxable assessed value of other taxpayers | $ 5,279,640,879 | | | $ 2,537,232,017 | | |
| Total taxable assessed value of all taxpayers | $ 5,863,214,203 | | | $ 2,785,749,578 | | |

Source: Volusia County Property Tax Appraiser

**PROPERTY TAX LEVIES AND COLLECTIONS** **Table IX**
**LAST TEN FISCAL YEARS**
September 30, 2025
CITY OF PORT ORANGE, FLORIDA

| Fiscal Year Ended September 30, | Taxes Levied For Year (1) | Collected within the Fiscal Year of the Levy | | Collections in Subsequent Years (2) | Total Collections to Date | |
|---|---|---|---|---|---|---|
| | | Amount (2) | Percent of Levy | | Amount | Percent of Levy |
| 2016 | 12,572,937 | 11,928,757 | 94.9% | 231,859 | 12,160,615 | 96.7% |
| 2017 | 13,355,998 | 12,680,097 | 94.9% | 248,837 | 12,928,934 | 96.8% |
| 2018 | 14,360,450 | 13,851,566 | 96.5% | 83,274 | 13,934,840 | 97.0% |
| 2019 | 15,921,867 | 15,142,867 | 95.1% | 255,325 | 15,398,191 | 96.7% |
| 2020 | 16,676,880 | 15,835,222 | 95.0% | 264,509 | 16,099,731 | 96.5% |
| 2021 | 18,488,082 | 17,575,180 | 95.1% | 278,441 | 17,853,621 | 96.6% |
| 2022 | 20,503,585 | 19,514,674 | 95.2% | 250,125 | 19,764,799 | 96.4% |
| 2023 | 22,872,283 | 21,714,502 | 94.9% | 356,264 | 22,070,766 | 96.5% |
| 2024 | 26,205,888 | 24,824,268 | 94.7% | 529,032 | 25,353,300 | 96.7% |
| 2025 | 28,373,365 | 26,891,848 | 94.8% | 590,688 | 27,482,536 | 96.9% |

Source: (1) Volusia County Property Tax Appraisers Office DR-403
(2) City of Port Orange Finance Department

**RATIOS OF OUTSTANDING DEBT BY TYPE** **Table X**
**LAST TEN FISCAL YEARS**
September 30, 2025
CITY OF PORT ORANGE, FLORIDA
*(dollars in thousands, except for per capita)*

| Fiscal Year Ended September 30, | Governmental Activities | | | Business-Type Activities | | | Total Primary Government | Percent of Personal Income (a) | Per Capita |
|---|---|---|---|---|---|---|---|---|---|
| | General Obligation Bonds | Revenue Bonds & Loans | Net Premiums & (Discounts) | Revenue Bonds & Notes | SRF Loans | Net Premiums & (Discounts) | | | |
| 2016 | 12,895 | 22,355 | 1,884 | 26,260 | 21,209 | (52) | 84,552 | 0.4621% | 1,425 |
| 2017 | 12,355 | 21,535 | 1,741 | 26,260 | 18,591 | (48) | 80,434 | 0.4109% | 1,349 |
| 2018 | 11,870 | 20,690 | 1,588 | 21,755 | 15,897 | (45) | 71,755 | 0.3493% | 1,176 |
| 2019 | 11,375 | 19,805 | 1,439 | 17,155 | 13,127 | (41) | 62,860 | 0.2870% | 1,020 |
| 2020 | 10,870 | 18,825 | 1,292 | 13,165 | 10,423 | (38) | 54,537 | 0.2231% | 868 |
| 2021 | 10,350 | 17,810 | 1,157 | 9,100 | 8,097 | (34) | 46,480 | 0.1781% | 735 |
| 2022 | 9,815 | 16,755 | 1,024 | 4,965 | 6,126 | (31) | 38,654 | 0.1293% | 602 |
| 2023 | 9,265 | 15,655 | 897 | 4,965 | 4,099 | (28) | 34,853 | 0.1124% | 536 |
| 2024 | 8,695 | 14,515 | 772 | 4,965 | 2,939 | (25) | 31,861 | 0.0967% | 485 |
| 2025 | 38,105 | 12,515 | 1,700 | 26,060 | 1,747 | 1,028 | 81,155 | 0.2272% | 1,232 |

(a) See Table XIV for personal income and population data.

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING** **Table XI**
**LAST TEN FISCAL YEARS**
September 30, 2025
CITY OF PORT ORANGE, FLORIDA

| Fiscal Year Ended September 30, | Assessed Taxable Value (1) | Total General Bonded Debt | Accumulated Resources Restricted | Net General Debt | Assessed Net General Bonded Debt | Estimated Population (2) | Net General Bonded Debt Per Capita |
|---|---|---|---|---|---|---|---|
| 2016 | 2,604,710,345 | 12,895,000 | 298,900 | 12,596,100 | 0.48% | 59,315 | 212.36 |
| 2017 | 2,785,749,578 | 12,355,000 | 260,279 | 12,094,721 | 0.43% | 59,625 | 202.85 |
| 2018 | 2,988,336,202 | 11,870,000 | 290,414 | 11,579,586 | 0.39% | 61,009 | 189.80 |
| 2019 | 3,235,428,328 | 11,375,000 | 328,136 | 11,046,864 | 0.34% | 61,617 | 179.28 |
| 2020 | 3,475,870,645 | 10,870,000 | 358,572 | 10,511,428 | 0.30% | 62,832 | 167.29 |
| 2021 | 3,762,245,788 | 10,350,000 | 381,663 | 9,968,337 | 0.26% | 63,275 | 157.54 |
| 2022 | 3,990,718,832 | 9,815,000 | 364,061 | 9,450,939 | 0.24% | 64,230 | 147.14 |
| 2023 | 4,507,159,078 | 9,265,000 | 393,476 | 8,871,524 | 0.20% | 65,008 | 136.47 |
| 2024 | 5,050,861,266 | 8,695,000 | 433,088 | 8,261,912 | 0.16% | 65,670 | 125.81 |
| 2025 | 5,512,602,467 | 38,105,000 | 470,015 | 37,634,985 | 0.68% | 65,898 | 571.11 |

Source: (1) Volusia County Property Tax Appraiser, Final Post VAB Tax Roll (DR-422 Series)
(2) University of Florida, Bureau of Economic and Business Research

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT** **Table XII**

September 30, 2025

CITY OF PORT ORANGE, FLORIDA

| Governmental Unit | Net Debt Outstanding | Estimated Percent Applicable to the City of Port Orange (1) | City's Estimated Share of Overlapping Debt |
|---|---|---|---|
| Debt repaid with property taxes: | | | |
| Volusia County: | | | |
| General Obligation Bonds……. | $ - | 9.04% | $ - |
| Other Debt: | | | |
| District School Board of Volusia County, Florida: | | | |
| Sales Tax Revenue Bonds……. | 18,935,000 | 9.04% | 1,712,667 |
| Certificates of participation…… | 212,881,000 | 9.04% | 19,255,046 |
| Volusia County: | | | |
| Revenue Bonds…….. | 36,290,000 | 9.04% | 3,282,424 |
| Notes Payable…… | 18,186,020 | 9.04% | 1,644,922 |
| Total overlapping debt……. | | | 25,895,059 |
| City direct debt …… | | | 50,620,000 |
| Total direct and overlapping debt…… | | | $ 76,515,059 |

(1) Percentage applicable to City was determined by taking the City's assessed taxable value and dividing it by Volusia County's assessed taxable value for the tax year

**PLEDGED REVENUE COVERAGE** **Table XIII**
**LAST TEN FISCAL YEARS**
September 30, 2025
CITY OF PORT ORANGE, FLORIDA

| Fiscal Year Ended | Gross Revenues | Less: Operating Expenses | Net Available Revenues | Debt Service | | Coverage |
|---|---|---|---|---|---|---|
| | | | | Principal | Interest | |
| | | | **Water and Sewer Bonds** | | | |
| 2016 | 27,140,395 | 13,991,595 | 13,148,800 | 5,115,000 | 476,645 | 2.35 |
| 2017 | 27,486,455 | 13,884,287 | 13,602,168 | 3,510,000 | 382,624 | 3.49 |
| 2018 | 27,307,359 | 13,754,637 | 13,552,722 | 3,860,000 | 317,768 | 3.24 |
| 2019 | 28,265,911 | 14,092,024 | 14,173,887 | 3,935,000 | 249,172 | 3.39 |
| 2020 | 28,492,273 | 14,653,123 | 13,839,150 | 3,990,000 | 179,432 | 3.32 |
| 2021 | 28,064,380 | 14,393,123 | 13,671,257 | 4,065,000 | 108,548 | 3.28 |
| 2022 | 27,769,787 | 16,992,891 | 10,776,896 | 4,135,000 | 36,388 | 2.58 |
| 2023 | 28,791,659 | 19,172,019 | 9,619,640 | - | - | 0.00 |
| 2024 | 33,162,519 | 18,372,123 | 14,790,396 | - | - | 0.00 |
| 2025 | 34,500,485 | 21,588,520 | 12,911,966 | - | - | 0.00 |
| | | | **Stormwater Utility Revenue Bonds** | | | |
| 2016 | 3,884,177 | 1,489,091 | 2,395,086 | 595,000 | 271,281 | 2.76 |
| 2017 | 3,923,863 | 1,723,534 | 2,200,329 | 620,000 | 258,124 | 2.51 |
| 2018 | 4,542,529 | 1,754,535 | 2,787,994 | 645,000 | 244,360 | 3.13 |
| 2019 | 4,484,758 | 2,092,339 | 2,392,419 | 665,000 | 230,126 | 2.67 |
| 2020 | 4,568,876 | 2,289,662 | 2,279,214 | - | 222,935 | 10.22 |
| 2021 | 4,627,259 | 2,097,784 | 2,529,475 | - | 222,935 | 11.35 |
| 2022 | 4,520,597 | 2,314,460 | 2,206,137 | - | 222,935 | 9.90 |
| 2023 | 4,838,823 | 2,791,243 | 2,047,580 | - | 222,935 | 7.89 |
| 2024 | 5,738,641 | 3,396,225 | 2,342,416 | - | 222,935 | 10.51 |
| 2025 | 7,763,273 | 3,249,373 | 4,513,900 | - | 222,935 | 20.25 |

Note: Water and Sewer gross revenues include operating revenue of the system and interest earnings. Interest earnings from construction funds are excluded. Operating expenses do not include depreciation expense. Stormwater Utility revenue bonds are supported by drainage fees charged. Additional details regarding revenues and expenses can be found in the fund financial statements or the combining schedules of this annual comprehensive financial report.

**DEMOGRAPHIC AND ECONOMIC STATISTICS** **Table XIV**
**LAST TEN FISCAL YEARS**
September 30, 2025
CITY OF PORT ORANGE, FLORIDA

| Fiscal Year Ended September 30, | City of Port Orange Population(a) | City of Port Orange School Enrollment (b) | City of Port Orange Unemployment Rate (c) | Volusia Personal Income (d) (in thousands) | Volusia Per Capita Personal Income (e) |
|---|---|---|---|---|---|
| 2016 | 59,315 | 10,182 | 4.3 | 18,297,539 | 35,364 |
| 2017 | 59,625 | 10,368 | 3.8 | 19,577,196 | 37,404 |
| 2018 | 61,009 | 10,473 | 3.1 | 20,543,253 | 38,135 |
| 2019 | 61,617 | 10,585 | 3.2 | 21,902,076 | 40,001 |
| 2020 | 62,832 | 9,587 | 4.7 | 24,444,162 | 44,316 |
| 2021 | 63,275 | 9,629 | 4.2 | 26,095,706 | 47,310 |
| 2022 | 64,230 | 10,294 | 2.5 | 29,893,649 | 52,964 |
| 2023 | 65,008 | 10,419 | 2.8 | 31,021,130 | 53,559 |
| 2024 | 65,670 | 9,729 | 3.5 | 35,955,808 | 55,824 |
| 2025 | 65,898 | 9,513 | 4.4 | 35,719,516 | 59,259 |

Sources:
( a ) University of Florida, Bureau of Economic and Business Research
( b ) Volusia County School Board
( c ) U.S. Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics
( d ) University of Florida, Bureau of Economic and Business Research
( e ) University of Florida, Bureau of Economic and Business Research

**PRINCIPAL EMPLOYERS** **Table XV**
**CURRENT YEAR AND NINE YEARS AGO**
September 30, 2025
CITY OF PORT ORANGE, FLORIDA

| Fiscal Year Ended September 30, 2025 | | | Fiscal Year Ended September 30, 2016 | | |
|---|---|---|---|---|---|
| **Employer** | **Number of Employees** | **Percent of Total Employment** | **Employer** | **Number of Employees** | **Percent of Total Employment** |
| Volusia County Schools | 8,552 | 3.21 | Volusia County School Board | 7,443 | 3.15 |
| AdventHealth Systems | 7,198 | 2.70 | Halifax Health | 4,690 | 1.99 |
| Halifax Hospital System | 4,811 | 1.80 | Florida Hospital - All Divisions | 4,384 | 1.86 |
| Publix Supermarkets, Inc. | 4,007 | 1.50 | County of Volusia | 3,447 | 1.46 |
| Walmart Associates, Inc. | 3,570 | 1.34 | Publix Supermarkets Incorporated | 3,179 | 1.35 |
| State of Florida | 2,864 | 1.07 | State of Florida | 2,589 | 1.10 |
| County of Volusia | 2,773 | 1.04 | Wal-Mart Stores Incorporated | 2,007 | 0.85 |
| Embry-Riddle Aeronautical University | 1,992 | 0.75 | Daytona State College | 1,416 | 0.60 |
| Stetson University | 1,446 | 0.54 | Embry-Riddle Aeronautical University | 1,326 | 0.56 |
| Daytona State College | 1,414 | 0.53 | U.S. Government | 1,259 | 0.53 |
| **Total** | **38,627** | **14.48** | **Total** | **31,740** | **13.44** |
| **Estimated Total Workforce** | **266,695** | | **Estimated Total Workforce** | **236,195** | |

**FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNCTIONAL DEPARTMENT** **Table XVI**

**LAST TEN FISCAL YEARS**

September 30, 2025

CITY OF PORT ORANGE, FLORIDA

| | Fiscal Year Year Ended September 30, | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
| General Government: | | | | | | | | | | |
| Management | 17.50 | 15.00 | 16.00 | 16.00 | 17.00 | 14.25 | 13.50 | 13.50 | 11.50 | 11.78 |
| Finance | 17.00 | 16.00 | 17.00 | 16.00 | 13.00 | 17.40 | 15.40 | 16.40 | 15.50 | 13.77 |
| Human Resources | 6.00 | 7.00 | 6.00 | 4.00 | 6.00 | 5.00 | 5.00 | 4.00 | 4.00 | 3.00 |
| Community Development | 28.00 | 28.00 | 26.00 | 24.00 | 24.50 | 26.17 | 26.17 | 31.30 | 30.30 | 27.17 |
| Other | 36.00 | 38.00 | 38.50 | 35.25 | 31.50 | 33.96 | 33.96 | 31.13 | 31.46 | 29.16 |
| Police: | | | | | | | | | | |
| Officers and civilians | 120.00 | 120.00 | 101.50 | 103.50 | 105.50 | 104.90 | 122.88 | 112.88 | 110.88 | 108.79 |
| Fire: | | | | | | | | | | |
| Firefighters, officers and civilian | 69.00 | 70.00 | 64.50 | 64.50 | 63.50 | 64.20 | 64.50 | 60.50 | 59.50 | 59.50 |
| Solid Waste | 1.00 | 1.00 | 2.00 | 3.00 | 3.00 | 3.92 | 3.82 | 3.50 | 3.30 | 3.30 |
| Stormwater | 13.00 | 12.00 | 17.00 | 15.00 | 14.00 | 16.69 | 17.29 | 16.40 | 16.70 | 16.70 |
| Engineering & Public works | 23.00 | 23.00 | 20.00 | 21.00 | 20.00 | 21.15 | 19.51 | 19.60 | 19.50 | 18.50 |
| Parks and recreation | 66.00 | 56.50 | 58.50 | 49.00 | 44.50 | 46.95 | 50.09 | 49.74 | 45.81 | 40.41 |
| Water & Sewer | 95.00 | 95.00 | 70.50 | 83.00 | 88.50 | 97.23 | 104.53 | 102.68 | 100.71 | 100.58 |
| Total | 491.50 | 481.50 | 437.50 | 434.25 | 431.00 | 451.82 | 476.65 | 461.63 | 449.16 | 432.66 |

Source: City Finance Department

**OPERATING INDICATORS BY FUNCTIONAL DEPARTMENT** **Table XVII**
**LAST TEN FISCAL YEARS**
September 30, 2025
CITY OF PORT ORANGE, FLORIDA

| | Fiscal Year Year Ended September 30, | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
| Police: | | | | | | | | | | |
| Arrests | 1,318 | 1,970 | 1,403 | 1,405 | 1,497 | 1,263 | 2,005 | 1,858 | 1,870 | 1,799 |
| Traffic violations* | 5,467 | 5,886 | 4,853 | 5,269 | 7,251 | 6,499 | 8,269 | 8,366 | 7,377 | 7,927 |
| Fire: | | | | | | | | | | |
| Emergency responses | 10,676 | 10,851 | 10,612 | 11,420 | 10,105 | 9,188 | 9,000 | 9,186 | 9,421 | 9,076 |
| Fires extinguished | 137 | 102 | 137 | 118 | 130 | 118 | 102 | 128 | 143 | 140 |
| Inspections/system tests | 1,286 | 784 | 716 | 651 | 393 | 303 | 220 | 266 | 132 | 577 |
| Solid Waste: | | | | | | | | | | |
| Refuse collected (tons per day) | 190 | 150 | 150 | 140 | 184 | 140 | 137 | 124.8 | 125.4 | 118.8 |
| Recyclables collected (tons per day) | 5.5 | 4.6 | 4.7 | 3.0 | 3.1 | 2.9 | 6.5 | 7.4 | 7.1 | 8.2 |
| Number of Customers: | | | | | | | | | | |
| Residential | 24,523 | 24,557 | 25,407 | 25,356 | 25,173 | 24,410 | 24,048 | 23,834 | 23,620 | 23,515 |
| Commercial | 553 | 932 | 550 | 341 | 881 | 828 | 907 | 909 | 899 | 889 |
| Public works-Transportation | | | | | | | | | | |
| Street resurfacing (miles) | 3.5 | 5.2 | - | 5.8 | 7.5 | 4.5 | 6.0 | 7.0 | 7.0 | 6.5 |
| Parks and recreation | | | | | | | | | | |
| Number of athletic sign-ups | 3,860 | 2,975 | 2,417 | 3,926 | 4,388 | 1,266 | 3,562 | 3,614 | 3,215 | 3,100 |
| Water: | | | | | | | | | | |
| Potable Water Produced (MGD AADF**) | 5.995 | 5.500 | 6.648 | 6.422 | 6.236 | 6.178 | 6.043 | 5.789 | 5.815 | 5.954 |
| Number of customers: | | | | | | | | | | |
| Inside | 26,661 | 26,410 | 26,274 | 26,255 | 26,240 | 25,874 | 25,692 | 25,575 | 25,284 | 25,102 |
| Outside | 2,415 | 2,393 | 2,388 | 2,379 | 2,370 | 2,323 | 2,313 | 2,294 | 2,273 | 2,268 |
| Residential | 27,203 | 271,110 | 26,985 | 26,964 | 26,944 | 26,566 | 26,382 | 26,234 | 25,933 | 25,743 |
| Commercial | 1,873 | 1,693 | 1,677 | 1,670 | 1,666 | 1,631 | 1,623 | 1,635 | 1,624 | 1,627 |
| Sewer: | | | | | | | | | | |
| Wastewater Treated (MGD AADF**) | 7.465 | 5.500 | 6.648 | 6.422 | 6.236 | 6.178 | 6.043 | 5.789 | 5.815 | 5.954 |
| Number of customers: | | | | | | | | | | |
| Inside | 25,701 | 25,627 | 25,503 | 25,489 | 25,468 | 25,098 | 24,927 | 24,796 | 24,462 | 24,244 |
| Outside | 885 | 883 | 878 | 874 | 866 | 842 | 829 | 813 | 793 | 784 |
| Residential | 25,271 | 25,201 | 25,086 | 25,071 | 25,051 | 24,685 | 24,505 | 24,355 | 24,010 | 23,799 |
| Commercial | 1,315 | 1,309 | 1,295 | 1,292 | 1,283 | 1,255 | 1,251 | 1,254 | 1,245 | 1,229 |

*Traffic violations include state citations, parking citations, written warnings & DUI citations
**Million Gallons per Day Average Annual Daily Flow
Source: City Departments

**CAPITAL ASSET STATISTICS BY FUNCTIONAL DEPARTMENT** **Table XVIII**
**LAST TEN FISCAL YEARS**
September 30, 2025
CITY OF PORT ORANGE, FLORIDA

| | Fiscal Year Ended September 30, | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
| Police: | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Patrol Vehicles and other Fleet | | | | | | | | | | |
| Vehicles | 132 | 120 | 120 | 120 | 123 | 126 | 124 | 113 | 107 | 105 |
| Motorcycles | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 7 |
| Trailers | 3 | 4 | 5 | 6 | 6 | 6 | 6 | 4 | 3 | 3 |
| Boat/Marine Unit | 0 | 1 | 1 | - | - | - | - | 1 | 1 | 1 |
| Fire Stations | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Public Works: | | | | | | | | | | |
| Paved roads (miles) | 221 | 221 | 330 | 330 | 325 | 320 | 320 | 320 | 320 | 319 |
| Streetlights | 348 | 3,919 | 3,919 | 3,409 | 3,691 | 3,691 | 3,691 | 3,650 | 3,650 | 3,300 |
| Traffic control devices | 24 | 24 | 24 | 21 | 22 | 22 | 22 | 22 | 22 | 22 |
| Parks and Recreation: | | | | | | | | | | |
| Acreage | 514 | 514 | 489 | 489 | 475 | 475 | 485 | 485 | 485 | 485 |
| Playgrounds | 10 | 10 | 10 | 10 | 10 | 9 | 9 | 10 | 10 | 10 |
| Community Centers | 3 | 3 | 3 | 3 | 3 | 3 | 3 | - | - | - |
| Baseball/softball diamonds | 16 | 16 | 11 | 11 | 11 | 11 | - | - | - | - |
| Soccer/football fields | 9 | 9 | 9 | 9 | 8 | 8 | - | - | - | - |
| Athletic Fields | 20 | 20 | 20 | 20 | 19 | 19 | 18 | 21 | 21 | 24 |
| Adult Activity Centers | 1 | 1 | 1 | 1 | 3 | 3 | 3 | 3 | 3 | 3 |
| Boardwalks/Fishing Piers | 12 | 12 | 6 | 6 | 6 | 7 | 7 | 9 | 9 | 10 |
| Boat Ramps | 6 | 6 | 5 | 5 | 7 | 7 | 7 | 6 | 6 | 6 |
| Golf Courses | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Gymnasiums | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 2 |
| Tennis Courts | 18 | 18 | 18 | 18 | 18 | 18 | 20 | 18 | 18 | 18 |
| Pickleball Courts | 8 | 8 | 8 | 8 | 8 | - | - | - | - | - |
| Splash Pads | 2 | 2 | 2 | 2 | 2 | - | - | - | - | - |
| Water: | | | | | | | | | | |
| Potable water mains (miles) | 452 | 452 | 456 | 455 | 454 | 444 | 434 | 434 | 434 | 431 |
| Fire hydrants | 3,199 | 3,199 | 3,162 | 3,142 | 2,900 | 2,900 | 2,897 | 2,897 | 2,999 | 2,897 |
| Storage capacity (mgd) | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 |
| Sewer: | | | | | | | | | | |
| Sanitary sewer force mains (miles) | 75 | 75 | 73 | 74 | 74 | 72 | 72 | 72 | 72 | 72 |
| Gravity sewer mains (miles) | 297 | 297 | 295 | 294 | 292 | 300 | 282 | 282 | 282 | 279 |
| Treatment capacity (mgd) | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 |

Source: City Departments

**CITY OF PORT ORANGE, FLORIDA**
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

| Federal/State Agency / Pass-Through Entity / Federal/State Program | AL / CSFA Number | Contract / Grant Number | Expenditures |
|---|---|---|---|
| **FEDERAL AWARDS** | | | |
| U.S. Department of Housing and Urban Development | | | |
| Direct Programs: | | | |
| Community Development Block Grant | 14.218 | B-19-MC-12-0053 | $ 58,002 |
| Community Development Block Grant | 14.218 | B-20-MC-12-0053 | 383,834 |
| Community Development Block Grant | 14.218 | B-21-MC-12-0053 | 385,215 |
| Community Development Block Grant | 14.218 | B-22-MC-12-0053 | 385,715 |
| Community Development Block Grant | 14.218 | B-23-MC-12-0053 | 347,575 |
| Total U.S. Department of Housing and Urban Development / CDBG - Entitlement Grants Cluster | | | 1,560,341 |
| U.S. Department of Justice | | | |
| Direct Programs: | | | |
| Bulletproof Vest Partnership | 16.607 | ACHC015 TREAS 3 | 36,338 |
| Indirect Programs: | | | |
| Passed-through Florida Office of Attorney General: | | | |
| Victims of Crime Act 2020 - Victims Assistance Program | 16.575 | VOCA-C-2024-POPD-00243 | 74,479 |
| Passed-through Florida Department of Law Enforcement: | | | |
| Edward Byrne Memorial Justice Assistance Grant Program - Port Orange Internet Crimes | 16.738 | D-6N042 | 10,000 |
| Total U.S. Department of Justice | | | 120,817 |
| U.S. Department of Transportation | | | |
| Indirect Programs: | | | |
| Florida Department of Transportation: | | | |
| Highway Planning and Construction - Bicycle and Pedestrian Safety High Visibility Education | 20.205 | G2A92 | 18,198 |
| State and Community Highway Safety - Motorcycle Safety and Awareness | 20.600 | G3574 | 30,388 |
| Total U.S. Department of Transportation | | | 48,586 |
| U.S. Department of Homeland Security | | | |
| Indirect Programs: | | | |
| Passed-through Florida Division of Emergency Management | | | |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters) Hurricane Ian | 97.036 | Z3185 | 6,842 |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters) Hurricane Milton | 97.036 | Z4628 | 1,234,210 |
| Total U.S. Department of Homeland Security | | | 1,241,052 |
| **Total Federal Awards** | | | $ 2,970,796 |
| **STATE FINANCIAL ASSISTANCE** | | | |
| Florida Department of Transportation | | | |
| Direct Programs: | | | |
| Florida Shared-Use Nonmotorized (SUN) Trail Network Program - Design St. Johns River to Sea Loop Trail | 55.038 | G1X03 | $ 41,235 |
| Total Florida Department of Transportation | | | 41,235 |
| Florida Department of Environmental Protection | | | |
| Direct Programs: | | | |
| Statewide Water Quality Restoration Projects | 37.039 | LPA0368 | 1,000,000 |
| Resilient Florida Program - Vulnerability Assessment | 37.098 | 24PLN74 | 145,565 |
| Total Florida Department of Environmental Protection | | | 1,145,565 |
| **Total State Financial Assistance** | | | $ 1,186,800 |

The accompanying notes to the schedule of expenditures of federal awards and state financial assistance are an integral part of this schedule.

**CITY OF PORT ORANGE, FLORIDA**
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

## (1) Basis of Presentation:

The accompanying schedule of expenditures of federal awards and state financial assistance (the Schedule) includes the federal and state grant activity of the City of Port Orange, Florida, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Section 215.97, Florida Statutes. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

## (2) Summary of Significant Accounting Policies:

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Pass-through entity identifying numbers are presented where available.

No amounts were passed through to subrecipients during the fiscal year ended September 30, 2025.

## (3) De Minimis Indirect Cost Rate Election:

The City did not elect to use the de minimis indirect cost rate as covered in §200.414, *Indirect (F&A) costs*, of the Uniform Guidance.

## (4) Contingency:

Project expenditures are subject to audit and adjustment. If any expenditures were to be disallowed by the grantor agency as a result of such an audit, any claim for reimbursement to the grantor agency would become a liability of the City. In the opinion of management, all Project expenditures included on the accompanying schedule complied the terms of the project agreements and applicable federal and state laws and regulations.

## (5) Deferred FEMA Expenditures:

During the previous three fiscal years, the City incurred substantial costs related to Hurricane Ian, Hurricane Nicole, and Hurricane Milton. Per the OMB Compliance Supplement, any reimbursements from the Federal Emergency Management Agency (FEMA) under CFDA 97.036 are not to be recognized as expenditures for purposes of the Schedule of Expenditures of Federal Awards until the respective Project Worksheets (PW) have been approved.

(5) **Deferred FEMA Expenditures:** (Continued)

At September 30, 2025, $6,842 of the federal amounts from the City of Port Orange, Florida's PWs from Hurricane Ian have been approved by FEMA and are recognized on the Schedule for the year ended September 30, 2025. State match amounts have also been approved and recorded for financial statement purposes. There are approximately $1,166,000 of expenditures for which no related revenues have been recorded for financial statement purposes and have not been included on the Schedule; these expenditures will be recognized on the Schedule in future years once approved by FEMA.

At September 30, 2025, no additional federal amounts of the City of Port Orange, Florida's PWs from Hurricane Nicole had been approved by FEMA, and thus are recognized on the Schedule for the year ended September 30, 2025. There are approximately $8,000 of expenditures for which no related revenues have been recorded for financial statement purposes and have not been included on the Schedule; these expenditures will be recognized on the Schedule in future years once approved by FEMA.

At September 30, 2025, $1,234,210 of the federal amounts of the City of Port Orange, Florida's PWs from Hurricane Milton had been approved by FEMA, and thus are recognized on the Schedule for the year ended September 30, 2025. There are no remaining expenditures to be recorded for financial statement purposes or for recognition in the Schedule.

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

A. **Summary of Auditors' Results:**

***Financial Statements:***

Type of audit report issued on the financial statements: *Unmodified*

Internal control over financial reporting:

Material weakness(es) identified? ____ yes __X__ no

Significant deficiency(ies) identified? ____ yes __X__ none reported

Noncompliance material to financial statements noted? ____ yes __X__ no

***Federal Awards:***

Internal control over major Federal programs:

Material weakness(es) identified? ____ yes __X__ no

Significant deficiency(ies) identified? ____ yes __X__ none reported

Type of auditors' report issued on compliance for major Federal programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ____ yes __X__ none reported

Auditee qualified as a low-risk auditee? ____ yes __X__ no

Dollar threshold used to distinguish between type A and type B programs: $1,000,000

Identification of major Federal programs:

| AL Number | Program Name |
|---|---|
| 14.218 | Community Development Block Grant Cluster Entitlement/Special Purpose Grants |

***State Financial Assistance:***

Internal control over major State projects:

Material weakness(es) identified? _____ yes __X__ no

Significant deficiency(ies) identified? _____ yes __X__ none reported

Type of auditors' report issued on compliance for major State projects:

*Unmodified*

Any audit findings disclosed that are required to be reported in accordance Chapter 10.550? _____ yes __X__ none reported

Dollar threshold used to distinguish between type A and type B programs: $356,040

Identification of major State projects:

| CSFA Number | Project Name |
|---|---|
| 37.079 | Statewide Surface Water Restoration and Wastewater Projects |

B. **Financial Statement Findings:** None.

C. **Federal Program Findings and Questioned Costs:** None.

D. **Summary Schedule of Prior Audit Findings:** Not applicable as there are no prior year findings.

E. **Corrective Action Plan:** Not applicable as there are no current year findings.

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

To the Honorable Mayor and City Council,
City of Port Orange, 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 Port Orange, 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 Projects 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 auditors' 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 (*Government Auditing Standards*); the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) 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 are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

***Responsibilities of Management for Compliance***

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

***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, 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 noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance 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.

**Report on Internal Control over Compliance**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program or 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 noncompliance 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 a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

James Moore & Co., P.L.

Daytona Beach, Florida
March 31, 2026

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

To the Honorable Mayor and City Council,
City of Port Orange, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Port Orange, Florida, (the City) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 31, 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 procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

***Report on Compliance and Other Matters***

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

**Purpose of this Report**

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

James Moore & Co., P.L.

Daytona Beach, Florida
March 31, 2026

JAMESMOORE

**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED BY THE OFFICE OF THE AUDITOR GENERAL**

To the Honorable Mayor and City Council,
City of Port Orange, Florida:

**Report on the Financial Statements**

We have audited the basic financial statements of City of Port Orange, Florida (the City), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated March 31, 2026.

**Auditors' 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 Auditors' 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 Auditors' Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; and Independent Accountants' Examination Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 31, 2026, should be considered in conjunction with this management letter.

In addition, separate audits were performed on the Agreement for Golf Course Management Services at Cypress Head, which is included in the Golf Course fund, as well as the City of Port Orange General Employees Defined Benefit Pension Plan, the City of Port Orange Police Pension Plan, and the City's two Community Redevelopment Agencies. Management comments in those reports 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 repeat findings exist from the second preceding audit. There were no findings or recommendations reported in the prior year.

**Official Title and Legal Authority**

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

**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 conditions 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 had no such recommendations.

**Property Assessed Clean Energy (PACE) Programs**

The following items have been provided to us to comply with state reporting requirements and have not been audited by us. We did not audit the following information within this section, nor were we required to perform any procedures to verify the accuracy or the completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on this data.

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

**Special District Component Units**

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

**Specific Special District Information – CRAs**

The required reporting items in accordance with Section 218.39(3)(c), Florida Statutes for the City of Port Orange Eastport Business Center Community Redevelopment Agency and the City of Port Orange Town Center Community Redevelopment Agency have been reported in the separately-issued audited financial statements of the respective agencies.

**Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or 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 have 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 Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, City Council, management, others within the City, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

James Moore & Co., P.L.

Daytona Beach, Florida
March 31, 2026

## INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

To the Honorable Mayor and City Council,
City of Port Orange, Florida:

We have examined the City of Port Orange, Florida's (the City) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies (*the Statute*),* for the year ended September 30, 2025. Management is responsible for the City's compliance with the Statute. Our responsibility is to obtain reasonable assurance by evaluating the City's compliance with the Statute for the year ended September 30, 2025, and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of our evaluation based on our examination.

Our examination was conducted in accordance with the attestation standards for a direct examination engagement established by the AICPA. Those standards require that we obtain reasonable assurance by evaluating whether the City's compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2025, and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of evaluation of the City's compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2025. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks that the City was not in compliance with the Statute in all material respects, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

James Moore & Co., P.L.

Daytona Beach, Florida
March 31, 2026