



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2025
CITY OF ORANGE CITY, FLORIDA



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City of Orange City, Florida

Annual Comprehensive Financial Report

Fiscal Year Ended September 30, 2025



PREPARED BY

CITY OF ORANGE CITY FINANCE DEPARTMENT

CITY OF ORANGE CITY, FLORIDA
Annual Comprehensive Financial Report
For the Year Ended September 30, 2025

MAYOR

Kelli Marks

COUNCIL

Harold Grimm, Vice Mayor

Dana Knight

Lisa Stafford

Dawn Tiamson

Lisa Richardson

Fran Darms

INTERIM CITY MANAGER

Christine Davis

CITY CLERK

Kaley Burleson

FINANCE DIRECTOR

Devlin Moore

DEPUTY FINANCE DIRECTOR

Jennifer High

CITY ATTORNEY

Vose Law Firm LLP

INDEPENDENT AUDITORS

McDermitt Davis, LLC
Certified Public Accountants and Advisors

CITY OF ORANGE CITY, FLORIDA
 Annual Comprehensive Financial Report
 For the Year Ended September 30, 2025

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The image features a white background with three large, dark red, wavy-edged shapes arranged horizontally. The central shape is a hexagon with rounded corners, containing the text 'INTRODUCTORY SECTION'. The two side shapes are identical to the central one but positioned to its left and right. In the bottom right corner, there is a decorative element consisting of a horizontal dotted line that turns 90 degrees and continues as a vertical dotted line.

INTRODUCTORY SECTION



March 24, 2026

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

It is with great pleasure that we present to you the City of Orange City, Florida (“the City”) Annual Comprehensive Financial Report (the “Annual Report”) for the fiscal year ended September 30, 2025. This report fulfills the requirements set forth in the Florida Statutes, Chapter 166.241, and the Rules of the Florida Auditor General, Chapter 10.550. The organization, form, and contents of this report, together with the accompanying financial statements and statistical tables, are prepared in accordance with accounting principles generally accepted in the United States of America as established by the Governmental Accounting Standards Board (GASB), applicable provisions of Florida Statutes, and the Rules of the Florida Auditor General.

Management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for these representations, management has established a system of internal control designed to protect the City’s assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not exceed their benefits, the City’s system of internal control is designed to provide reasonable rather than absolute assurance that the financial statements are free of material misstatement. To the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

McDirmitt Davis, LLC, a firm of licensed certified public accountants, has audited the City’s financial statements. The purpose of the independent audit was to provide reasonable assurance that the financial statements for the fiscal year ended September 30, 2025, are free of material misstatement. The audit included examining 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 presentation of the financial statements. The independent auditors concluded that there is a reasonable basis for rendering an unmodified opinion that the City’s financial statements are fairly presented in conformity with GAAP. The independent auditor’s report appears as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is intended to complement the MD&A and should be read in conjunction with it. The City’s MD&A immediately follows the independent auditor’s report.

PROFILE OF THE CITY

The City of Orange City is located in Southwest Volusia County between the cities of DeBary, DeLand, and Deltona, forming a metropolitan area of over 200,000 residents. The City was established on August 26, 1882, and chartered under Florida law on May 30, 1889. As of 2025, the City encompasses 7.925 square miles and has an estimated population of 14,882, an increase from 14,866 in 2024, as reported by the University of Florida’s Bureau of Economic and Business Research (BEBR). The City is empowered to levy property taxes on real and personal property within its boundaries and may extend its corporate limits through annexation as authorized by state statute.

The City operates under the council-manager form of government. Legislative authority rests with the City Council, which consists of the Mayor, one at-large council member, and five district council members. The Council adopts ordinances, approves the budget, and appoints the City Manager, City Clerk, and City Attorney. The City Manager administers daily operations and appoints department heads. Council members serve staggered four-year terms.



The City provides police and fire protection, street and infrastructure maintenance, engineering, planning and development services, code enforcement, recreational facilities and activities, and cultural activities. The City operates enterprise funds for water, wastewater, reclaimed water, and stormwater services. These operations are financed through user fees established by the Council to ensure adequate coverage of operating costs, capital expenditures, and debt service. Solid waste services are provided through a contracted private provider.

The City maintains a Community Redevelopment Agency (CRA). The CRA is reported as a blended component unit of the City in accordance with Governmental Accounting Standards Board reporting standards. The Agency uses tax increment financing to support redevelopment within the designated district along Volusia Avenue and surrounding areas.

The annual budget serves as the foundation of the City's financial planning and control. Departments submit appropriation requests to the City Manager and Finance Department. The proposed budget is presented to the City Council by August 1 of each year. The Council conducts public workshops and is required to hold two public hearings in September before adopting a final budget and millage rate by September 30.

The appropriated budget is prepared by fund. The City Manager may transfer appropriations within departments. City Council approval is required for transfers between departments, use of contingency or reserves, or changes to total appropriations. Amendments are formally adopted by resolution at regularly scheduled City Council meetings.

BUDGETARY AND INTERNAL ACCOUNTING CONTROLS

The budget is an integral part of the financial accounting system. Encumbrances are recorded when purchase commitments are made. Departments have access to line-item expenditure reports that display budgeted amounts, actual expenditures, encumbrances, and remaining balances. The Finance Department monitors financial activity throughout the year and prepares monthly Budget-in-Brief reports for the City Council.

FACTORS AFFECTING FINANCIAL CONDITION

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

Local economy: In 2025, taxable property values increased by 10.28%, or \$131,980,388, over the prior year. New construction and annexations totaled \$58,327,057, compared to \$35,190,422 in 2024. This expansion reflects sustained economic growth and continued private investment within the City. The increase in taxable value strengthened the City's ad valorem revenue base while maintaining a competitive millage rate. Non-residential properties comprise 67% of taxable value, while residential properties account for 33%.

FINANCIAL INFORMATION

Long-Term Financial Planning: The Finance Department monitors multi-year financial trends to identify potential risks and emerging issues. This analysis informs decisions regarding tax policy, capital planning, operational spending, cash management, and reserve levels. The City's fiscal strategy emphasizes controlling recurring expenditures, maintaining structural balance, preserving adequate reserves, and operating with a business-minded approach that recognizes residents and businesses as stakeholders.

The City Council conducts strategic planning sessions to establish priorities for the upcoming fiscal year. These priorities guide resource allocation and reinforce long-term fiscal sustainability.

Relevant Financial Policies: The City's investment policy prioritizes safety of principal and liquidity while achieving a competitive yield. Deposits are insured by the Federal Deposit Insurance Corporation or



collateralized through Qualified Public Depositories in accordance with state law. Surplus funds are invested in the Local Government Investment Pool administered by the Florida State Board of Administration, Florida SAFE, and FLSTAR.

In April 2024, the City Council adopted Fund Balance Policy Resolution No. 317-24. The policy establishes guidelines for maintaining adequate fund balance levels in the General Fund, Utilities Revenue Fund, and Stormwater Enterprise Fund. Minimum fund balance levels are established by policy and monitored as part of the annual financial audit process. The committed balance for the General Fund is formalized by resolution during the midyear budget amendment process.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2024. This marks the 24th consecutive year the City has received this recognition. To earn the Certificate, a government must publish an easily readable and efficiently organized ACFR that satisfies generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for one year. The City believes this report continues to meet program standards and has submitted it for consideration.

The City also received the GFOA's Award for Outstanding Achievement in Popular Annual Financial Reporting for its Popular Annual Financial Report for the fiscal year ended September 30, 2024. This represents the first time the City has earned this distinction. To receive this award, a government must publish a Popular Annual Financial Report whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

In addition, the City received the GFOA's Distinguished Budget Presentation Award for its Fiscal Year 2024/25 budget. To qualify, the budget must meet nationally recognized guidelines and be rated proficient as a policy document, financial plan, operations guide, and communications device. The City has received this award for 18 consecutive years.

The preparation of this report reflects the professionalism and dedication of the Finance Department. The year-end closing process and preparation of the Annual Comprehensive Financial Report require extensive coordination and review. The Finance Team's diligence ensures the integrity of the City's financial reporting.

Other City departments contributed by maintaining accurate financial records throughout the year. Their cooperation strengthens the reliability of the City's financial information.

We also acknowledge McDirmit Davis, LLC for their contributions and professionalism during the audit process.

Finally, we thank the Mayor and City Council for their leadership and commitment to sound financial management. Their support enables the City to maintain strong fiscal practices and long-term stability.

Respectfully submitted,

Christine Davis
Interim City Manager

Devlin Moore
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Orange City
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

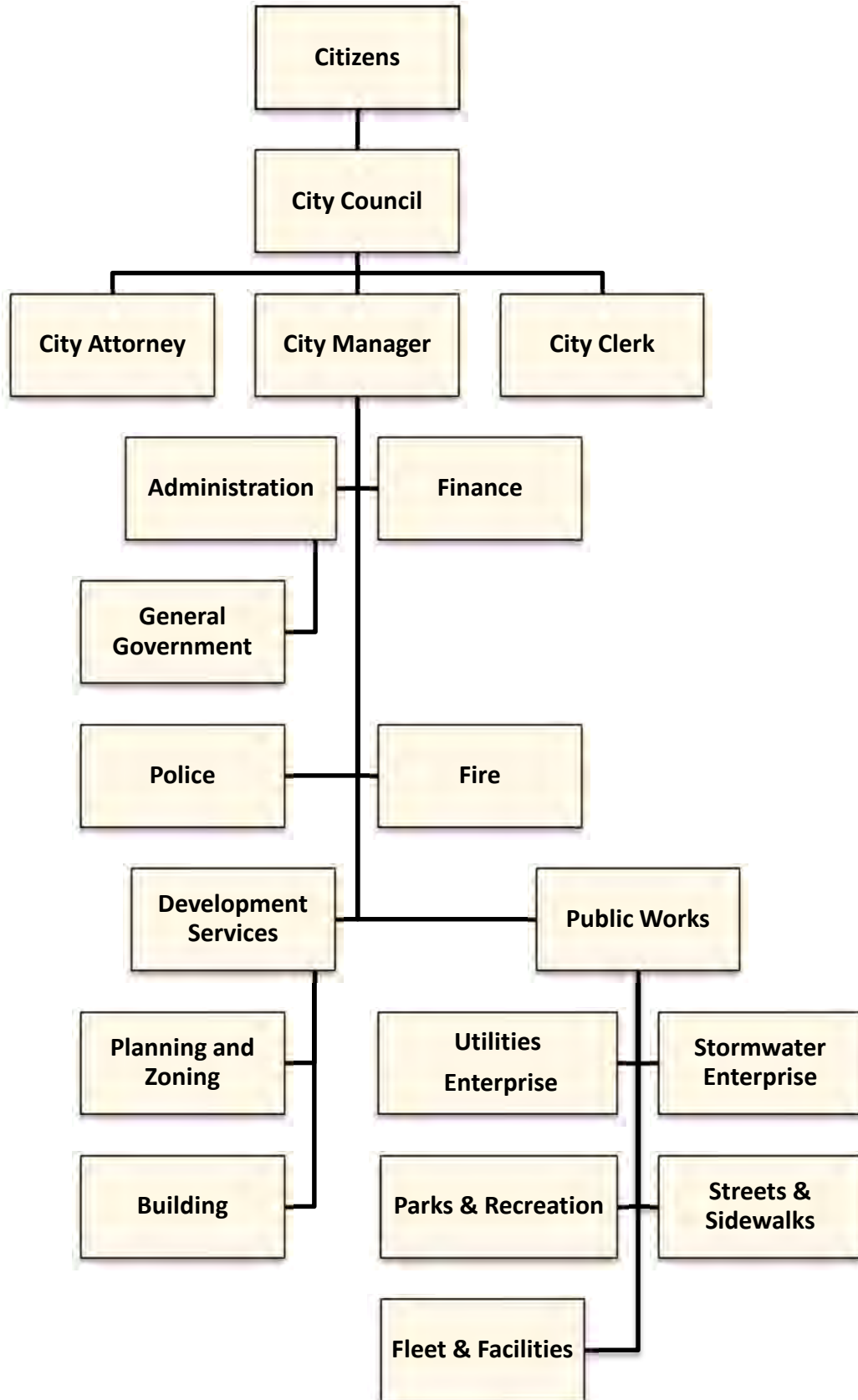
September 30, 2024

Christopher P. Morill

Executive Director/CEO

CITY OF ORANGE CITY, FLORIDA

ORGANIZATIONAL CHART



**CITY OF ORANGE CITY, FLORIDA
Annual Comprehensive Financial Report
For the Year Ended September 30, 2025**

Council-Manager Form of Government



Front row (left to right): Lisa Richardson, Kelli Marks, Harold Grimm.
Back row (left to right): Dana Knight, Lisa Stafford, Fran Darms, Dawn Tiamson.

City Council

As of Fiscal Year End, September 30, 2025

Kelli Marks	Mayor
Harold Grimm	Vice Mayor
Dana Knight	Council Member
Lisa Stafford	Council Member
Dawn Tiamson	Council Member
Lisa Richardson	Council Member
Fran Darms	Council Member

Administrative Staff

Interim City Manager

Christine Davis

City Attorney

Paul Waters

City Clerk

Kaley Burleson

Finance Director

Devlin Moore

Deputy Finance Director

Jennifer High

FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Orange City, 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 Orange City, 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 City of Orange 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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, Supplementary Pension and OPEB Schedules, and Budgetary Comparison 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 schedules, and the Schedule of Expenditures of Federal Awards and State Financial Assistance (the "Schedule"), as required by 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*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund statements and schedules, and the Schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other information Included in the Annual Report

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated March 19, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

McDiarmid Davis

Orlando, Florida
March 19, 2026

CITY OF ORANGE CITY, FLORIDA

Management's Discussion and Analysis (Unaudited)

September 30, 2025

Management of the City of Orange City, Florida (the "City"), offers the readers of these basic financial statements a narrative overview and analysis of the financial activities for the fiscal year ended September 30, 2025. This discussion and analysis is designed to a) assist the reader in focusing on significant financial issues, b) provide an overview of the City's financial activity, c) identify changes in the City's financial position, d) identify any material deviations from the financial plan (the approved budget), and e) identify individual fund issues and concerns.

As with other sections of this financial report, the information contained within the Management's Discussion and Analysis (MD&A) should be considered only as part of a greater whole. Readers should take time to read and evaluate all sections of this report, including the letter of transmittal (page i), the required supplementary information (RSI) (beginning on page 60), and the City's basic financial statements (beginning on page 18).

Financial Highlights

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at September 30, 2025, by \$81,168,852 (net position). Of this amount, \$20,190,974 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- **Restatement for GASB Statement No. 101.** During fiscal year 2025, the City implemented GASB Statement No. 101, Compensated Absences. The standard required the City to revise its measurement and recognition of compensated absences and to restate beginning net position. The City decreased beginning net position by \$182,030 (\$164,707 governmental activities and \$17,323 business-type activities) (Note 2, page 38).
- After the restatement, the City's total net position increased by \$6,513,025 for the fiscal year (governmental activities \$1,850,414 and business-type activities \$4,662,611).
- At the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$28,063,560, a decrease of \$1,656,793 in comparison with the prior year. Approximately 31% of this amount, or \$8,598,690, is available for spending at the City's discretion (unassigned fund balance).
- During the fiscal year, the City experienced a net increase in its total outstanding debt by \$367,352. This change reflects State Revolving Fund (SRF) loan proceeds of \$996,326, partially offset by principal repayments, including \$83,834 on notes payable, \$397,231 on SRF loans, \$47,118 on the City Hall Annex lease, and \$100,791 on subscription-based information technology arrangement (SBITA) liabilities (Note 7, page 45).

Overview of the Financial Statements

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

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

The Statement of Net Position presents information on all of the City's assets and deferred outflows and liabilities and deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities 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 the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused paid time off).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities

CITY OF ORANGE CITY, FLORIDA

Management's Discussion and Analysis (Unaudited)

September 30, 2025

of the City include general government, police, fire, public works, parks and recreation, and development services. The business-type activities of the City include water, wastewater, and stormwater services.

The government-wide financial statements include the City (primary government) and one blended component unit, the Community Redevelopment Agency (CRA).

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and enterprise 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 financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City maintains nine individual governmental funds. The governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances present the General Fund, the Impact Fee Fund (a special revenue fund), and the Community Redevelopment Agency (CRA) Fund (a special revenue fund) as major funds. The remaining six governmental funds are reported in a single aggregated column as nonmajor governmental funds. Detailed information for each nonmajor governmental fund is provided in the combining statements that follow the notes to the financial statements in this report.

The City adopts an annual appropriated budget for its General Fund and Special Revenue Funds. Budgetary comparison schedules have been provided for the General Fund and each major Special Revenue Fund that adopts a budget to demonstrate compliance with the budget and are presented as required supplementary information. Budgetary comparisons for nonmajor special revenue funds are presented in the combining statements.

Enterprise funds. The City maintains two enterprise funds, which 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 Utility and Stormwater operations. The enterprise fund financial statements provide the same type of information as the government-wide financial statements, but in greater detail.

The basic enterprise fund financial statements can be found beginning on page 24.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 28 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information, including budgetary comparison schedules. Combining and individual fund statements and schedules can be found beginning on page 67 of this report.

Infrastructure assets. Historically, a government's infrastructure assets (such as roads, bridges, and underground pipes not associated with a utility system) were not reported or depreciated in the governmental fund financial statements. GASB Statement No. 34 requires that these assets be capitalized and reported within the governmental activities column of the government-wide financial statements.

Under GASB Statement No. 34, governments may either depreciate infrastructure assets over their estimated useful lives or apply the modified approach, which relies on an asset management system and documented condition

CITY OF ORANGE CITY, FLORIDA

Management’s Discussion and Analysis (Unaudited)

September 30, 2025

assessments to demonstrate that infrastructure is being preserved at a defined service level. The City has elected to use the depreciation method.

Government-wide Financial Analysis

Net position. As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. As of September 30, 2025, the City’s assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$81,168,852.

The table below provides a summarized comparison of the Statement of Net Position for the current year and the prior year. For a complete presentation, refer to the Statement of Net Position on page 18.

(in thousands)	Statement of Net Position					
	As of September 30					
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 29,580	\$ 31,875	\$ 16,878	\$ 14,828	\$ 46,458	\$ 46,703
Restricted assets	80	80	1,298	735	1,378	815
Capital assets	17,983	15,498	54,955	52,282	72,938	67,780
Total assets	47,643	47,453	73,131	67,845	120,774	115,298
Total deferred outflows of resources	4,048	4,307	513	564	4,561	4,871
Other liabilities	1,921	2,554	3,865	3,314	5,786	5,868
Long-term liabilities outstanding	15,232	17,396	20,225	20,306	35,457	37,702
Total liabilities	17,153	19,950	24,090	23,620	41,243	43,570
Total deferred inflows of resources	2,585	1,543	338	218	2,923	1,761
Net position:						
Net investment in capital assets	16,347	12,979	34,363	32,137	50,710	45,116
Restricted net position						
Other purposes	4,390	3,941	5,878	4,798	10,268	8,739
Unrestricted	11,216	13,347	8,975	7,636	20,191	20,983
Total net position	\$ 31,953	\$ 30,267	\$ 49,216	\$ 44,571	\$ 81,169	\$ 74,838

The largest portion of the City’s net position, \$50,709,952 (62%), represents its net investment in capital assets (for example, land, buildings, improvements, infrastructure, vehicles, and equipment), net of related debt. These capital assets provide services to residents and businesses and are not available for future spending. Although the City reports this component net of related debt, the City must repay that debt from other resources, since the capital assets themselves cannot be used to liquidate liabilities.

A portion of the City’s net position, \$10,267,926 (13%), is restricted due to external restrictions imposed by creditors, grantors, laws, or regulations. The remaining unrestricted net position, \$20,190,974 (25%), may be used to meet the City’s ongoing obligations to citizens and creditors.

Changes in net position. While the Statement of Net Position presents a snapshot of the City’s financial position at fiscal year-end, the Statement of Activities explains how and why net position changed during the year.

The table on the next page provides a summarized comparison of the Statement of Activities for the current year and the prior year. For a complete presentation, refer to the Statement of Activities on page 19.

CITY OF ORANGE CITY, FLORIDA

Management's Discussion and Analysis (Unaudited)

September 30, 2025

**Changes in Net Position
As of September 30**

(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues -						
Charges for services	\$ 7,413	\$ 6,284	\$ 9,835	\$ 9,038	\$ 17,248	\$ 15,322
Operating grants and contributions	434	286	-	-	434	286
Capital grants and contributions	116	6	2,603	3,015	2,719	3,021
General revenues	15,312	13,669	1,347	427	16,659	14,096
Total revenues	23,275	20,245	13,785	12,480	37,060	32,725
Expenses:						
General government	5,463	5,169	-	-	5,463	5,169
Public safety	12,285	10,124	-	-	12,285	10,124
Highways and streets	1,088	1,411	-	-	1,088	1,411
Parks and recreation	1,028	1,045	-	-	1,028	1,045
Economic environment	443	28	-	-	443	28
Interest on long-term debt	16	29	-	-	16	29
Water and sewer	-	-	9,269	7,597	9,269	7,597
Stormwater	-	-	955	857	955	857
Total expenses	20,323	17,806	10,224	8,454	30,547	26,260
Increase in net position before transfers	2,952	2,439	3,561	4,026	6,513	6,465
Transfers	(1,101)	331	1,101	(331)	-	-
Increase in net position	1,851	2,770	4,662	3,695	6,513	6,465
Net position - October 1	30,102	27,497	44,554	40,876	74,656	68,373
Net position - September 30	\$ 31,953	\$ 30,267	\$ 49,216	\$ 44,571	\$ 81,169	\$ 74,838

At September 30, 2025, the City's combined net position totaled \$81,168,852. Beginning net position, as previously reported, was \$74,837,857. During the year, the City implemented GASB Statement No. 101, Compensated Absences, which required a restatement of beginning net position of \$182,030. As a result, beginning net position as restated was \$74,655,827 (Note 2, page 38). After this restatement, the City's total net position increased by \$6,513,025 for the fiscal year, which represents a 9% increase compared to beginning net position as restated.

The City's overall change in net position reflects the combined results of governmental and business-type activities, as discussed below.

Net position of the City's **governmental activities** increased by \$1,850,414 and totaled \$31,952,142 at September 30, 2025. Of this amount, \$4,389,923 (14%) is restricted. Unrestricted net position of \$11,215,512 (35%) may be used to meet the government's ongoing obligations to citizens and creditors. The remaining \$16,346,707 (51%) represents the City's net investment in capital assets. Property taxes, which accounted for 38% of governmental activities revenues, increased by \$617,580, primarily due to higher taxable values and growth from new construction and development within the City.

Net position of the City's **business-type activities** increased by \$4,662,611 and totaled \$49,216,710 at September 30, 2025. Of this amount, \$5,878,003 (12%) is restricted. Unrestricted net position of \$8,975,462 (18%) may be used to meet the City's ongoing obligations to citizens and creditors. The remaining \$34,363,245 (70%) represents net investment in capital assets. Charges for services, which comprised 71% of business-type activities revenues, increased by \$797,175 (9%). The increase primarily reflects additional utility customers associated with new development, along with annual rate adjustments consistent with the adopted utility and stormwater rate studies.

The following analysis considers the operations of governmental and business-type activities separately.

CITY OF ORANGE CITY, FLORIDA

Management’s Discussion and Analysis (Unaudited)

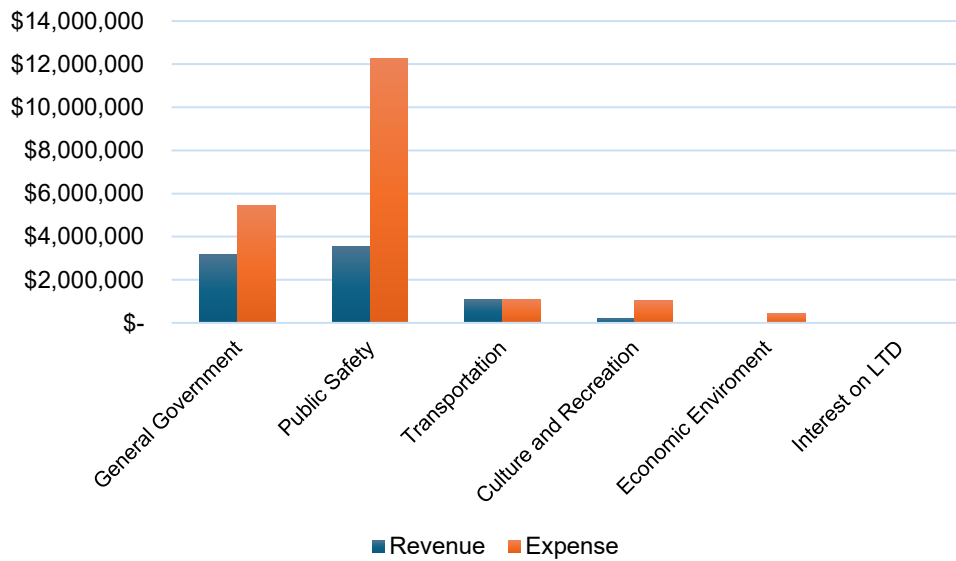
September 30, 2025

Governmental Activities

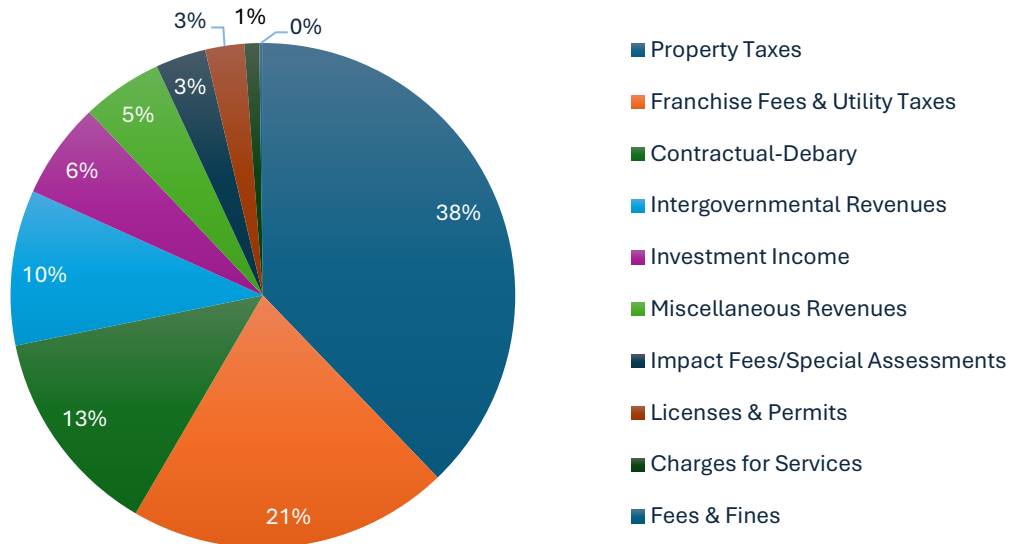
The total expense for governmental activities for the year was \$20,322,717, an increase of \$2,516,559 (14%) from the prior year total of \$17,806,158. As presented in the Statement of Activities on page 17, City taxes funded \$12,360,342 of these costs. The remaining costs were largely offset by program revenues (charges for services, operating grants and contributions, and capital grants and contributions) totaling \$7,962,375, and by other general revenues.

Governmental program revenues increased by \$1,386,482 (21%), rising from \$6,575,893 in the prior year to \$7,962,375 in 2025. This increase was primarily attributable to higher charges for services, including higher contract revenues, most notably the DeBary Fire Services Contract. The increase also reflects higher intergovernmental revenues, including the receipt of grant funding such as FEMA proceeds related to Hurricane Milton.

Program Revenues vs. Expenses



Governmental Revenues by Source



Management’s Discussion and Analysis (Unaudited)

September 30, 2025

Business-type Activities

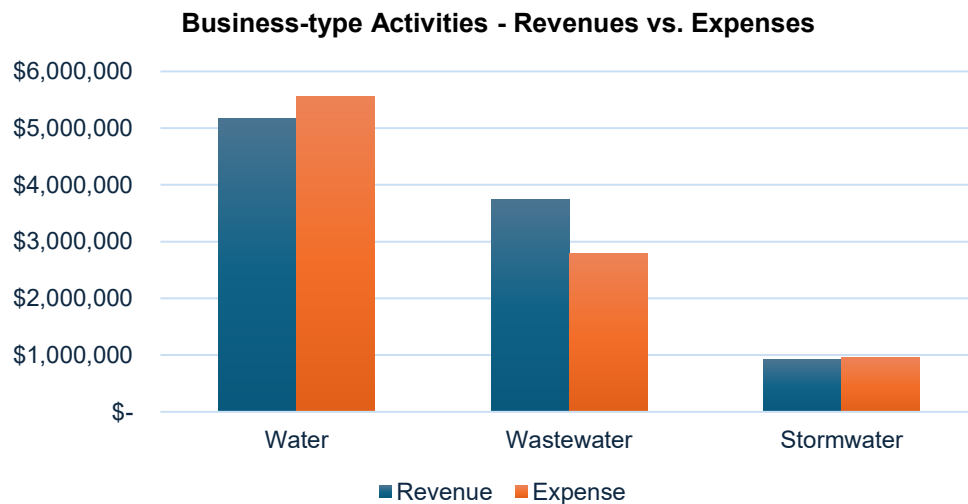
Analyzing the relationship between business-type activities’ expenses and the revenues generated from these services provides insight into the financial sustainability of the City’s utility and stormwater operations.

In 2025, total expenses for business-type activities increased to \$10,224,067, an increase of \$1,769,597 (21%) from \$8,454,470 in 2024. Charges for services increased to \$9,835,405, an increase of \$797,175 (9%) from \$9,038,230 in 2024. Business-type activities reported an increase in net position of \$4,662,611 for the fiscal year, compared to an increase of \$3,695,116 in the prior year, resulting in total net position of \$49,216,710 at September 30, 2025.

Key factors in the current year’s activity include:

- Annual water, wastewater, and reclaimed water rate adjustments consistent with the 2019 adopted utility rate study.
- Annual stormwater rate adjustments consistent with the 2015 adopted stormwater rate study.
- Capital grants and contributions decreased to \$2,602,561 in 2025 compared to \$3,014,982 in 2024.

The following is a summary of the City’s Program Revenues and Expenses, business-type activities:



The primary sources of revenue for business-type activities are charges for services and capital grants and contributions. These revenue sources are useful in identifying how the City’s utility and stormwater operations are funded.

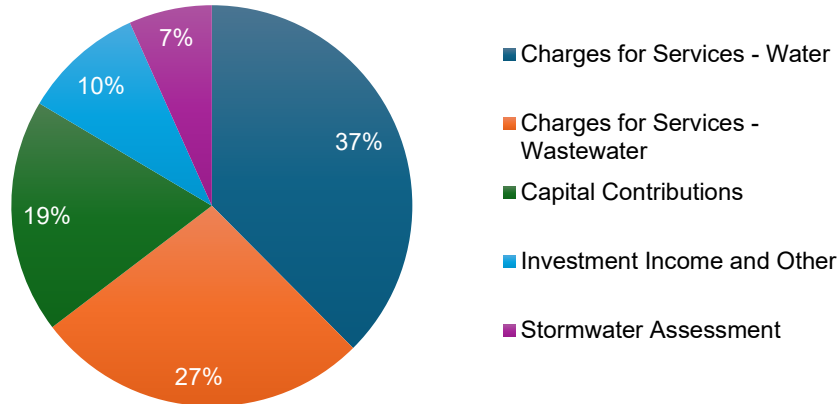
The following is a summary of the City’s Revenues by Source – Business-type Activities:

CITY OF ORANGE CITY, FLORIDA

Management's Discussion and Analysis (Unaudited)

September 30, 2025

Revenues by Source - Business-type Activities



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

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

As of September 30, 2025, the City's governmental funds reported combined ending fund balances of \$28,063,560, a decrease of \$1,656,793 from the prior year. Approximately 31%, or \$8,598,690, represents unassigned fund balance that is available for spending at the City's discretion. The remaining fund balance classifications total \$19,464,870 and represent amounts that are nonspendable, restricted, committed, and assigned.

Nonspendable fund balance totaled \$1,853,024 and consists primarily of prepaid items at year-end and advances from the General Fund to other funds, including the CRA and the Kentucky Avenue Special Assessment Fund.

Restricted fund balance totaled \$1,926,891 and consists of amounts restricted for debt service (\$79,656) and other legally restricted purposes (\$1,847,235). Restricted amounts are constrained by external parties or enabling legislation, including applicable provisions of the City Charter and Florida Statutes. Restricted "other" balances include the Forfeiture Fund (\$32,953), Shadow Ridge and Briarwood South Street Lighting Fund (\$5,718), Solid Waste Fund (\$100,058), Tree Bank Fund (\$218,259), Building Safety Fund (\$11,610), and the CRA Fund (\$1,478,637).

Committed fund balance totaled \$4,277,141 and includes impact fees and committed General Fund reserves. Impact fees totaled \$2,562,389 and are restricted by ordinance and State law for capital improvements necessitated by growth. In addition, pursuant to the City's Fund Balance Policy (Resolution No. 317-24), City Council committed \$1,714,752 of General Fund reserves for economic uncertainty and budget stabilization purposes, subject to Council direction.

Assigned fund balance totaled \$11,407,814. The largest assigned component is \$9,348,909 within the Facility Construction Fund for the design and construction of new municipal buildings. Assigned balances also include \$1,811,470 set aside pursuant to the Fund Balance Policy for contingency and emergency and disaster-related needs. The remaining \$247,435 represents amounts assigned for use of fund balance in the fiscal year 2026 adopted budget.

The General Fund is the chief operating fund of the City. At September 30, 2025, the General Fund reported a total fund balance of \$24,199,116, including \$9,144,571 of unassigned fund balance. A useful measure of General Fund liquidity compares unassigned fund balance to total General Fund expenditures. At year-end, unassigned fund balance represented just under 42% of total General Fund expenditures of \$22,021,882.

CITY OF ORANGE CITY, FLORIDA

Management's Discussion and Analysis (Unaudited)

September 30, 2025

The General Fund fund balance decreased by \$2,165,243 during the current fiscal year. The decrease was primarily attributable to:

- a one-time transfer of \$1,280,000 from the General Fund to the Stormwater Enterprise Fund for the City's required cash match for the Transform 386 -- Community Development Block Grant (CDBG) Infrastructure and Mitigation Program grant for Mill Lake and Industrial Park,
- costs associated with response and recovery related to Hurricane Milton, which the City expects to be substantially reimbursed through insurance recoveries and FEMA Public Assistance in a subsequent fiscal year, subject to eligibility determinations and claim resolution, and
- the use of reserves for one-time capital outlay.

Since 2020, the CRA has issued separate financial statements due to changes in Florida law. In connection with the change, the City determined that SRF loan proceeds recorded in the prior year and the current year should be allocated to the General Fund. The General Fund then advanced funds to the CRA for infrastructure construction within the CRA boundaries. The CRA's restricted fund balance at year-end was \$1,478,733.

The City's Impact Fee Fund balance decreased by \$52,181 during the current fiscal year, primarily due to design and engineering costs associated with the East Rhode Island Avenue and South Leavitt Avenue roundabout.

Enterprise funds. Enterprise funds provide the same type of information found in the government-wide financial statements, but in more detail, and are used to account for activities that are financed primarily through user charges.

Unrestricted net position of the Utility and Stormwater enterprise funds at September 30, 2025 totaled \$8,975,462, an increase of \$1,339,271 (18%) from the prior year balance of \$7,636,191. The increase was primarily driven by positive operating results and strong nonoperating activity, including interest earnings and insurance proceeds, along with net transfers into the funds. These items more than offset costs such as interest expense and losses on disposal of capital assets. The enterprise funds also benefited from capital contributions during the year.

General Fund Budgetary Highlights

The following provides a summary of significant changes from the original adopted budget to the final amended budget for the General Fund. The budget-to-actual comparison schedule is presented as required supplementary information (page 63).

Budget amendments. Total General Fund budgeted expenditures increased from \$19,830,159 in the original adopted budget to \$28,693,649 in the final amended budget, an increase of \$8,863,535 (45%). The increase primarily reflected carryforward and reappropriations for multi-year projects, grant-related appropriations, and storm response and recovery activities, including:

- \$3.3 million cash carryforward for ongoing operating and capital projects, including design of the new Public Safety Building, Fire Station No. 68, and the Public Works Facility; exterior refurbishment and roof replacement of City Hall; and engineering services for the West French Shared Use Path.
- \$1.3 million reappropriation of a federal grant for the design and construction of the East Rhode Island Avenue and South Leavitt Avenue roundabout.
- \$441,278 increase to the DeBary Fire Services budget to support start-up costs associated with bringing Fire Station No. 39 online.
- \$3.2 million appropriation for Hurricane Milton response and recovery, including reconstruction activities for Threadgill Place and Monastery Road.
- \$178,000 appropriation for hurricane supplies and equipment in preparation for the 2025 hurricane season, including the purchase of a trailer-mounted pump.

CITY OF ORANGE CITY, FLORIDA

Management's Discussion and Analysis (Unaudited)

September 30, 2025

Budget vs. actual results. Actual revenues were \$443,179 less than the final budget, and actual expenditures were \$6,671,812 less than the final budget.

Revenues. Actual year-end revenues were below the final budget by \$443,179 (2%). The shortfall is largely attributed to \$1,346,936 of transportation grant proceeds budgeted for the East Rhode Island Avenue and South Leavitt Avenue roundabout that were not recognized in fiscal year 2025 due to the timing of reimbursable project activity. Favorable variances in several revenue categories partially offset this shortfall, including:

- Insurance Proceeds \$304,480
- Electric Utility Tax \$260,130
- Interest Earnings \$130,866
- Electric Franchise Fee \$ 96,837

Expenditures. Actual year-end expenditures were below the final budget by \$6,671,812 (23%). The most significant favorable variances were:

- Public Safety \$3,115,258
- Transportation \$2,570,878
- General Government \$ 476,757

These favorable variances primarily reflect appropriations for multi-year capital projects and storm-related recovery activities that were not expended by fiscal year-end and will carry forward into future periods. For example:

- East Rhode Island Avenue and South Leavitt Avenue roundabout: \$1,346,936 unspent at year-end.
- Design services for the new Public Safety Building, Fire Station No. 68, and the Public Works Facility: \$1,449,175 unspent at year-end.
- East Lansdowne Avenue sidewalk project: \$396,989 unspent at year-end.
- West French Shared Use Path: \$322,754 unspent at year-end.
- Hurricane Milton recovery and replacement activities: \$667,496 remaining for Monastery Road reconstruction and \$223,504 remaining for replacement of six patrol vehicles damaged by the storm.

Additional savings resulted from position vacancies and normal personnel attrition, particularly within the police and fire departments, as well as continued departmental fiscal discipline that helped contain operating costs.

Capital Assets and Debt Administration

Capital assets. At September 30, 2025, the City reported \$72,937,716 (net of accumulated depreciation) invested in a broad range of capital assets, including land, equipment, buildings, park facilities, and infrastructure. This represents a net increase (including additions and disposals) of \$5,157,646 (8%) compared to the prior year. The following table illustrates the City's capital assets by major class (net of accumulated depreciation):

CITY OF ORANGE CITY, FLORIDA

Management’s Discussion and Analysis (Unaudited)

September 30, 2025

**Capital Assets
(net of accumulated depreciation)
As of September 30**

(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Non-depreciable capital assets:						
Land and improvements	\$ 1,198	\$ 1,156	\$ 2,030	\$ 1,644	\$ 3,228	\$ 2,800
Wastewater capacity	-	-	-	893	-	893
Construction in progress	4,707	2,864	5,778	24,084	10,485	26,948
Depreciable capital assets:						
Buildings and improvements	1,777	1,272	1,495	209	3,272	1,481
Machinery and equipment	3,747	3,306	803	545	4,550	3,851
Water and wastewater system	-	-	38,896	18,487	38,896	18,487
Stormwater infrastructure	-	-	5,719	6,083	5,719	6,083
Infrastructure	6,308	6,526	-	-	6,308	6,526
Intangible & Subscription Assets	245	374	234	337	479	711
Total	\$ 17,982	\$ 15,498	\$ 54,955	\$ 52,282	\$ 72,937	\$ 67,780

Major capital activity during the fiscal year included:

- Citywide infrastructure, including road and stormwater improvements (\$443,342)
- Acquisition of citywide vehicles and equipment (\$1,594,115)
- Land acquisition and improvements (\$428,707)
- Water and wastewater infrastructure (\$22,036,140)
- Building improvements (\$1,968,299)

At September 30, 2025, construction in progress (CIP) totaled \$10,485,053. Of this amount, \$5,777,675 related to business-type activities, driven primarily by utility infrastructure and pipe rehabilitation projects. The remaining \$4,707,378 related to governmental activities and reflects building and infrastructure projects currently underway. Additional information on the City’s capital assets can be found in Note 6 to the financial statements, beginning on page 41.

Future capital assets. For fiscal year 2026, the City’s adopted capital program continues to advance City Council’s priorities for capital replacement and infrastructure investment while aligning planned projects with available resources.

For governmental activities, the fiscal year 2026 adopted capital program totals \$9,259,660. The most significant planned investment is in facilities (\$7,949,000). Additional planned investments include \$631,815 for vehicles and equipment, \$541,600 for street and sidewalk improvements, and \$137,245 for park improvements.

For business-type activities, the fiscal year 2026 adopted capital budget totals \$2,121,580 to support targeted improvements and long-term sustainability of the utility and stormwater systems. Planned investments include \$813,500 for water and wastewater infrastructure, \$500,000 for stormwater infrastructure, and \$476,000 for renewal and replacement of existing systems. The plan also includes \$332,080 for vehicles and equipment to support utility operations and service delivery.

Long-term debt. At September 30, 2025, the City had outstanding long-term liabilities as summarized in the table below:

CITY OF ORANGE CITY, FLORIDA

Management’s Discussion and Analysis (Unaudited)

September 30, 2025

**Long-Term Debt
As of September 30**

(in thousands)	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
	State Revolving Fund	\$ 1,192	\$ 1,272	\$ 19,118	\$ 18,439	\$ 20,310
Notes Payable	129	213	-	-	129	213
Lease Liability	-	-	172	219	172	219
SBITA Liability	115	192	-	24	115	216
Total	\$ 1,436	\$ 1,677	\$ 19,290	\$ 18,682	\$ 20,726	\$ 20,359

During the fiscal year, the City’s governmental activities notes payable and SRF loan balances decreased by \$163,490, reflecting scheduled principal payments on the fire truck note and the governmental SRF loan.

The City’s business-type activities long-term debt increased by \$678,751. During the year, the City made principal payments of \$317,575 on outstanding SRF loans and incurred \$996,326 in new SRF loan proceeds to support utility-related capital improvements.

At September 30, 2025, the City had SRF Loans DW642000, DW642030, DW642040, DW642041, DW642050, and LS642090 outstanding in the total amount of \$20,310,450. Additional information on the City’s long-term liabilities is presented in Note 7 to the financial statements beginning on page 40.

The City is authorized to issue debt pursuant to Article VII of the Constitution of the State of Florida and Chapter 166, Part II, Florida Statutes. The City Charter does not establish a specific debt limitation; however, it requires that debt issuances be authorized by ordinance.

In accordance with GASB Statement No. 87, Leases, and GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs), long-term liabilities also include certain leases and SBITAs. At September 30, 2025, business-type activities reported lease principal outstanding of \$172,208, and the City reported SBITA principal outstanding of \$115,166.

Economic Factors and Next Year’s Budgets and Rates

Florida’s Constitution does not authorize a state personal income tax. As a result, the State relies primarily on sales and use taxes, fuel taxes, and corporate income taxes to fund state operations. Local governments, including municipalities, rely heavily on property taxes and a limited array of other taxes and fees (such as utility service taxes, franchise fees, permit-related revenues, and charges for services) to fund governmental activities. Local revenues are supplemented by state-shared revenues and recurring and nonrecurring grants from state and federal sources. Of ongoing concern are state-level mandates and preemptions that may shift costs to local governments or limit local discretion, which can affect long-range financial planning and service delivery.

Property tax policy also remains an ongoing focus area at the state level. As of September 30, 2025, proposals related to property tax reform and additional revenue limitations for local governments continued to be discussed within the State of Florida. If enacted in future periods, such reforms could materially affect municipal revenue capacity and could require local governments to evaluate service levels, alternative revenue sources, and long-range financial strategies. The City will continue to monitor these discussions closely and will incorporate any enacted changes into future budget development and multi-year financial forecasting.

The City adopted a balanced fiscal year 2026 budget that addressed core service needs while maintaining focus on personnel compensation, capital improvement objectives, and service maintenance. The fiscal year 2026 budget also reflects continued attention to inflationary pressures, construction cost volatility, supply chain constraints, and labor market conditions, which can affect both operating costs and capital project schedules. City Council and staff will continue to monitor these factors and evaluate their potential impacts on revenues, expenditures, and service delivery.

The City’s rate-setting and long-range financial planning efforts include the following:

CITY OF ORANGE CITY, FLORIDA

Management's Discussion and Analysis (Unaudited)

September 30, 2025

- On June 24, 2025, City Council adopted the Stormwater Master Plan and adopted Resolution No. 375-25 approving a Stormwater Rate Study. The rate study provides for updated stormwater rates scheduled to take effect in fiscal year 2026 and continue through fiscal year 2030. The fiscal year 2026 budget includes the first increase pursuant to the adopted rate study.
- The City initiated a Utility Rate Study in a prior fiscal year and will continue the study during fiscal year 2026 to evaluate water, wastewater, and reclaimed water rates and to support a new multi-year rate plan. If adopted, updated rates are expected to become effective October 2026 and extend through the subsequent five-year period.
- In fiscal year 2026, the City anticipates conducting a Fire Assessment Fee Study for potential implementation in fiscal year 2027. If adopted, a fire assessment could augment existing revenues and may provide a funding source to support public safety needs, including potential funding capacity for construction of the new Fire Station No. 68.

The City will continue to monitor economic conditions and legislative actions that could affect revenues, expenditures, and service delivery, and will continue to emphasize long-range forecasting and reserve planning to maintain financial resiliency in future years.

Requests for Information

The financial report is designed to provide a general overview of the City's finances for all of those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the office of the Finance Director, City of Orange City, 205 East Graves Avenue, Orange City, Florida, 32763. Other financial information can be found at the City's website (www.orangecityfl.gov).



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CITY OF ORANGE CITY, FLORIDA

BASIC FINANCIAL STATEMENTS

For the Year Ended September 30, 2025

The basic financial statements include integrated sets of financial statements as required by the GASB. The sets of financial statements include:

- Government-wide financial statements
- Fund financial statements:
 - Governmental funds
 - Proprietary (enterprise) fund

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

CITY OF ORANGE CITY, FLORIDA

STATEMENT OF NET POSITION

September 30, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS:			
Cash and cash equivalents	\$ 26,979,683	\$ 13,802,349	\$ 40,782,032
Receivables, net	2,309,889	1,277,195	3,587,084
Due from other governments	146,861	1,769,876	1,916,737
Prepaid items	143,811	28,374	172,185
Restricted Assets:			
Cash and cash equivalents	79,656	1,298,383	1,378,039
Capital Assets:			
Capital assets not being depreciated	5,905,843	7,807,801	13,713,644
Capital assets being depreciated, net of accumulated depreciation	12,076,671	47,147,401	59,224,072
Total capital assets	17,982,514	54,955,202	72,937,716
Total assets	47,642,414	73,131,379	120,773,793
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows of pension earnings	3,985,121	496,982	4,482,103
Deferred outflows related to OPEB	62,603	16,312	78,915
Total Deferred inflows of resources	4,047,724	513,294	4,561,018
LIABILITIES:			
Accounts payable and accrued expenses	1,244,470	1,952,163	3,196,633
Retainage payable	18,434	115,207	133,641
Accrued interest	3,400	3,950	7,350
Customer deposits payable	169,245	423,736	592,981
Unearned revenue	164,191	424,830	589,021
Noncurrent Liabilities:			
Due within one year	321,133	944,649	1,265,782
Due in more than one year	15,232,346	20,225,326	35,457,672
Total liabilities	17,153,219	24,089,861	41,243,080
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows of pension earnings	2,468,803	307,884	2,776,687
Deferred inflows related to OPEB	115,974	30,218	146,192
Total Deferred inflows of resources	2,584,777	338,102	2,922,879
NET POSITION:			
Net investment in capital assets	16,346,707	34,363,245	50,709,952
Restricted for impact fee fund	2,562,389	-	2,562,389
Restricted for community redevelopment	1,478,733	-	1,478,733
Restricted for streetlighting district	5,718	-	5,718
Restricted for improvements	218,259	4,579,620	4,797,879
Restricted for public safety	45,168	-	45,168
Restricted for debt service	79,656	1,298,383	1,378,039
Unrestricted	11,215,512	8,975,462	20,190,974
Total net position	\$ 31,952,142	\$ 49,216,710	\$ 81,168,852

The accompanying Notes to Financial Statements are an integral part of this statement.

CITY OF ORANGE CITY, FLORIDA

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2025

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental Activities:							
General government	\$ 5,463,008	\$ 3,149,516	\$ -	\$ -	\$ (2,313,492)	\$ -	\$ (2,313,492)
Public safety	12,285,212	3,397,995	30,848	115,772	(8,740,597)	-	(8,740,597)
Transportation	1,088,143	765,071	307,874	-	(15,198)	-	(15,198)
Culture and recreation	1,028,202	99,963	95,336	-	(832,903)	-	(832,903)
Economic Environment	442,522	-	-	-	(442,522)	-	(442,522)
Interest on Long-term debt	15,630	-	-	-	(15,630)	-	(15,630)
Total governmental activities	<u>20,322,717</u>	<u>7,412,545</u>	<u>434,058</u>	<u>115,772</u>	<u>(12,360,342)</u>	<u>-</u>	<u>(12,360,342)</u>
Business-type Activities:							
Utilities	9,269,144	8,911,449	-	2,592,561	-	2,234,866	2,234,866
Stormwater	954,923	923,956	-	10,000	-	(20,967)	(20,967)
Total business-type activities	<u>10,224,067</u>	<u>9,835,405</u>	<u>-</u>	<u>2,602,561</u>	<u>-</u>	<u>2,213,899</u>	<u>2,213,899</u>
Total primary government	<u>\$ 30,546,784</u>	<u>\$ 17,247,950</u>	<u>\$ 434,058</u>	<u>\$ 2,718,333</u>	<u>(12,360,342)</u>	<u>2,213,899</u>	<u>(10,146,443)</u>
General Revenues:							
Property taxes					8,803,610	-	8,803,610
Local option gas and use tax					271,882	-	271,882
Utility service taxes					2,736,740	-	2,736,740
State sales tax					1,158,825	-	1,158,825
Unrestricted investment earnings					1,436,004	372,426	1,808,430
Miscellaneous					904,949	975,032	1,879,981
Transfers					(1,101,254)	1,101,254	-
Total general revenues and transfers					<u>14,210,756</u>	<u>2,448,712</u>	<u>16,659,468</u>
Change in net position					<u>1,850,414</u>	<u>4,662,611</u>	<u>6,513,025</u>
Net Position - beginning, as previously presented					30,266,435	44,571,422	74,837,857
Restatements (Note 2)					(164,707)	(17,323)	(182,030)
Net position - beginning, as restated					<u>30,101,728</u>	<u>44,554,099</u>	<u>74,655,827</u>
Net Position - end of year					<u>\$ 31,952,142</u>	<u>\$ 49,216,710</u>	<u>\$ 81,168,852</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

CITY OF ORANGE CITY, FLORIDA

BALANCE SHEET
GOVERNMENTAL FUNDS

September 30, 2025

	General Fund	Impact Fee Fund	Community Redevelopment Fund	Other Governmental Funds	Total Governmental Funds
ASSETS:					
Cash and cash equivalents	\$ 21,215,761	\$ 2,565,489	\$ 2,719,780	\$ 478,653	\$ 26,979,683
Accounts receivable, net	2,309,889	-	-	-	2,309,889
Restricted cash	79,656	-	-	-	79,656
Due from other governments	146,861	-	-	-	146,861
Prepaid costs	143,110	-	96	605	143,811
Advances to other funds	1,709,213	-	-	-	1,709,213
Total assets	<u>\$ 25,604,490</u>	<u>\$ 2,565,489</u>	<u>\$ 2,719,876</u>	<u>\$ 479,258</u>	<u>\$ 31,369,113</u>
LIABILITIES:					
Accounts payable and accrued liabilities	\$ 1,071,938	\$ 3,100	\$ 77,811	\$ 110,055	\$ 1,262,904
Due to other funds	-	-	1,163,332	545,881	1,709,213
Deposits payable	169,245	-	-	-	169,245
Unearned revenue	164,191	-	-	-	164,191
Total liabilities	<u>1,405,374</u>	<u>3,100</u>	<u>1,241,143</u>	<u>655,936</u>	<u>3,305,553</u>
FUND BALANCES:					
Nonspendable	1,852,323	-	96	605	1,853,024
Restricted	79,656	-	1,478,637	368,598	1,926,891
Committed	1,714,752	2,562,389	-	-	4,277,141
Assigned	11,407,814	-	-	-	11,407,814
Unassigned	9,144,571	-	-	(545,881)	8,598,690
Total fund balances	<u>24,199,116</u>	<u>2,562,389</u>	<u>1,478,733</u>	<u>(176,678)</u>	<u>28,063,560</u>
Total liabilities and fund balances	<u>\$ 25,604,490</u>	<u>\$ 2,565,489</u>	<u>\$ 2,719,876</u>	<u>\$ 479,258</u>	

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

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds	17,982,514
Accrued interest payable is not due in the current period, and therefore, is not reported in the funds	(3,400)
Long-term liabilities, are not due and payable in the current period, and therefore are not reported in the funds: Governmental notes payable and SBITA liabilities	(1,436,810)
Deferred inflows and outflows of resources related to pension earnings are not recognized in the governmental funds, however, they are recorded in net position under full accrual accounting	1,462,947
Compensated absences are not recorded as a liability in the governmental funds balance sheet	(997,075)
Net pension liabilities are not due and payable in the current period and therefore, are not reported in the funds	(12,940,842)
The net other post employment benefits obligation is not recorded as a liability in the governmental funds balance sheet	(178,752)
Net position of governmental activities in the Statement of Net Position	<u><u>\$ 31,952,142</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

CITY OF ORANGE CITY, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended September 30, 2025

	General Fund	Impact Fee Fund	Community Redevelopment Fund	Other Governmental Funds	Total Governmental Funds
REVENUES:					
Property taxes	\$ 7,805,517	\$ -	\$ 998,093	\$ -	\$ 8,803,610
Franchise fees	1,782,827	-	-	-	1,782,827
Local option gas tax	271,882	-	-	-	271,882
Utility service taxes	2,736,740	-	-	-	2,736,740
Fees and fines	53,518	-	-	-	53,518
Licenses and permits	196,803	-	-	385,588	582,391
Intergovernmental	2,318,263	-	-	-	2,318,263
Impact fees/special assessments	-	110,707	-	640,003	750,710
Charges for services	197,689	-	-	22,363	220,052
Investment earnings	1,342,460	38,276	44,307	10,961	1,436,004
Contractual-DeBary Fire	3,117,357	-	-	-	3,117,357
Miscellaneous	1,200,598	-	-	433	1,201,031
Total revenues	<u>21,023,654</u>	<u>148,983</u>	<u>1,042,400</u>	<u>1,059,348</u>	<u>23,274,385</u>
EXPENDITURES:					
Current:					
General government	4,816,201	-	-	515,344	5,331,545
Public safety	11,498,634	-	-	477,809	11,976,443
Transportation	1,017,591	-	-	53,793	1,071,384
Culture and recreation	737,486	-	-	-	737,486
Economic Environment	-	-	39,026	-	39,026
Debt Service:					
Principal	223,546	-	-	17,024	240,570
Interest and other charges	16,297	-	-	1,580	17,877
Capital Outlay	3,712,127	201,164	498,802	3,500	4,415,593
Total expenditures	<u>22,021,882</u>	<u>201,164</u>	<u>537,828</u>	<u>1,069,050</u>	<u>23,829,924</u>
Excess (deficiency) of revenues over expenditures	<u>(998,228)</u>	<u>(52,181)</u>	<u>504,572</u>	<u>(9,702)</u>	<u>(555,539)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	402,099	-	-	124,114	526,213
Transfers out	(1,569,114)	-	-	(58,353)	(1,627,467)
Total other financing sources (uses)	<u>(1,167,015)</u>	<u>-</u>	<u>-</u>	<u>65,761</u>	<u>(1,101,254)</u>
Net change in fund balances	(2,165,243)	(52,181)	504,572	56,059	(1,656,793)
Fund Balances, beginning of year	<u>26,364,359</u>	<u>2,614,570</u>	<u>974,161</u>	<u>(232,737)</u>	<u>29,720,353</u>
Fund Balances, end of year	<u>\$ 24,199,116</u>	<u>\$ 2,562,389</u>	<u>\$ 1,478,733</u>	<u>\$ (176,678)</u>	<u>\$ 28,063,560</u>

The accompanying Notes to Financial Statements are an integral part of this statement.



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CITY OF ORANGE CITY, 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: \$ (1,656,793)

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

Governmental funds report outlays for capital assets as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Expenditures for capital assets	4,096,356	
Current year depreciation	(1,582,417)	2,513,939

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins and disposals) is to decrease net position. (29,326)

Expenditures in the governmental funds for compensated absences are not recorded as expenses in the statement of activities. (102,367)

Expenditures in the governmental funds for other post employment benefits are not recorded as expenses in the statement of activities. (8,774)

Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds (i.e., change in accrued interest). 2,247

Repayment of long-term liabilities, including notes payable is recorded as an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position:
Notes payable, SRF loan, and Subscriptions 240,570

Cash pension contributions reported in the funds were more than the calculated pension expense on the statement of activities, and therefore increased net position 890,918

Change in net position of governmental activities **\$ 1,850,414**

CITY OF ORANGE CITY, FLORIDA

STATEMENT OF NET POSITION
ENTERPRISE FUNDS

September 30, 2025

	<u>Utilities</u>	<u>Stormwater</u>	<u>Total</u>
ASSETS:			
Current Assets:			
Cash and cash equivalents, unrestricted	\$ 10,979,199	\$ 2,823,150	\$ 13,802,349
Cash and cash equivalents, restricted	1,153,735	144,648	1,298,383
Accounts receivable, net	1,277,195	-	1,277,195
Receivables from other governments	1,769,876	-	1,769,876
Prepaid items	26,476	1,898	28,374
Total current assets	<u>15,206,481</u>	<u>2,969,696</u>	<u>18,176,177</u>
Noncurrent Assets:			
Capital assets, net	<u>47,519,279</u>	<u>7,435,923</u>	<u>54,955,202</u>
Total noncurrent assets	<u>47,519,279</u>	<u>7,435,923</u>	<u>54,955,202</u>
Total assets	<u>62,725,760</u>	<u>10,405,619</u>	<u>73,131,379</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred pension outflows	474,669	22,313	496,982
Deferred outflows related to OPEB	15,215	1,097	16,312
Total deferred outflows of resources	<u>489,884</u>	<u>23,410</u>	<u>513,294</u>
LIABILITIES:			
Current Liabilities:			
Accounts payable	1,682,877	156,734	1,839,611
Accrued expenses	106,453	6,099	112,552
Accrued interest	3,950	-	3,950
Retainage payable	110,895	4,312	115,207
Unearned revenue	424,830	-	424,830
Customer deposits payable	423,736	-	423,736
Compensated absences - current	21,816	123	21,939
Notes, leases and subscriptions payable - current	778,062	144,648	922,710
Total current liabilities	<u>3,552,619</u>	<u>311,916</u>	<u>3,864,535</u>
Noncurrent Liabilities:			
Compensated absences	196,344	1,104	197,448
Subscription and lease liabilities	120,195	-	120,195
Notes payable	16,220,885	2,026,375	18,247,260
OPEB liability	43,443	3,132	46,575
Net pension liability	1,541,389	72,459	1,613,848
Total noncurrent liabilities	<u>18,122,256</u>	<u>2,103,070</u>	<u>20,225,326</u>
Total liabilities	<u>21,674,875</u>	<u>2,414,986</u>	<u>24,089,861</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred pension inflows	294,060	13,824	307,884
Deferred inflows related to OPEB	28,186	2,032	30,218
Total deferred inflows of resources	<u>322,246</u>	<u>15,856</u>	<u>338,102</u>
NET POSITION:			
Net investment in capital assets	29,201,675	5,161,570	34,363,245
Restricted for debt service	1,153,735	144,648	1,298,383
Restricted for improvements	4,569,620	10,000	4,579,620
Unrestricted	6,293,493	2,681,969	8,975,462
Total net position	<u>\$ 41,218,523</u>	<u>\$ 7,998,187</u>	<u>\$ 49,216,710</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

CITY OF ORANGE CITY, FLORIDA

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -
ENTERPRISE FUNDS**

For the Year Ended September 30, 2025

	<u>Utilities</u>	<u>Stormwater</u>	<u>Total</u>
Operating Revenues:			
Charges for Services:			
Water sales	\$ 5,176,956	\$ -	\$ 5,176,956
Wastewater services	3,734,493	-	3,734,493
Stormwater fees	-	923,956	923,956
Total operating revenues	<u>8,911,449</u>	<u>923,956</u>	<u>9,835,405</u>
Operating Expenses:			
Purchase of wastewater treatment	1,376,521	-	1,376,521
Salaries, wages and benefits	2,491,850	155,526	2,647,376
Water production and supplies	614,115	-	614,115
Repairs and maintenance	858,679	80,388	939,067
Contractual services	312,940	196,554	509,494
Other operating expenses	827,594	50,769	878,363
Depreciation and amortization	1,873,241	471,686	2,344,927
Total operating expenses	<u>8,354,940</u>	<u>954,923</u>	<u>9,309,863</u>
Operating income (loss)	<u>556,509</u>	<u>(30,967)</u>	<u>525,542</u>
Nonoperating Revenues (Expenses):			
Interest and investment income	335,800	36,626	372,426
Proceeds from insurance	975,032	-	975,032
Loss on disposal of property	(888,921)	-	(888,921)
Interest expense	(25,283)	-	(25,283)
Total nonoperating revenue (expenses)	<u>396,628</u>	<u>36,626</u>	<u>433,254</u>
Income before contributions and transfers	953,137	5,659	958,796
Capital contributions	2,592,561	10,000	2,602,561
Transfers in	-	1,445,000	1,445,000
Transfers out	(343,746)	-	(343,746)
Change in net position	<u>3,201,952</u>	<u>1,460,659</u>	<u>4,662,611</u>
Net Position - beginning of year, as previously presented	38,033,782	6,537,640	44,571,422
Restatements (Note 2)	(17,211)	(112)	(17,323)
Net Position - beginning of year, as restated	<u>38,016,571</u>	<u>6,537,528</u>	<u>44,554,099</u>
Net Position, end of year	<u>\$ 41,218,523</u>	<u>\$ 7,998,187</u>	<u>\$ 49,216,710</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

CITY OF ORANGE CITY, FLORIDA

STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS

For the Year Ended September 30, 2025

	<u>Utilities</u>	<u>Stormwater</u>	<u>Total</u>
Cash Flows from Operating Activities:			
Receipts from customers	\$ 8,396,573	\$ 923,956	\$ 9,320,529
Payments to suppliers	(4,125,247)	(294,079)	(4,419,326)
Payments to employees	(2,624,114)	(159,705)	(2,783,819)
Net cash provided (used) by operating activities	<u>1,647,212</u>	<u>470,172</u>	<u>2,117,384</u>
Cash Flows from Noncapital Financing Activities:			
Transfers from other funds	-	1,445,000	1,445,000
Transfers out to other funds	(343,746)	-	(343,746)
Net cash provided (used) by noncapital financing activities	<u>(343,746)</u>	<u>1,445,000</u>	<u>1,101,254</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisition of capital assets	(5,470,493)	(601,341)	(6,071,834)
Insurance proceeds	975,032	-	975,032
Proceeds from sale of assets	3,600	-	3,600
Grants	3,061,150	10,000	3,071,150
Proceeds from long-term debt	996,326	-	996,326
Principal paid on long-term debt	(243,758)	(144,648)	(388,406)
Interest paid on long-term debt	(26,082)	-	(26,082)
Net cash used by capital and related financing activities	<u>(704,225)</u>	<u>(735,989)</u>	<u>(1,440,214)</u>
Cash Flows from Investing Activities:			
Investment income	335,800	36,626	372,426
Net cash provided by investing activities	<u>335,800</u>	<u>36,626</u>	<u>372,426</u>
Net Increase in Cash and Cash Equivalents	935,041	1,215,809	2,150,850
Cash and Cash Equivalents, beginning of year	11,197,893	1,751,989	12,949,882
Cash and Cash Equivalents, end of year	<u>\$ 12,132,934</u>	<u>\$ 2,967,798</u>	<u>\$ 15,100,732</u>
Classified as:			
Cash and cash equivalents	\$ 10,979,199	\$ 2,823,150	\$ 13,802,349
Restricted cash and cash equivalents	1,153,735	144,648	1,298,383
Total	<u>\$ 12,132,934</u>	<u>\$ 2,967,798</u>	<u>\$ 15,100,732</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

CITY OF ORANGE CITY, FLORIDA

STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS - CONTINUED

For the Year Ended September 30, 2025

	<u>Utilities</u>	<u>Stormwater</u>	<u>Total</u>
Reconciliation of Operating Income to Net Cash Provided By Operating Activities			
Operating income (loss)	\$ 556,509	\$ (30,967)	\$ 525,542
Adjustments Not Affecting Cash:			
Depreciation and amortization	1,873,241	471,686	2,344,927
Change in Assets and Liabilities:			
Accounts receivables	(525,576)	-	(525,576)
Inventory and other assets	20,110	(516)	19,594
Accounts payable	(155,508)	34,148	(121,360)
Accrued liabilities	13,224	153	13,377
Compensated absences	12,396	(352)	12,044
OPEB	(3,145)	(207)	(3,352)
Customer deposits	10,700	-	10,700
Deferred inflows of resources	114,103	5,657	119,760
Deferred outflows of resources	49,831	1,205	51,036
Net pension liability	(318,673)	(10,635)	(329,308)
Total adjustments	<u>1,090,703</u>	<u>501,139</u>	<u>1,591,842</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,647,212</u>	<u>\$ 470,172</u>	<u>\$ 2,117,384</u>
Schedule of Noncash Capital and Related Financing Activities:			
Purchase or construction of capital assets on account	<u>\$ 301,673</u>	<u>\$ 99,018</u>	<u>\$ 400,691</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

Note 1 - Summary of Significant Accounting Policies:

The *City of Orange City, Florida* ("the City") was incorporated on August 26, 1882, and is a municipal corporation chartered in the State of Florida. The City operates under a Council/City Manager form of government providing services of general government, finance, police and fire protection, sanitation services, stormwater services, water and sewer services, the construction and maintenance of streets and infrastructure, recreational activities and cultural events to its residents. The legislative branch of the City is composed of a seven (7) member elected City Council. The City Council is governed by City Charter, 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 City Council, appointed City Manager and City Clerk.

The City's financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the City are discussed below. The financial statements have also been prepared in accordance with GASB Statement 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*.

A. Reporting Entity:

The City of Orange City operates under a Council/City Manager form of government. The city is a municipal corporation with a seven-member council including the mayor, who acts as the presiding officer of the council, with a vice-mayor serving in his absence.

The City provides a full range of municipal services including: public safety (police and fire), public work activities (street and right-of-way maintenance), development services (city planning and development), parks (maintenance and leisure), and general administration. Additionally, the City operates both a utilities and stormwater enterprise fund.

In evaluating how to define the City, for financial reporting purposes, the management has considered all potential component units. The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body, and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organizations' resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to the organization; or (c) is obligated in some manner for the debt of the organization. In applying the above criteria, the City has one blended component unit as follows:

The City of Orange City created the Community Redevelopment Agency (CRA) in August of 2014. This is a dependent taxing district established in accordance with Chapter 163, Part III, Florida Statutes. Notification to affected taxing agency was done in compliance with Chapter 163.346, Part III, Florida Statutes. The CRA fund is governed by a seven-member board - the seven members of the city council.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025

Note 1 - Summary of Significant Accounting Policies (Continued):

A. Reporting Entity (Continued):

The incremental annual increase in tax over the base years will be used to fund projects designed to enhance and improve the described area. The purpose of the CRA is to utilize appropriate private and public resources to eliminate and prevent the development or spread of slum and blighted areas in designated areas within the City. Areas within the CRA are to be redeveloped as an economically sustainable and attractive mixed-use area offering a high quality local destination in a manner that promotes a positive image for the City.

Separately issued financial statements can be obtained by contacting the City's finance department.

B. Basic Financial Statements:

Government-Wide Financial Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The City's police and fire protection, parks, and recreation, public works, and general administrative services are classified as governmental activities. The City's utilities and stormwater services are classified as business-type activities.

In the government-wide statement of net position, both governmental and business-type activities columns (a) are presented on a consolidated basis by column and (b) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts: net investment in capital assets, restricted net position, and unrestricted net position. The City first utilizes restricted resources to finance qualifying activities.

The government-wide statement of activities reports both the gross and net cost of each of the City's functions (police, fire, public works, etc.) and business-type activities. The functions are also supported by general government revenues (property, sales and use taxes and certain intergovernmental revenues). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues, and expenditures/expenses. Funds are organized into two major categories: governmental and proprietary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least ten (10) percent of the corresponding total for all funds of that category or type; and
- b. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least five (5) percent of the corresponding total for all governmental and enterprise funds combined.
- c. The City in its own discretion determines that the fund should be considered a major fund.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025

Note 1 - Summary of Significant Accounting Policies (Continued):

C. Basis of Presentation - Fund Accounting:

(1) Major Governmental Funds:

General Fund - The General Fund is the City's primary operating fund, and is used to account for all financial resources except those required to be accounted for in another fund. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund.

Impact Fee Fund - This special revenue fund accounts for police, fire, parks and transportation impact fees. The use of this revenue is restricted to expansion for programs related to parks, transportation, police and fire.

Community Redevelopment Fund - This special revenue fund was established by the City as authorized under Chapter 163, Part III, Florida Statutes, for the economic development of designated area(s) of the City. The incremental annual increase in tax over the base years will be used to fund projects designed to enhance and improve the designated area.

(2) Major Proprietary Funds:

Utilities - The Utilities fund is used to account for the operations of the City's water and wastewater system, which are financed in a manner similar to private business enterprises, where the costs, including depreciation, of providing services to the general public on an ongoing basis are financed primarily through user charges.

Stormwater - The Stormwater fund is used to account for the operations of the City's stormwater system, which is financed in a manner similar to private business enterprises, where the costs, including depreciation, of providing services to the general public on an ongoing basis are financed primarily through user charges.

Proprietary funds distinguish operating revenues and expenses from non-operating. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenue of the City's enterprise funds are charges to customers for sales and services. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, depreciation on capital assets and amortization of intangible assets.

(3) Nonmajor Governmental Funds:

Special Revenue Funds - Special revenue funds are used to account for specific revenue sources that are restricted by law to expenditures for specific purposes. Nonmajor special revenue funds include the Forfeiture Fund, the Solid Waste Assessment Fund, Streetlighting District Fund, Kentucky Ave. (SAD) Assessment Fund, Tree Bank Fund, and Building Safety Fund.

D. Measurement Focus/Basis of Accounting:

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025

Note 1 - Summary of Significant Accounting Policies (Continued):

D. Measurement Focus/Basis of Accounting (Continued):

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred. 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 fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

E. Budgets and Budgetary Accounting:

The following procedures are used to establish the budgetary data reflected in the financial statements:

- (1) Prior to August 1 of each year, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1.
- (2) Public hearings are conducted to obtain taxpayer comments.
- (3) Prior to October 1, the budget is legally enacted through the passage of an ordinance.
- (4) Formal budgetary integration is employed as a management control device during the year for all governmental funds that have a legally-adopted budget.
- (5) Budgets are adopted on a basis consistent with U.S. Generally Accepted Accounting Principles (GAAP).
- (6) Budget appropriations are prepared by the City Manager and authorized by the City Council on a departmental basis in accordance with Article VII, Section 7.01 of the City Charter. Subsidiary designations of departmental appropriations are authorized by the City Council. All interdepartmental budget amendments and/or transfers must be approved by the City Council. Budgetary control is exercised at the department level.
- (7) Every appropriation, except for a specified major capital expenditure, shall lapse at the close of the fiscal year to the extent that it has not been expended. The City does not use the encumbrance method of accounting.

F. Accounts Receivable:

- (1) Property Taxes Receivable - Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the state regulating tax assessments 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 ten (10) mills. The millage rate assessed by the City for the fiscal year ended September 30, 2025 was 6.8691, which means that the City has a tax margin of 3.1309 per \$1,000 and could raise up to \$4,028,935 in additional tax revenue per year from the present assessed valuation of \$1,286,829,713.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025

Note 1 - Summary of Significant Accounting Policies (Continued):

F. Accounts Receivable (Continued):

The property tax calendar is as follows:

- All property is assessed according to its fair market value on January 1 of each year.
- Property Appraiser prepares the assessment roll January 1 of the year then submits this preliminary roll for approval by the State and notifies each taxing authority of their respective valuation by July 1 of the assessment year.
- City Council holds two required public hearings, adopts a budget for the upcoming fiscal year, and adopts an ad valorem tax millage rate by September 30 of the assessment year.
- Property Appraiser certifies the assessment roll, and all real and tangible personal property taxes are due and payable November 1 (levy date) of the assessment year.
- A Notice of Taxes is mailed to each property owner on the assessment roll by November 1 of the assessment year. Taxes may be paid November 1 (year of assessment) through March 31 (following year of assessment) with the following applicable discounts:

<u>Month</u>	<u>Discount</u>
November	4%
December	3%
January	2%
February	1%
March	0%

- All unpaid taxes on real and tangible personal property become delinquent on April 1 of the year immediately following year of assessment.
 - A list of unpaid tangible personal property taxes and a list of unpaid real property taxes are advertised in April/May of the year immediately following the year of assessment.
 - Tax certificates are sold on all real properties with unpaid real property taxes on June 1 (lien date) of the year immediately following the year of assessment.
 - A court order is obtained authorizing the seizure and sale of personal property if the taxpayer fails to pay the delinquent personal property taxes by June 1 of the year immediately following the year of assessment.
- (2) Unbilled Utilities Accounts Receivable - Utilities revenues are generally recognized on the basis of cycle billings rendered monthly. The unbilled portion is accrued at year end by calculating the City's October billing cycle and prorating the amount of days applicable to the current year which amounted to \$739,548 at September 30, 2025.
- (3) Allowance for Uncollectible Accounts - Based upon an analysis of both past history and past due receivables, it is management's opinion that a \$35,793 allowance for uncollectible accounts is necessary. This balance relates entirely to the utilities enterprise fund.

G. Long-term Obligations:

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or enterprise fund operations and whether they are reported in the government-wide or fund financial statements. All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of bonds payable, notes payable, accrued compensated absences, and other post-employment benefits. Long-term debt for governmental funds is not reported as a liability in the fund financial statements. The accounting for the enterprise funds is the same in the fund statements as it is in the government-wide statements.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025

Note 1 - Summary of Significant Accounting Policies (Continued):

H. Cash and Investments:

Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and mature within three months of acquisition.

Investments for the City are reported at fair value within the fair value hierarchy established in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, except for the position in the Florida State Board of Administration's and Florida Safe's Local Government Surplus Investment Pools (LGIP). In accordance with state law, the LGIP's operate in conformity with all of the requirements of the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company act of 1940, as amended. Accordingly, the LGIP's qualify as a 2a7-like pools and are reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. The Florida State Board of Administration is subject to regulatory oversight by the State of Florida, although it is not registered with the SEC.

I. Capital Assets:

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20-50 years
Water and Wastewater System	10-50 years
Machinery and Equipment	2-10 years
Improvements	10-20 years
Other Infrastructure	10-50 years
Intangibles	5-10 years

Right of use lease and subscription assets are capitalized and amortized over the life of the agreement.

J. Operating Revenues and Expenses:

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues and expenses of the City's enterprise funds are charged to customers for 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.

K. Revenues:

Substantially all governmental fund revenues are accrued. Property taxes are billed and collected within the same period in which the taxes are levied. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as nonoperating revenue based on GASB No. 33. In applying GASB No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenues when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met, are reported as unearned revenue.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025

Note 1 - Summary of Significant Accounting Policies (Continued):

L. Inventory:

Inventories are valued at cost using the first-in/first-out (FIFO) method. Inventory costs are reported in the period when inventory items are used, rather than when purchased.

M. Compensated Absences:

The City recognized a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee) during or upon separation of employment. Based on the criteria listed, three types of leave qualify for liability recognition for compensated absences – vacation, and sick leave. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds, only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Personal Leave (PTO)

Regular employees may use paid time off leave for any reason including vacation, illness, medical appointments, personal business, etc. Employees are still required to arrange and obtain prior/advance approval of paid time off leave. Supervisors can consider same day requests for illnesses. No employee shall be granted paid time off leave unless the time has already accrued prior to the leave period. Paid time off leave shall not be used in increments of less than one quarter hour (fifteen minutes).

A balance between work life and personal life is essential for maximum productivity. Therefore, employees with one (1) year up to five (5) years of service shall be required to utilize a minimum of forty (40) hours of paid time off leave per fiscal year (or 42 hours or 56 hours depending on employee's schedule). Employees who have more than five (5) years of service shall be required to utilize a minimum of eighty (80) hours of paid time off leave per fiscal year (or 84 or 112 hours depending on employee's schedule). PTO is eligible for City Manager-approved buyback annually, but subject to balance thresholds and capped at 80 hours (or 84 or 112 hours depending on employee's schedule).

Full-time employees, upon separation or retirement with six (6) month's service, will receive payment of all unused accrued paid time off leave up to a maximum of 580 hours. PTO accruals are not capped during employment but may not exceed 580 hours paid out upon separation of employment or retirement.

Sick Leave

Legacy sick leave is provided to four employees who retain accumulated balances under prior plan provisions. Sick leave may be used only in minimum increments of 40 hours (or 42 or 56 hours, depending on the employee's established work schedule) per qualifying incident. Sick leave balances are not payable upon separation from employment or retirement, and any unused balances are forfeited. A liability for sick leave that will be used by employees as time off is included in the liability for compensated absences. Sick leave expenditures are recognized as incurred based on expected usage, which is estimated using each eligible employee's five-year historical average utilization.

N. Interfund Activity:

Interfund activity is reported as loans, services provided reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025

Note 1 - Summary of Significant Accounting Policies (Continued):

O. Restricted Assets:

Restricted assets represent the cash and cash equivalents to pay the upcoming bond and note payments and security deposits held by the enterprise funds.

P. Prepaid Items:

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. These are recorded as expenditures when consumed rather than when purchased.

Q. Unearned Revenue:

Unearned revenues in governmental funds include amounts collected before the revenue recognition criteria are met. The unearned revenue typically consists of funds collected in advance for permits or other fees relating to services to be rendered in the subsequent year.

R. Estimates:

The preparation of financial statements in accordance with the modified accrual or accrual basis of accounting described in the previous paragraphs, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets or liabilities at the date of the financial statements and the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

S. Deferred Outflows/Inflows of Resources:

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

The government has two items which qualify for reporting in this category. It is the deferred outflow of pension resources, and deferred outflows related to OPEB. Details on the composition of the deferred outflows related to pensions and OPEB are further discussed in Notes 8 and 13 respectively.

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

The City has two items that qualify for reporting in this category for the year ended September 30, 2025, the deferred inflow of pension investment earnings, and deferred inflow related to OPEB. Details on the composition of the deferred inflows related to pensions and OPEB are further discussed in Notes 8 and 13 respectively.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the fiduciary net position of the Florida Retirement System Pension Plan (FRS) and Health Insurance Subsidy Program (HIS) and additions to/deductions from the FRS and HIS fiduciary net position have been determined on the same basis as they are reported by FRS and HIS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025

Note 1 - Summary of Significant Accounting Policies (Continued):

T. Net Position Flow Assumptions:

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

U. Fund Balance Flow Assumptions:

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

V. Leases and Subscription-Based Information Technology Arrangements:

Leases

The City reports a lease liability and an intangible right-to-use lease asset (right of use assets) in the government-wide financial statements. The City's policy is to recognize lease liabilities with an initial, individual value of \$100,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The right of use assets is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the right of use assets is amortized on a straight-line basis over the lease term.

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

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount for leases.
- The lease term includes the noncancellable period of the lease and any extensions that are deemed reasonably certain to be exercised. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure right of use assets and liabilities if certain changes occur that are expected to significantly affect the amount of lease liabilities.

Right of use assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the statement of net position.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025

Note 1 - Summary of Significant Accounting Policies (Continued):

V. Leases and Subscription-Based Information Technology Arrangements (Continued):

Subscription-Based Information Technology Arrangements

The City reports a subscription liability (SBITA liability) and an intangible right-to-use capital assets (subscription assets) on the government-wide financial statements for a subscription-based information technology arrangement (SBITA). The City's policy is to recognize SBITA liabilities with an initial, individual value of \$100,000 or more.

At the commencement of a SBITA, the City initially measures the SBITA liability at the present value of payments expected to be made during the SBITA term. Subsequently, the subscription liability is reduced by the principal portion of the SBITA liability, adjusted for subscription payments made at or before the SBITA commencement date, plus certain initial direct costs, including development costs. Subsequently, the subscription asset is amortized on a straight-line basis over the SBITA term.

Key estimates and judgments related to SBITAs include how the City determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) SBITA term, and (3) subscription payments.

- The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The SBITA term includes the noncancellable period of the SBITA and any extensions that are deemed certain to be exercised. Subscription payments included in the measurement of the subscription liability are composed of fixed payments to the SBITA vendor.

The City monitors changes in circumstances that would require a remeasurement of its SBITAs and will remeasure subscription assets and liabilities if certain changes occur that are expected to significantly affect the amount of subscription liabilities.

Subscription assets are reported with other capital assets and SBITA liabilities are reported with long-term liabilities on the statement of net position.

W. New GASB Statements Implemented

In fiscal year 2025, the City implemented Government Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. This statement will ensue in a liability for compensated absences that more appropriately reflects when the City incurs an obligation, which will enhance the relevance and reliability of information. In addition, the City adopted (GASB) Statement No. 102, *Certain Risk Disclosures*. This statement will improve financial reporting by providing timely essential information regarding certain concentrations or constraints, not often provided, and related events that have occurred or begun to occur that make the City vulnerable to a substantial impact. As a result of (GASB) Statement No. 101, *Compensated Absences*, the City's changes in beginning balances and net position where applicable is further described in Note 2.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025

Note 2 – Adjustments and Restatements of Beginning Balances:

In the current year, in addition to the value of unused PTO up 580 hours for active employees and due to employees upon separation of employment, the City now recognizes an estimated portion of employees with more than 580 hours earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences. The effects of the change in accounting principle are summarized below in the “Restatement – GASB 101 implementation” column below.

	<u>Net position/fund balance 9/30/24 as previously reported</u>	<u>Restatement - GASB 101 implementation</u>	<u>Net position/fund balance 9/30/24 as restated</u>
Government-Wide			
Governmental Activities	\$ 30,266,435	\$ (164,707)	\$ 30,101,728
Business-type Activities	44,571,422	(17,323)	44,554,099
Total government-wide	<u>\$ 74,837,857</u>	<u>\$ (182,030)</u>	<u>\$ 74,655,827</u>
Proprietary Funds			
Enterprise Funds			
Utilities	\$ 38,033,782	\$ (17,211)	\$ 38,016,571
Stormwater	6,537,640	(112)	6,537,528
Total Enterprise Funds	<u>\$ 44,571,422</u>	<u>\$ (17,323)</u>	<u>\$ 44,554,099</u>

Note 3 - Reconciliation of Government-Wide and Fund Financial Statements:

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

The governmental funds balance sheet includes reconciliation between *fund balances - total governmental funds* and *net position - governmental activities* as reported in the government-wide statement of net position.

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025

Note 4 - Cash and Investments:

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The City currently holds \$1,000 collectively in cash drawers.

The City's investment policy adopted by Ordinance 354 (adopted/updated June 24, 2008) is to invest public funds in a manner so as to place the highest priority on the safety of principal and liquidity. The optimization of investment returns shall be secondary to the requirements of safety and liquidity.

The City's investment policy authorizes the City to invest in the following:

- a) United States Treasury and Agency Securities
- b) Government Sponsored Enterprises
- c) State and Local Governments
- d) Corporations
- e) Local Government Investment Pools, as provided in s.163.01
- f) State Board of Administration, as provided in s.218.5
- g) Money Market Mutual Funds
- h) Repurchase Agreements

The City maintains cash and cash equivalent pools that are available for use by all funds except those whose cash and cash equivalents must be segregated due to bond covenants or other legal restrictions.

Cash and Cash Equivalents - Cash and cash equivalents are carried at cost. In accordance with GASB Statement No. 40, the City's deposits are categorized to give an indication of the level of custodial risk assumed at year end. At present, some of the City's excess funds are primarily deposits that are insured or collateralized pursuant to the Public Depository Security Act of the State of Florida.

Demand deposits and money market accounts are insured by federal depository insurance up to \$250,000 of the aggregate account balances for each entity. Amounts in excess of \$250,000 are fully insured by U.S. Government securities held in the Public Security Trust Fund maintained and monitored by the Treasurer of the State of Florida. Demand deposits and cash on deposit bank balances at September 30, 2025 were approximately \$10,311,000.

The City invests surplus funds in an external investment pool, Florida State Board of Administration (SBA) "The Local Government Surplus Funds Trust Fund". The State Pool is administered by the SBA, who provides regulatory oversight.

Florida Prime - The Florida Prime (formerly known as Pool or Fund A) meets the requirements of and is classified as a "2a-7 like" pool. The SBA is not a registrant with, nor regulated by, the Securities and Exchange Commission or any other regulatory agency; however, the Florida Prime has adopted operating procedures consistent with the requirements for a 2a-7 like pool and the fair value of the position in the pool is equal to the value of the pool's shares. Such investments are stated at amortized cost in the accompanying financial statements. The Florida Prime is rated by Standard and Poors and is currently rated AAAM. The weighted average days to maturity (WAM) at September 30, 2025 is 47 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The Florida Safe is rated by Standard and Poors and is currently rated AAAM. The weighted average days to maturity (WAM) at September 30, 2025 is 67 days. Next interest rate reset dates used in the calculation of the WAM. The Florida Short Term Asset Reserve Government Fund (FL STAR) is rated by Standard and Poors and is currently rated AAAM. The weighted average days to maturity (WAM) at September 30, 2025 is 106 days. Next interest rate reset dates used in the calculation of the WAM.

CITY OF ORANGE CITY, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025

Note 4 - Cash and Investments (Continued):

As of September 30, 2025 the funds are as follows:

	<u>Florida Prime</u>	<u>FL Safe</u>	<u>FL STAR</u>
General Fund	11,573,535	\$ 7,714,310	\$ 7,999,492
Utilities Enterprise Fund	5,068,289	-	-
	<u>\$ 16,641,824</u>	<u>\$ 7,714,310</u>	<u>\$ 7,999,492</u>

The City's investment in the State Pool exposes it to credit risk. The City does not have a formal policy relating to these risks, which are hereafter described.

Credit Risk

Credit risk is the risk that an insurer or other counterparty to an investment will not fulfill its obligations, while interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

Following is a summary of the carrying amount of the cash and cash equivalents owned by the City at September 30, 2025

	<u>Carrying Amount</u>	<u>Fair Value</u>
Cash and Cash Equivalents:		
Demand deposits, cash on deposit and petty cash	\$ 8,426,406	\$ 8,426,406
Florida Safe Investment Pool	7,714,310	7,714,310
Local Government Surplus Funds Trust Fund (Florida Prime)	16,641,824	16,641,824
Florida Short Term Asset Reserve Government Fund (FL STAR)	7,999,492	7,999,492
Total Cash and Cash Equivalents	<u>\$ 40,782,032</u>	<u>\$ 40,782,032</u>
Restricted Assets:		
Demand deposits and cash on deposit	<u>\$ 1,378,039</u>	<u>\$ 1,378,039</u>

Cash and cash equivalents of \$1,378,039 is restricted for customer deposits and debt service.

Note 5 - Due from Other Governments:

Amounts due from other governments at September 30, 2025 are as follows:

	<u>General</u>	<u>Utilities</u>
Local Option Gas Tax	\$ 22,610	\$ -
Sales Tax Revenue Sharing	68,348	-
Communication Services Tax	44,247	-
State of Florida - Grants	-	1,769,876
Due from Volusia County	11,656	-
	<u>\$ 146,861</u>	<u>\$ 1,769,876</u>

CITY OF ORANGE CITY, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025

Note 6 - Capital Assets:

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Reclass</u>	<u>Ending Balance</u>
Governmental Activities:					
Non-depreciable capital assets:					
Land and improvements	\$ 1,155,594	\$ -	\$ -	\$ 42,871	\$ 1,198,465
Construction in progress	2,864,497	2,163,923	-	(321,042)	4,707,378
	<u>4,020,091</u>	<u>2,163,923</u>	<u>-</u>	<u>(278,171)</u>	<u>5,905,843</u>
Depreciable capital assets:					
Buildings	2,634,077	500,232	(20,429)	120,878	3,234,758
Machinery and equipment	8,201,087	1,175,745	(624,003)	-	8,752,829
Infrastructure	11,339,428	256,456	-	157,293	11,753,177
Intangible	203,918	-	-	-	203,918
Subscription assets	408,763	-	-	-	408,763
	<u>22,787,273</u>	<u>1,932,433</u>	<u>(644,432)</u>	<u>278,171</u>	<u>24,353,445</u>
Less accumulated depreciation for:					
Buildings	(1,361,678)	(109,342)	12,981	-	(1,458,039)
Machinery and equipment	(4,895,537)	(712,287)	602,125	-	(5,005,699)
Infrastructure	(4,813,640)	(632,021)	-	-	(5,445,661)
Intangible	(56,161)	(31,057)	-	-	(87,218)
Subscription assets	(182,447)	(97,710)	-	-	(280,157)
	<u>(11,309,463)</u>	<u>(1,582,417)</u>	<u>615,106</u>	<u>-</u>	<u>(12,276,774)</u>
Depreciable capital assets, net	<u>11,477,810</u>	<u>350,016</u>	<u>(29,326)</u>	<u>278,171</u>	<u>12,076,671</u>
Total capital assets, net	<u>\$15,497,901</u>	<u>\$2,513,939</u>	<u>\$ (29,326)</u>	<u>\$ -</u>	<u>\$17,982,514</u>

CITY OF ORANGE CITY, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025

Note 6 - Capital Assets (Continued):

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Reclass</u>	<u>Ending Balance</u>
Business-type Activities:					
Non-depreciable capital assets:					
Land and improvements	\$ 1,644,290	\$ -	\$ -	\$ 385,836	\$ 2,030,126
Waste water capacity	892,521	-	(892,521)	-	-
Construction in progress	24,084,322	5,302,845	-	(23,609,492)	5,777,675
	<u>26,621,133</u>	<u>5,302,845</u>	<u>(892,521)</u>	<u>(23,223,656)</u>	<u>7,807,801</u>
Depreciable capital assets:					
Water and wastewater system	34,246,454	159,673	-	21,876,467	56,282,594
Stormwater infrastructure	7,820,142	29,593	-	-	7,849,735
Buildings and improvements	829,861	-	-	1,347,189	2,177,050
Equipment	1,291,358	418,370	(22,612)	-	1,687,116
Intangible	122,903	-	-	-	122,903
Right of use assets - buildings	301,063	-	-	-	301,063
Subscription assets	121,766	-	-	-	121,766
	<u>44,733,547</u>	<u>607,636</u>	<u>(22,612)</u>	<u>23,223,656</u>	<u>68,542,227</u>
Less accumulated depreciation for:					
Water and wastewater system	(15,759,566)	(1,626,782)	-	-	(17,386,348)
Stormwater infrastructure	(1,736,990)	(393,658)	-	-	(2,130,648)
Buildings and improvements	(621,093)	(60,734)	-	-	(681,827)
Equipment	(745,969)	(160,469)	22,612	-	(883,826)
Intangible	(31,634)	(14,654)	-	-	(46,288)
Right of use assets - buildings	(100,354)	(50,177)	-	-	(150,531)
Subscription assets	(76,905)	(38,453)	-	-	(115,358)
	<u>(19,072,511)</u>	<u>(2,344,927)</u>	<u>22,612</u>	<u>-</u>	<u>(21,394,826)</u>
Depreciable capital assets, net	<u>25,661,036</u>	<u>(1,737,291)</u>	<u>-</u>	<u>23,223,656</u>	<u>47,147,401</u>
Total capital assets, net	<u>\$52,282,169</u>	<u>\$3,565,554</u>	<u>\$ (892,521)</u>	<u>\$ -</u>	<u>\$54,955,202</u>

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
General government	\$ 222,137
Public safety	592,016
Transportation	441,350
Culture and recreation	319,045
Economic environment	7,869
Total depreciation expense - governmental activities	<u>\$ 1,582,417</u>
Business-type Activities:	
Utilities	\$ 1,873,241
Stormwater	471,686
Total depreciation expense - business-type activities	<u>\$ 2,344,927</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025

Note 7 - Long-Term Debt:

Capital Equipment Note- Private Placement

On December 12, 2019, the City issued \$569,259, 2.14% fixed rate, Capital Improvement Revenue Note, Series 2019, maturing December 2026, for the purchase of equipment. In the event of default, the noteholder may pursue any available remedy to enforce the payment of principal and interest on the bonds then outstanding. The principal outstanding as of September 30, 2025 totaled \$129,151.

The note is secured by a covenant to budget and appropriate. The total principal and interest remaining to be paid on this series is \$131,928. For the fiscal year, total principal and interest paid was \$87,952.

Annual debt service requirements to maturity for revenue notes are as follows:

<u>Year Ending</u> <u>September 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 85,641	\$ 2,311
2027	43,510	466
Total	<u>\$ 129,151</u>	<u>\$ 2,777</u>

State Revolving Fund Loan

In December 2015, the City executed a State Revolving Fund Loan agreement DW642000 for the City's drinking water project. The agreement provides for total funding of \$10,787,292 including \$9,159,681 of principal forgiveness. The loan period is for 30 years with an interest rate of 1.08 to 1.34 percent. The note is secured by gross revenues from the water and wastewater utilities net of operation and maintenance costs. The total principal and interest remaining to be paid on this series is \$1,636,762. For the fiscal year, total principal and interest paid was \$66,807, and total pledged revenue was \$2,429,750.

In March 2018, the City executed a State Revolving Fund Loan agreement DW642030 for the City's stormwater project. The agreement provides for total funding of \$6,341,855. The loan period is for 20 years with no interest. The note is secured by gross revenues from the water and wastewater utilities net of operation and maintenance costs. The principal remaining to be paid on this series is \$4,823,748. The City used General Fund to pay about 31% of the loan. For the fiscal year, total principal and interest paid was \$321,584, and total pledged revenue was \$2,362,943.

In March 2021, the City executed a State Revolving Fund Loan agreement DW642040 for the City's drinking water design project. The agreement provides for total funding of \$520,261 with \$260,131 of principal forgiveness. The loan period is for 10 years with an interest rate of 1.07 percent. The note is secured by gross revenues from the water and wastewater utilities net of operation and maintenance costs. The total principal and interest remaining to be paid on this series is \$164,630. For the fiscal year, total principal and interest paid was \$27,439, and total pledged revenue was \$2,041,359.

In March 2021, the City executed a State Revolving Fund Loan agreement DW642050 for the City's drinking water construction project. The agreement provides for total funding of \$5,965,376. The loan period is for 20 years with no interest. The note is secured by gross revenues from the water and wastewater utilities net of operation and maintenance costs. The total principal and interest remaining to be paid on this series is \$4,964,449. For the fiscal year, there was no principal and interest paid, and total pledged revenue was \$2,013,920.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025

Note 7 - Long-Term Debt (Continued):

State Revolving Fund Loan (Continued)

In January 2022, the City executed a State Revolving Fund Loan agreement DW642041 for the City's drinking water construction project. The agreement provides for total funding of \$16,250,898 including \$1,440,978 of principal forgiveness. The loan period is for 30 years with no interest. The note is secured by gross revenues from the water and wastewater utilities net of operation and maintenance costs. The total principal and interest remaining to be paid on this series is \$8,798,548. For the fiscal year, there was no principal and interest paid, and total pledged revenue was \$2,013,920.

In May 2024, the City executed a State Revolving Fund Loan agreement LS642090 for the City's drinking water planning and design project. The agreement provides for total funding of \$350,000 including \$134,903 of principal forgiveness. The loan period is for 10 years with no interest. The note is secured by gross revenues from the water and wastewater utilities net of operation and maintenance costs. The total principal and interest remaining to be paid on this series is \$140,409. For the fiscal year, there was no principal and interest paid, and total pledged revenue was \$2,013,920.

For all SRF loans, in an event of default, the Florida Department of Environmental Protection may cause to establish rates and collect fees, require the City to account for all moneys received and used, appoint a receiver to manage the Water and Sewer Systems, intercept delinquent amounts plus a penalty due to the City under State Revenue Sharing, recover all amounts due including costs of collection and attorney fees, and accelerate the repayment schedule or increase the interest rate by a factor of up to 1.667.

Annual debt service requirements to maturity for SRF Loans are as follows:

Year Ending September 30,	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 79,656	\$ -	\$ 870,697	\$ 17,750	\$ 950,353	\$ 17,750
2027	79,532	-	1,119,717	16,893	1,199,249	16,893
2028	79,532	-	1,120,584	16,026	1,200,116	16,026
2029	79,532	-	1,121,461	15,149	1,200,993	15,149
2030	79,532	-	1,149,568	14,482	1,229,100	14,482
2031-2035	397,660	-	5,450,520	59,524	5,848,180	59,524
2036-2040	397,049	-	5,410,280	43,444	5,807,329	43,444
2041-2045	-	-	2,582,914	26,423	2,582,914	26,423
2046-2050	-	-	292,216	8,405	292,216	8,405
Total	<u>\$ 1,192,493</u>	<u>\$ -</u>	<u>\$ 19,117,957</u>	<u>\$ 218,096</u>	<u>\$ 20,310,450</u>	<u>\$ 218,096</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025

Note 7 - Long-Term Debt (Continued):

Leases

In October 2022, the City entered into a 72 month lease as lessee for the use of office space. An initial lease liability was recorded in the amount of \$301,063. As of September 30, 2025, the value of the lease liability is \$172,208. The City is required to make monthly fixed payments of \$3,985. The lease has an interest rate of 3.3780%. The value of the right to use asset as of September 30, 2025 of \$301,063 with accumulated amortization of \$150,531 is included with lease assets in Note 6. The City has 3 extension option(s), each for 12 months.

Annual debt service requirements to maturity for leases are as follows:

<u>Year Ending</u> <u>September 30,</u>	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 52,013	\$ 5,017
2027	57,273	3,179
2028	62,922	1,157
Total	<u>\$ 172,208</u>	<u>\$ 9,353</u>

SBITA

In October 2022, the City entered into a 38 month subscription for the use of Tyler Incode Software. An initial subscription liability was recorded in the amount of \$141,533. As of September 30, 2025, the value of the subscription liability is \$0. The City is required to make annual fixed payments of \$49,028. The subscription has an interest rate of 3.3780%. The value of the right to use asset as of September 30, 2025 of \$243,533 with accumulated amortization of \$230,715 is included with subscription assets in Note 6. This subscription is split 50/50 between governmental activities and the Utility fund.

In January 2023, the City entered into a 57 month subscription for the use of Tyler Saas. An initial subscription liability was recorded in the amount of \$176,520. As of September 30, 2025, the value of the subscription liability is \$71,194. The City is required to make annual fixed payments of \$37,209. The subscription has an interest rate of 3.0043%. The value of the right to use asset as of September 30, 2025 of \$176,520 with accumulated amortization of \$102,196 is included with subscription assets in Note 6.

In December 2022, The City entered into a 60 month subscription for the use of Questica Software. An initial subscription liability was recorded in the amount of \$100,476. As of September 30, 2025, the value of the subscription liability is \$43,972. The City is required to make annual fixed payments of \$19,500. The subscription has an interest rate of 3.4450%. The value of the right to use asset as of September 30, 2025 of \$110,476 with accumulated amortization of \$62,602 is included with subscription assets in Note 6.

Annual debt service requirements to maturity for SBITA's are as follows:

<u>Year Ending</u> <u>September 30,</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 56,129	\$ 3,654	\$ -	\$ -	\$ 56,129	\$ 3,654
2027	59,037	1,874	-	-	59,037	1,874
Total	<u>\$ 115,166</u>	<u>\$ 5,528</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 115,166</u>	<u>\$ 5,528</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025

Note 7 - Long-Term Debt (Continued):

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

	Beginning Balance, as Restated	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Notes Payable	\$ 212,985	\$ -	\$ (83,834)	129,151	\$ 85,641
SRF Loan	1,272,149	-	(79,656)	1,192,493	79,656
SBITA Liability	192,246	-	(77,080)	115,166	56,128
Compensated Absences *	894,708	102,367	-	997,075	99,708
Other post employment benefits	169,726	9,026	-	178,752	-
Net Pension Liability	15,132,733	-	(2,191,891)	12,940,842	-
Governmental activity long-term liabilities	<u>\$ 17,874,547</u>	<u>\$ 111,393</u>	<u>\$ (2,432,461)</u>	<u>\$ 15,553,479</u>	<u>\$ 321,133</u>
Business-Type Activities					
SRF Loan	\$ 18,439,206	\$ 996,326	\$ (317,575)	\$ 19,117,957	\$ 870,697
Lease Liability	219,326	-	(47,118)	172,208	52,013
SBITA Liability	23,711	-	(23,711)	-	-
Compensated Absences *	207,343	12,044	-	219,387	21,939
Other post employment benefits	49,927	-	(3,352)	46,575	-
Net Pension Liability	1,943,156	-	(329,308)	1,613,848	-
Business-type activity long-term liabilities	<u>\$ 20,882,669</u>	<u>\$ 1,008,370</u>	<u>\$ (721,064)</u>	<u>\$ 21,169,975</u>	<u>\$ 944,649</u>

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

For governmental activities, other postemployment benefits and net pension liability will be funded from the general fund.

Note 8 - Employee Benefit Plans:

A. Florida Retirement System

The City contributes to the Florida Retirement System (FRS), a multiple-employer, cost-sharing, defined-benefit pension plan administered by the State of Florida, for the City's authorized permanent, full-time and part-time employees. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and Florida Retirement System Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. State Statutes authorizes the State to establish and amend all plan provisions. The State of Florida issues a publicly available report that includes financial statements and required supplementary information for FRS. The report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the website: www.dms.myflorida.com/workforce_operations/retirement/publications.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025

Note 8 - Employee Benefit Plans (Continued):

A. Florida Retirement System (Continued)

Plan Descriptions - The FRS offers a choice between a defined-benefit plan (Pension Plan) or a defined-contribution plan (Investment Plan) which is administered by the State Board of Administration (SBA). In addition, a Health Insurance Subsidy plan (HIS) is offered to assist retired members of any state-administered retirement system in paying the costs of health insurance.

- 1) The Pension Plan members are eligible for retirement after vesting, which occurs at six (6) years of creditable service for regular members enrolled prior to July 1, 2011 and eight (8) years of creditable service if enrolled on or after July 1, 2011. Normal retirement age is attained at the earlier of thirty (30) or (33) years of creditable service, regardless of age, or retirement at age sixty-two (62) or (65) with at least (6) or (8) years of creditable service if enrolled prior to July 1, 2011 or on or after July 1, 2011 respectively. Early retirement may be taken any time after vesting; however, there is a five percent (5%) benefit reduction for each year prior to normal retirement age. Members are also eligible for in-line-of-duty or regular disability benefits if permanently and totally disabled and unable to work. Benefits are computed on the basis of age, average final compensation, and service credit.

In addition to the above benefits, the Deferred Retirement Option Program (DROP) allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with an FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants. The employer contribution at fiscal year ended September 30, 2025 is 22.02%.

- 2) The Investment Plan provides for vesting after one year of creditable service. Under this plan, the employer makes contributions to a participant's account, and the participant directs where the contributions are invested among the plan's investment funds. Upon termination, vested participants receive amounts accumulated in their investment accounts.
- 3) Health Insurance Subsidy (HIS) Program is established by Chapter 112, Florida Statutes and provides insurance subsidy payments to persons who are retired under a state-administered retirement system, or a beneficiary who is a spouse or financial dependent entitled to receive benefits under a state-administered retirement system except those individuals who are pension recipients under Section 121.40, 237.08(18)(a) and 250.22, Florida Statutes, or recipients of health insurance coverage under Section 110.1232, Florida Statutes or any other special pension or relief act are not eligible for such pension payments. A person is deemed retired from a state-administered retirement system when he or she terminated employment with all employers participating in the Florida Retirement System and:
 - a) for a member of the Investment Plan, the participant meets the age or service requirements to qualify for normal retirement per Section 121.021(29), Florida Statutes and meets the definition of retiree in Section 121.4501(2), Florida Statutes or
 - b) for a member of the Pension Plan or any employee who maintains creditable service under the pension plan and the investment plan, the member begins drawing retirement benefits from the pension plan. Any person retiring on or after July 1, 2011, as a member of the Florida Retirement System, including a member of the investment plan, must satisfy the vesting requirements for his or her membership class as administered under Chapter 121, Florida Statutes. Any person retiring due to disability must qualify for a regular or in-line-of-duty disability benefit per provisions under Chapter 112, Florida Statutes.

The HIS plan is funded by required contributions from FRS participating employers as set by the Florida legislature. Employer contributions are a percentage of gross compensation for all active FRS members. At fiscal year ended September 30, 2025, the contribution rate was 2% of payroll.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025

Note 8 - Employee Benefit Plans (Continued):**A. Florida Retirement System (Continued)**

The HIS plan provides monthly payment assistance to retirees of state-administered retirement systems in paying their health insurance costs and is administered by the Department of Management Services, Division of Retirement. HIS benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled. For the fiscal year ended September 30, 2025, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$5. The payment is at least \$45 but not more than \$225 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which can include Medicare. Terms of the benefits provided by the plan may be amended only by the State Legislature with a change in the Statutes governing the plan.

Contributions - The FRS has many classes of membership. Employer contribution rates are set by law. Rates below include the appropriate retirement contribution rate, 2.00 percent HIS contribution rate, 0.06 percent administrative/educational fee and any applicable UAL rates. These classes, with descriptions and weighted average contribution rates in effect during the period ended September 30, 2025, are as follows:

Regular Class - members not qualifying for other classes (17.03% [includes 3% employee contribution] from July 1, 2025 through September 30, 2025 and 16.63% [includes 3% employee contribution from October 1, 2024 through June 30, 2025.]

Senior Management Service Class – members of senior management who do not elect the optional annuity retirement program (36.24% [includes 3% employee contribution] from July 1, 2025 through September 30, 2025 and 37.52% [includes 3% employee contribution] from October 1, 2024 through June 30, 2025.)

Special Risk Class – members employed as law enforcement officers, firefighters, or correctional officers and meet the criteria set to qualify for this class (38.19% [includes 3% employee contribution] from July 1, 2025 through September 30, 2025 and 35.79% [includes 3% employee contribution] from October 1, 2024 through June 30, 2025.)

Elected State Officer's Class – certain elected City officials (57.57% [includes 3% employee contribution] from July 1, 2025 through September 30, 2025 and 61.68% [includes 3% employee contribution] from October 1, 2024 through June 30, 2025.)

- 4) **Pension Liabilities and Deferred outflows of Resources and Deferred Inflows of Resources Related to Pensions and Health Insurance Subsidy** - At September 30, 2025, the City reported a liability of \$11,602,378 for its proportionate share of the FRS Pension Plan's net pension liability and \$2,952,312 for its proportionate share of the HIS Plan net liability. The net pension liabilities were measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2025. The City's proportionate share of the net pension liabilities were based on accrued retirement contributions for employers that were members of the FRS Pension Plan during the year ended June 30, 2025. At June 30, 2025, the City's proportionate share was 0.0374 percent and 0.0230 percent, which was an increase (decrease) of 0.0019 percent and 0.0006 percent from its proportionate share of 0.0355 and 0.0224 percent measured as of June 30, 2024 for both the FRS and HIS plans, respectively.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025

Note 8 - Employee Benefit Plans (Continued):

A. Florida Retirement System (Continued)

For the fiscal year ended September 30, 2025, the City recognized pension expense of \$1,369,725 for the FRS Pension Plan and \$130,648 for the HIS Plan. At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to these plans from the following sources:

Description	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,239,256	\$ -	\$ 17,623	\$ 4,683
Change of assumptions	1,347,338	-	26,131	714,089
Net difference between projected and actual earnings on Pension Plan Investments	-	1,937,134	-	2,457
Changes in proportion and differences between City Pension Plan contributions and proportionate share of contributions	988,988	118,324	250,394	-
City Pension Plan contributions subsequent to the measurement date	563,803	-	48,570	-
Total	<u>\$ 4,139,385</u>	<u>\$ 2,055,458</u>	<u>\$ 342,718</u>	<u>\$ 721,229</u>

The deferred outflows of resources related to FRS \$563,803 and HIS \$48,570 resulting from City contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2026. Other amounts reported for the Plans as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

FRS		HIS	
Fiscal Year Ending September 30:	Amount Recognized	Fiscal Year Ending September 30:	Amount Recognized
2026	\$ 2,087,419	2026	\$ (82,279)
2027	(15,350)	2027	(114,639)
2028	(267,274)	2028	(90,685)
2029	(284,671)	2029	(80,670)
2030	-	2030	(58,808)
Thereafter	-	Thereafter	-

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025

Note 8 - Employee Benefit Plans (Continued):

A. Florida Retirement System (Continued)

- 5) Actuarial Assumptions - The total pension liability for both the FRS and HIS Plans was determined using the following actuarial assumption, applied to all periods included in the measurement:

	FRS	HIS
Inflation	2.40%	2.40%
Salary Increases, average, including inflation	3.50%	3.50%
Investment Rate of Return net of pension plan investment expense, including inflation	6.70%	5.20%
Mortality rates were based	PUB-2010 base table, projected Generational with scale MP-2021	Generational PUB-2010 with projection scale MP-2021

The actuarial assumptions used in the June 30, 2025, valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025

Note 8 - Employee Benefit Plans (Continued):

A. Florida Retirement System (Continued)

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

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Annual Standard Deviation
Cash Equivalents	1.00%	3.20%	3.20%	1.10%
Fixed Income	29.00%	5.50%	5.40%	4.00%
Global Equity	45.00%	8.50%	6.90%	18.30%
Real Estate	12.00%	8.40%	7.10%	16.80%
Private Equity	11.00%	12.40%	8.80%	28.40%
Strategic Investments	2.00%	6.50%	6.10%	8.70%
Total	100.00%			
Assumed Inflation - Mean			2.40%	1.50%

(1) As outlined in the Pension Plan's investment policy

- 8) Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following represents the City's proportionate share of the net pension liability of the FRS and HIS Plans calculated using the discount rate of 6.70% and 5.20% respectively. Also presented is what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
FRS Plan			
City's Proportionate Share of the Net Pension Liability	\$ 22,769,488	\$ 11,602,378	\$ 2,240,035
	1% Decrease (4.20%)	Current Discount Rate (5.20%)	1% Increase (6.20%)
HIS Plan			
City's Proportionate Share of the Net Pension Liability	\$ 3,260,106	\$ 2,952,312	\$ 2,636,217

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025

Note 8 - Employee Benefit Plans (Continued):

A. Florida Retirement System (Continued)

Contributions:

The City's contributions, including employee contributions, to the Pension Plan totaled \$2,336,768 and to the HIS Plan \$211,168 for the fiscal year ended September 30, 2025.

Payables:

At September 30, 2025, the City reported a payable in the amount of \$161,913 to the Pension Plan and \$0 to the HIS Plan for outstanding contributions.

Expense:

The City's Investment Plan pension expense totaled \$415,630 for the fiscal year ended September 30, 2025.

Aggregates

	Net Pension Asset (Liability)	Deferred Inflows	Deferred Outflows	Pension Expense
FRS Pension Plan	\$ (11,602,378)	\$ (2,055,458)	\$ 4,139,385	\$ 1,369,725
HIS Pension Plan	(2,952,312)	(721,229)	342,718	130,648
	<u>\$ (14,554,690)</u>	<u>\$ (2,776,687)</u>	<u>\$ 4,482,103</u>	<u>\$ 1,500,373</u>

B. Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all city employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, or death, or an unforeseeable emergency. The plan assets are held and administered by a third party; thus, the asset and related liabilities are not reflected in these financial statements.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025

Note 9 - Interfund Balances and Transfers:

Interfund transfers are the flow of assets without a reciprocal return of assets, goods or services. These are transfers to support other funds without a requirement for repayment. The interfund transfer activity for the year ended September 30, 2025 consisted of the following:

Transfers Out:	Transfers In			
	General Fund	Building Safety Fund	Stormwater	Total
Utilities Enterprise Fund	\$ 343,746	\$ -	\$ -	\$ 343,746
Solid Waste	56,640	-	-	56,640
General Fund	-	124,114	1,445,000	1,569,114
Streetlighting District Fund	1,450	-	-	1,450
Kentucky Ave SAD Fund	263	-	-	263
	<u>\$ 402,099</u>	<u>\$ 124,114</u>	<u>\$ 1,445,000</u>	<u>\$ 1,971,213</u>

Purpose:

The transfer of \$1,450 from the Streetlighting District fund to the General Fund is to cover the administrative costs associated with administering the two streetlighting districts.

The transfer of \$56,640 from the Solid Waste Fund to the General Fund is the annual 10% franchise fee on residential solid waste.

The transfer of \$343,746 from the Utilities Enterprise Fund to the General Fund is to cover administrative costs including the city manager's and other general government employees' salaries and other unallocated costs.

The transfer of \$263 from the Kentucky Ave SAD fund to the General fund returns unspent construction funds previously contributed by the General Fund for the related road project.

The transfer of \$124,114 from the General fund to the Building Safety fund is to supplement fund revenues.

The transfer of \$1,445, from the General fund to the Stormwater fund is to fund capital projects.

The general fund has advanced the CRA fund \$1,163,332 to cover capital improvements funded by the City's SRF Loan. The CRA fund will repay the general fund amounts equal to the annual debt service on the loan, provided the CRA fund has sufficient incremental tax revenues.

The general fund has advanced the Kentucky Ave SAD fund \$545,881 to cover capital improvements. The Kentucky Ave SAD fund will repay the general fund amounts equal to the annual assessments received.

Note 10 - Fund Balance:

In accordance with GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions* the City is required to report fund balance amounts in five classifications - nonexpendable and spendable categories of restricted, committed, assigned and unassigned as follows:

Nonspendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements. The City had total nonspendable fund balance of \$1,852,323 in the general fund, with \$143,110 consisting of prepaid items, and \$1,709,213 which consists of advances to other funds. The Community Redevelopment Fund and the Building Safety Fund had nonspendable fund balances of \$96 and \$605, respectively, consisting of prepaid items.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025

Note 10 - Fund Balance (Continued):

Restricted - amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments. The City had restricted fund balance of \$1,926,891, which consists of \$32,953 at September 30, 2025 restricted for the Forfeiture Fund related expenditures; \$5,718 for streetlight district assessments; \$100,058 for Solid Waste assessments; \$218,259 for Tree bank fund; \$11,610 for Building Safety; \$1,478,637 for Community Redevelopment Fund and \$79,656 restricted for debt service in the general fund.

Committed - amounts that can only be used for specific purposes pursuant to constraints imposed by formal action by the City's highest level of decision-making authority. The City Council addresses these commitments through formal board action, such as, the adoption of a resolution or by motion prior to the City's fiscal year end. Both actions (resolution or motion) are equally binding. The City had committed fund balance at September 30, 2025 of \$2,562,389 related to the Impact Fee approved capital activity, and \$1,714,752 related to General Fund reserves.

Assigned - amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Assignments can be made by the City Council. The City had assigned fund balance of \$11,407,814 at September 30, 2025. City Council has assigned fund balance of \$9,348,909 for various capital improvements, which have been reappropriated from fund balance in the subsequent year's budget. The City Council may also assign fund balance as it does when, fund balance is appropriated, to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget, which amounted to \$247,435 at September 30, 2025. Additionally, the City assigned \$1,811,470 for disaster response expenditures.

Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balances may also include negative fund balances for any other governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes. At September 30, 2025, the Kentucky Avenue SAD Fund had a deficit fund balance of \$545,881.

The City uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts.

Note 11 - Commitments and Contingencies:

The City has a contract with Volusia County whereby Volusia County has agreed to provide a wastewater treatment and disposal system for the benefit of the City. This contract remains in effect until 2039, at which time the contract can be extended for additional ten-year terms. The fee for this service is established by Volusia County. The City's annual expense related to this contract for the year ended September 30, 2025 was approximately \$1,377,000.

In the normal course of operations, the City participates in various federal and/or state grant programs from year-to-year. The grant programs are often subject to additional audits by agents of the granting or loaning agency, the purpose of which is to ensure compliance with the specific conditions of the grant. An additional liability for reimbursement which may arise as a result of these potential audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

Various lawsuits and claims arising in the ordinary course of the City's operations are pending against the City. While the ultimate effect of such litigation cannot be ascertained at this time, management believes, based on the advice of legal counsel, that there will be no material effect on the City's financial position and/or that the City has sufficient insurance coverage to cover any claims.

The City has various in progress commitments in Governmental Funds and Enterprise Funds which amounted to approximately \$14,209,296 at September 30, 2025.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025

Note 12 - 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 for which the City carries commercial insurance. Settled claims have not exceeded the specified commercial coverage limitations for the past three years. There have been no significant reductions in insurance coverage from the past year.

Note 13 - Other Post-Employment Benefits (OPEB):

Plan Description

In accordance with Florida Statutes Section 112.363, the City makes continued group health insurance through the City's current provider available to retirees, provided certain requirements and normal age retirement requirements have been met. This single-employer benefit plan has no cost to the City, other than the implicit cost of including retirees in the group calculation. All premiums are paid by the retiree. The City has chosen pay-as-you-go funding, but is recording the liability in the government-wide financial statements. This plan is not administered through a trust, and no assets are accumulated for benefits in a GASB compliant trust. This plan does not issue stand-alone financial statements.

As of October 1, 2023, the valuation date, there were 127 active employees and 5 inactive employees currently receiving benefits. The OPEB liability of \$225,327 was measured as of September 30, 2025. The covered payroll was \$8,193,709, and the ratio of Net OPEB liability as a percentage of covered payroll was 2.75%.

Summary of Actuarial Methods and Assumptions:

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Other Postemployment Benefits Liability and Related Ratios Schedule, immediately following the notes to the financial statements as required supplementary information, presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time.

Projections of benefits for financial reporting purposes are based on the substantive OPEB plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The Total liability was determined using the following actuarial assumptions and other inputs, applied to all periods include in the measurement unless otherwise specified:

Initial Health Care Cost Trend Rate	7.0%
Ultimate Health Care Cost Trend Rate	4.50%
Fiscal Year the Ultimate Rate is Reached	Fiscal year 2039
Valuation Date	October 1, 2023
Measurement Date	September 30, 2025
Actuarial Cost Method	Entry Age Normal
Discount Rate*	4.50%
Inflation Rate	3%
Salary Rate Increase	4%

* S&P Municipal Bond 20-year high-grade rate index as of September 30, 2025

CITY OF ORANGE CITY, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025

Note 13 - Other Post-Employment Benefits (OPEB) (Continued):

Below are the details regarding the Total OPEB liability for the measurement period from October 1, 2024, to September 30, 2025.

	Total OPEB Liability
Balance as of 9/30/2024	\$ 219,653
Changes for the year:	
Service Cost	11,145
Interest on Total OPEB Liability	8,761
Difference Between Expected and Actual Experience	-
Changes of Assumptions and Other Inputs	(6,496)
Benefit Payments	(7,736)
Net Changes	<u>\$ 5,674</u>
Balance as of 9/30/2025	<u><u>\$ 225,327</u></u>

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

	Decrease 3.50%	Discount Rate 4.50%	Increase 5.50%
Total OPEB Liability	\$ 240,310	\$ 225,327	\$ 210,757

The following presents the total liability of the city using the 2024 healthcare cost trend rate of 4.5 percent, as well as what the City's OPEB liability would be if it were calculated using healthcare trend rates that are 1 percentage point lower and 1 percentage point higher than the current healthcare cost trend rates:

	Decrease 1%	Health Care Trend	Increase 1%
Total OPEB Liability	\$ 201,611	\$ 225,327	\$ 253,516

For the fiscal year ended September 30, 2025, the City had OPEB expense of \$11,291 and 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
Difference between expected and actual experience	\$ 31,442	\$ 44,730
Changes of assumptions	47,473	101,462
Total	<u><u>\$ 78,915</u></u>	<u><u>\$ 146,192</u></u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025

Note 13 - Other Post-Employment Benefits (OPEB) (Continued):

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

<u>Fiscal Year Ending September 30,</u>	
2026	\$ (8,614)
2027	(8,614)
2028	(6,697)
2029	(4,681)
2030	(4,749)
Thereafter	(33,922)

Summary of Benefits:

Other postemployment benefits (OPEB's) - The City provides optional postemployment healthcare, dental and life insurance coverage to eligible individuals.

Eligible individuals - Employees of the City who are eligible for retirement or disability retirement under the Florida Retirement System (FRS) may elect to participate in the City-sponsored insurance plans (healthcare, dental and life) at their cost.

Retired monthly premiums for postemployment insurance coverage - retirees must pay monthly premiums as determined by the insurance carriers. Failure to pay insurance premiums will result in termination of insurance coverage without the ability to reinstate such coverage.

Note 14 - Subsequent Events:

Subsequent to year end, the City drew funds on the State Revolving Fund Loan of approximately \$2,032,000.



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CITY OF ORANGE CITY, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
OTHER THAN MANAGEMENT DISCUSSION AND ANALYSIS

For the Year Ended September 30, 2025

CITY OF ORANGE CITY, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

September 30, 2025

Retiree Continuation Insurance Plan

Schedule of Changes in the City's Net OPEB Liability and Related Ratios

Last Ten Fiscal Years*

	<u>9/30/2025</u>	<u>9/30/2024</u>	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>
Total OPEB Liability								
Service cost	\$ 11,145	\$ 11,664	\$ 13,359	\$ 19,294	\$ 20,540	\$ 15,966	\$ 13,001	\$ 12,567
Interest	8,761	13,596	12,507	5,678	4,641	6,047	5,467	5,864
Differences between expected and actual experience	-	(53,153)	-	39,634	-	5,929	-	(715)
Changes of assumptions	(6,496)	(28,270)	(1,993)	(28,849)	(4,676)	18,429	970	(17,460)
Benefit Payments (1)	(7,736)	(6,716)	(7,063)	(7,387)	-	-	(1,448)	(1,592)
Other changes	-	-	-	-	-	1,423	161	(23,595)
Net change in total OPEB liability	<u>5,674</u>	<u>(62,879)</u>	<u>16,810</u>	<u>28,370</u>	<u>20,505</u>	<u>47,794</u>	<u>18,151</u>	<u>(24,931)</u>
Total OPEB liability, beginning	<u>219,653</u>	<u>282,532</u>	<u>265,722</u>	<u>237,352</u>	<u>216,848</u>	<u>169,054</u>	<u>150,903</u>	<u>175,834</u>
Total OPEB liability, ending	<u>\$ 225,327</u>	<u>\$ 219,653</u>	<u>\$ 282,532</u>	<u>\$ 265,722</u>	<u>\$ 237,353</u>	<u>\$ 216,848</u>	<u>\$ 169,054</u>	<u>\$ 150,903</u>

Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
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Covered-employee payroll	\$8,193,709	\$7,885,514	\$6,555,267	\$6,310,190	\$6,184,006	\$6,184,006	\$5,930,325	\$5,930,325
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Net OPEB liability as a percentage of covered-employee payroll	2.75%	2.79%	4.31%	4.21%	3.84%	3.51%	2.85%	2.54%
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Notes to Schedule:

(1) Includes the Implicit Rate Subsidy.

There are no assets accumulated in a trust to pay benefits.

*Only 8 years of data available; additional years' information will be displayed as it becomes available

CITY OF ORANGE CITY, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY

September 30, 2025

Florida Retirement System (FRS)					
Last 10 Fiscal Years					
	<u>City's Proportion of the Net Pension Liability</u>	<u>City's Proportionate Share of the Net Pension Liability</u>	<u>City's Covered Payroll</u>	<u>City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2025	0.0374%	\$ 11,602,378	\$ 8,435,669	137.54%	87.26%
2024	0.0355%	13,717,832	7,570,166	181.21%	83.70%
2023	0.0343%	13,682,145	7,216,302	189.60%	82.38%
2022	0.0322%	11,990,016	6,342,352	189.05%	82.89%
2021	0.0320%	2,413,582	5,981,195	40.35%	96.40%
2020	0.0350%	15,184,345	6,965,227	218.00%	78.85%
2019	0.0350%	12,061,694	6,667,182	180.91%	82.61%
2018	0.0344%	10,359,566	6,430,153	161.11%	84.26%
2017	0.0336%	9,952,908	5,978,287	166.48%	83.89%
2016	0.0311%	7,849,063	5,378,013	145.95%	84.88%

Health Insurance Subsidy (HIS)					
Last 10 Fiscal Years*					
	<u>City's Proportion of the Net Pension Liability</u>	<u>City's Proportionate Share of the Net Pension Liability</u>	<u>City's Covered Payroll</u>	<u>City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2025	0.0230%	\$ 2,952,312	\$ 8,435,669	35.00%	6.36%
2024	0.0224%	3,358,057	7,570,166	44.36%	4.80%
2023	0.0218%	3,469,799	7,216,302	48.08%	4.12%
2022	0.0204%	2,165,981	6,342,352	34.15%	4.81%
2021	0.0201%	2,468,927	5,981,195	41.28%	3.56%
2020	0.0200%	2,447,865	6,965,227	35.14%	3.00%
2019	0.0199%	2,230,546	6,667,182	33.46%	2.63%
2018	0.0197%	2,083,710	6,430,153	32.41%	2.15%
2017	0.0187%	2,004,239	5,978,287	33.53%	1.64%
2016	0.0174%	2,030,081	5,378,013	37.75%	0.97%

Note: Covered payroll above is payroll for the State's fiscal year ending on June 30th.

CITY OF ORANGE CITY, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY

September 30, 2025

Schedule of City Contributions
 Florida Retirement System (FRS)
 Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 2,336,768	\$ 2,038,946	\$ 1,694,150	\$ 1,405,256	\$ 1,269,045	\$ 1,160,660	\$ 1,107,972	\$ 1,009,475	\$ 894,145	\$ 830,349
Contributions in Relation to the Contractually Required Contribution	(2,336,768)	(2,038,946)	(1,694,150)	(1,405,256)	(1,269,045)	(1,160,660)	(1,107,972)	(1,009,475)	(894,145)	(830,349)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 8,865,026	\$ 7,604,095	\$ 7,214,635	\$ 6,375,116	\$ 6,087,333	\$ 6,955,918	\$ 6,731,102	\$ 5,930,325	\$ 6,285,736	\$ 5,978,287
Contributions as a Percentage of Covered Payroll	26.36%	26.81%	23.48%	22.04%	20.85%	16.69%	16.46%	17.02%	14.22%	13.89%

Schedule of City Contributions
 Health Insurance Subsidy (HIS)
 Last 10 Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 211,168	\$ 192,391	\$ 151,300	\$ 124,494	\$ 120,363	\$ 115,375	\$ 111,757	\$ 107,706	\$ 102,265	\$ 94,886
Contributions in Relation to the Contractually Required Contribution	(211,168)	(192,391)	(151,300)	(124,494)	(120,363)	(115,375)	(111,757)	(107,706)	(102,265)	(94,886)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 8,865,026	\$ 7,604,095	\$ 7,214,635	\$ 6,375,116	\$ 6,087,333	\$ 6,955,918	\$ 6,731,102	\$ 5,930,325	\$ 6,285,736	\$ 5,978,287
Contributions as a Percentage of Covered Payroll	2.38%	2.53%	2.10%	1.95%	1.98%	1.66%	1.66%	1.82%	1.63%	1.59%

Note: Covered payroll above is for the City's fiscal year ending September 30th

CITY OF ORANGE CITY, FLORIDA

BUDGET TO ACTUAL COMPARISON GENERAL FUND

For the Year Ended September 30, 2025

	Budgeted Amounts		Actual Amounts,	Variance with Final
	Original	Final	Budgetary Basis	Budget - Positive (Negative)
REVENUES:				
Property Taxes	\$ 7,881,935	\$ 7,839,027	\$ 7,805,517	\$ (33,510)
Franchise Fees	1,667,500	1,667,500	1,782,827	115,327
Local Option Gas Tax	253,500	253,500	271,882	18,382
Utility Service Taxes	2,430,500	2,430,500	2,736,740	306,240
Fees and Fines	46,480	46,480	53,518	7,038
Licenses and Permits	172,180	172,180	196,803	24,623
Intergovernmental	1,827,500	3,616,466	2,318,263	(1,298,203)
Charges for Services	194,100	194,100	197,689	3,589
Investment Earnings	500,000	1,211,594	1,342,460	130,866
Contractual - DeBary Fire	2,677,428	3,174,857	3,117,357	(57,500)
Miscellaneous	196,466	860,629	1,200,598	339,969
Total revenues	<u>17,847,589</u>	<u>21,466,833</u>	<u>21,023,654</u>	<u>(443,179)</u>
EXPENDITURES:				
Current:				
General Government:				
City Council	283,626	283,626	225,343	58,283
Administration	1,239,616	1,252,416	1,229,905	22,511
City Clerk	367,853	381,333	369,044	12,289
Finance	626,127	626,127	658,926	(32,799)
Development Services	514,054	514,054	438,767	75,287
General Government	1,116,933	1,328,249	851,492	476,757
Fleet & Facilities	1,176,813	1,852,954	1,719,236	133,718
Public Safety:				
Police	4,735,285	6,330,753	5,140,246	1,190,507
Fire	4,531,719	5,262,209	4,657,536	604,673
DeBary Fire Services	2,411,901	2,853,179	2,500,304	352,875
Emergency and Disaster Relief	-	2,615,811	1,648,608	967,203
Transportation	1,906,100	4,100,313	1,529,435	2,570,878
Culture and Recreation:				
Parks Maintenance	920,132	1,292,670	1,053,040	239,630
Total expenditures	<u>19,830,159</u>	<u>28,693,694</u>	<u>22,021,882</u>	<u>6,671,812</u>
Excess (deficiency) of revenues over expenditures	<u>(1,982,570)</u>	<u>(7,226,861)</u>	<u>(998,228)</u>	<u>6,228,633</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	530,965	530,965	402,099	(128,866)
Transfers Out	(104,151)	(1,569,114)	(1,569,114)	-
Total other financing sources (uses)	<u>426,814</u>	<u>(1,038,149)</u>	<u>(1,167,015)</u>	<u>(128,866)</u>
Net change in fund balances	(1,555,756)	(8,265,010)	(2,165,243)	6,099,767
Fund Balances, beginning of year	<u>26,364,359</u>	<u>26,364,359</u>	<u>26,364,359</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 24,808,603</u>	<u>\$ 18,099,349</u>	<u>\$ 24,199,116</u>	<u>\$ 6,099,767</u>

CITY OF ORANGE CITY, FLORIDA

BUDGET TO ACTUAL COMPARISON
IMPACT FEE FUND - SPECIAL REVENUE FUND

For the Year Ended September 30, 2025

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Police Impact Fees	\$ 8,000	\$ 8,000	\$ 9,552	\$ 1,552
Fire Impact Fees	12,500	12,500	21,296	8,796
Transportation Impact Fees	15,000	15,000	51,328	36,328
Community Park Impact Fees	7,500	7,500	28,531	21,031
Investment Earnings	-	15,000	38,276	23,276
Total revenues	<u>43,000</u>	<u>58,000</u>	<u>148,983</u>	<u>90,983</u>
EXPENDITURES:				
Current:				
Public Safety:				
Police	-	-	-	-
Fire	-	-	-	-
Transportation	-	977,403	100,071	877,332
Culture and Recreation:				
Parks Maintenance	46,400	296,400	101,093	195,307
Total expenditures	<u>46,400</u>	<u>1,273,803</u>	<u>201,164</u>	<u>1,072,639</u>
Excess (deficiency) of revenues over expenditures	<u>(3,400)</u>	<u>(1,215,803)</u>	<u>(52,181)</u>	<u>1,163,622</u>
Net change in fund balances	(3,400)	(1,215,803)	(52,181)	1,163,622
Fund Balances, beginning of year	<u>2,614,570</u>	<u>2,614,570</u>	<u>2,614,570</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 2,611,170</u>	<u>\$ 1,398,767</u>	<u>\$ 2,562,389</u>	<u>\$ 1,163,622</u>

CITY OF ORANGE CITY, FLORIDA

BUDGET TO ACTUAL COMPARISON
CRA - SPECIAL REVENUE FUND

For the Year Ended September 30, 2025

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Property Taxes	\$ 993,218	\$ 998,093	\$ 998,093	\$ -
Investment Earnings	-	-	44,307	44,307
Total revenues	<u>993,218</u>	<u>998,093</u>	<u>1,042,400</u>	<u>44,307</u>
EXPENDITURES:				
Current:				
Economic Environment	<u>973,003</u>	<u>1,892,467</u>	<u>537,828</u>	<u>1,354,639</u>
Total expenditures	<u>973,003</u>	<u>1,892,467</u>	<u>537,828</u>	<u>1,354,639</u>
Excess (deficiency) of revenues over expenditures	<u>20,215</u>	<u>(894,374)</u>	<u>504,572</u>	<u>1,398,946</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(79,660)</u>	<u>(79,660)</u>	<u>-</u>	<u>79,660</u>
Total other financing sources (uses)	<u>(79,660)</u>	<u>(79,660)</u>	<u>-</u>	<u>79,660</u>
Net change in fund balances	(59,445)	(974,034)	504,572	1,478,606
Fund Balances, beginning of year	<u>974,161</u>	<u>974,161</u>	<u>974,161</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 914,716</u>	<u>\$ 127</u>	<u>\$ 1,478,733</u>	<u>\$ 1,478,606</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

September 30, 2025

1. Summary of Significant Budget Policies

The City Council annually adopts budgets for the General Fund of the primary government. All appropriations are legally controlled at the fund and department level for the General Fund. On September 24, 2024, the City Council approved the original adopted budget and on November 12, 2025 approved the revised final budget reflected in the financial statements.

The budget is integrated into the accounting system, and the budgetary data, as presented in the financial statement for all funds with annual budgets, compares the expenditures with the amended budgets. The budget is presented on the modified accrual basis of accounting. Accordingly, the accompanying Budgetary Comparison Schedule for the General Fund presents actual expenditures in accordance with U.S. Generally Accepted Accounting Principles on a basis consistent with the legally adopted budgets as amended. Unexpended appropriations on the annual budget lapse at the end of each fiscal year.

All major Special Revenue Funds budgets were legally adopted.

2. Material Violations

There were no material violations of the annual appropriated budget for the General Fund for the fiscal year ended September 30, 2025. In addition, there were excesses of budgetary expenditures for the period in the finance department of the general fund and transfers out of the Solid Waste Assessment fund. These over expenditures were funded by under expenditures in other departments.

3. Budgetary Basis of Accounting

There were no adjustments necessary to convert fund financial statements on the GAAP basis to the budgetary basis:

CITY OF ORANGE CITY, FLORIDA

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

For the Year Ended September 30, 2025

CITY OF ORANGE CITY, FLORIDA

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds account for revenues from specific taxes or other earmarked revenue sources which, by law, are designated to finance particular functions or activities of government. The City has the following Special Revenue Funds.

Forfeiture Fund

- This fund is established pursuant to the Florida Contraband Forfeiture Act for the receipts of contraband sales proceeds to be used for law enforcement, excluding normal operating expenditures.

Solid Waste Special Assessment Fund

- The Solid Waste Special Assessment Fund is a special revenue fund that is used to account for the collection of the special assessment revenue and expenditures related to residential solid waste services.

Streetlighting District Fund

- This is a special revenue fund that is used to account for the collection of the special assessment revenue and expenditures related to the Streetlighting Districts.

Kentucky Ave. (SAD) Assessment Fund

- Track activity related to special assessments.

Tree Bank Fund

- Track restricted tree bank revenues.

Building Safety Fund

- Break out building department.

CITY OF ORANGE CITY, FLORIDA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

September 30, 2025

	Special Revenue Funds						
	Forfeiture Fund	Solid Waste Assessment Fund	Streetlighting District Fund	Kentucky Ave (SAD) Assessment Fund	Tree Bank Fund	Building Safety Fund	Total Funds
ASSETS:							
Cash and cash equivalents	\$ 32,953	\$ 182,004	\$ 6,615	\$ -	\$ 218,886	\$ 38,195	\$ 478,653
Prepaid costs	-	-	-	-	-	605	605
Total assets	<u>\$ 32,953</u>	<u>\$ 182,004</u>	<u>\$ 6,615</u>	<u>\$ -</u>	<u>\$ 218,886</u>	<u>\$ 38,800</u>	<u>\$ 479,258</u>
LIABILITIES:							
Liabilities:							
Accounts payable and accrued liabilities	\$ -	\$ 81,946	\$ 897	\$ -	\$ 627	\$ 26,585	\$ 110,055
Due to other funds	-	-	-	545,881	-	-	545,881
Total liabilities	<u>-</u>	<u>81,946</u>	<u>897</u>	<u>545,881</u>	<u>627</u>	<u>26,585</u>	<u>655,936</u>
FUND BALANCES:							
Nonspendable	-	-	-	-	-	605	605
Restricted	32,953	100,058	5,718	-	218,259	11,610	368,598
Unassigned	-	-	-	(545,881)	-	-	(545,881)
Total fund balances	<u>32,953</u>	<u>100,058</u>	<u>5,718</u>	<u>(545,881)</u>	<u>218,259</u>	<u>12,215</u>	<u>(176,678)</u>
Total liabilities and fund balances	<u>\$ 32,953</u>	<u>\$ 182,004</u>	<u>\$ 6,615</u>	<u>\$ -</u>	<u>\$ 218,886</u>	<u>\$ 38,800</u>	<u>\$ 479,258</u>

CITY OF ORANGE CITY, FLORIDA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended September 30, 2025

	Special Revenue Funds						
	Forfeiture Fund	Solid Waste Assessment Fund	Streetlighting District Fund	Kentucky Ave (SAD) Assessment Fund	Tree Bank Fund	Building Safety Fund	Total Funds
REVENUES:							
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 385,588	\$ 385,588
Special assessments	-	566,400	14,540	59,063	-	-	640,003
Charges for services	-	-	-	-	22,363	-	22,363
Investment earnings	468	5,858	173	262	3,473	727	10,961
Miscellaneous	-	-	-	-	-	433	433
Total revenues	<u>468</u>	<u>572,258</u>	<u>14,713</u>	<u>59,325</u>	<u>25,836</u>	<u>386,748</u>	<u>1,059,348</u>
EXPENDITURES:							
Current:							
General government	-	515,344	-	-	-	-	515,344
Public safety	-	-	-	-	-	477,809	477,809
Transportation	-	-	11,856	-	41,937	-	53,793
Debt Service							
Principal	-	-	-	-	-	17,024	17,024
Interest and other charges	-	-	-	-	-	1,580	1,580
Capital Outlay	-	-	-	-	-	3,500	3,500
Total expenditures	<u>-</u>	<u>515,344</u>	<u>11,856</u>	<u>-</u>	<u>41,937</u>	<u>499,913</u>	<u>1,069,050</u>
Excess (deficiency) of revenues over expenditures	<u>468</u>	<u>56,914</u>	<u>2,857</u>	<u>59,325</u>	<u>(16,101)</u>	<u>(113,165)</u>	<u>(9,702)</u>
OTHER FINANCING SOURCES (USES):							
Transfers in	-	-	-	-	-	124,114	124,114
Transfers out	-	(56,640)	(1,450)	(263)	-	-	(58,353)
Total other financing sources (uses)	<u>-</u>	<u>(56,640)</u>	<u>(1,450)</u>	<u>(263)</u>	<u>-</u>	<u>124,114</u>	<u>65,761</u>
Net change in fund balances	468	274	1,407	59,062	(16,101)	10,949	56,059
Fund Balances, beginning of year	32,485	99,784	4,311	(604,943)	234,360	1,266	(232,737)
Fund Balances, end of year	<u>\$ 32,953</u>	<u>\$ 100,058</u>	<u>\$ 5,718</u>	<u>\$ (545,881)</u>	<u>\$ 218,259</u>	<u>\$ 12,215</u>	<u>\$ (176,678)</u>

CITY OF ORANGE CITY, FLORIDA

BUDGET TO ACTUAL COMPARISON
FORFEITURE FUND - SPECIAL REVENUE FUND

For the Year Ended September 30, 2025

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Investment Earnings	\$ -	\$ -	\$ 468	\$ 468
Total revenues	-	-	468	468
EXPENDITURES:				
Current:				
Public Safety	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	468	468
Net change in fund balance	-	-	468	468
Fund Balances, beginning of year	32,485	32,485	32,485	-
Fund Balances, end of year	\$ 32,485	\$ 32,485	\$ 32,953	\$ 468

CITY OF ORANGE CITY, FLORIDA

BUDGET TO ACTUAL COMPARISON
SOLID WASTE ASSESSMENT FUND - SPECIAL REVENUE FUND

For the Year Ended September 30, 2025

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Residential Assessments	\$ 566,814	\$ 566,814	\$ 561,578	\$ (5,236)
New Homes	2,500	2,500	4,822	2,322
Investment Earnings	3,000	3,000	5,858	2,858
Total revenues	<u>572,314</u>	<u>572,314</u>	<u>572,258</u>	<u>(56)</u>
EXPENDITURES:				
Current:				
Operating Expenditures	<u>535,170</u>	<u>558,970</u>	<u>515,344</u>	<u>43,626</u>
Total expenditures	<u>535,170</u>	<u>558,970</u>	<u>515,344</u>	<u>43,626</u>
Excess (deficiency) of revenues over expenditures	<u>37,144</u>	<u>13,344</u>	<u>56,914</u>	<u>43,570</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(48,283)</u>	<u>(48,283)</u>	<u>(56,640)</u>	<u>(8,357)</u>
Total other financing sources (uses)	<u>(48,283)</u>	<u>(48,283)</u>	<u>(56,640)</u>	<u>(8,357)</u>
Net change in fund balance	(11,139)	(34,939)	274	35,213
Fund Balances, beginning of year	<u>99,784</u>	<u>99,784</u>	<u>99,784</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 88,645</u>	<u>\$ 64,845</u>	<u>\$ 100,058</u>	<u>\$ 35,213</u>

CITY OF ORANGE CITY, FLORIDA

BUDGET TO ACTUAL COMPARISON
STREETLIGHTING DISTRICT - SPECIAL REVENUE FUND

For the Year Ended September 30, 2025

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Special Assessments	\$ 14,506	\$ 14,506	\$ 14,540	\$ 34
Investment Earnings	70	70	173	103
Total revenues	<u>14,576</u>	<u>14,576</u>	<u>14,713</u>	<u>137</u>
EXPENDITURES:				
Current:				
Transportation	14,229	14,229	11,856	2,373
Total expenditures	<u>14,229</u>	<u>14,229</u>	<u>11,856</u>	<u>2,373</u>
Excess (deficiency) of revenues over expenditures	<u>347</u>	<u>347</u>	<u>2,857</u>	<u>2,510</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(1,450)	(1,450)	(1,450)	-
Total other financing sources (uses)	<u>(1,450)</u>	<u>(1,450)</u>	<u>(1,450)</u>	<u>-</u>
Net change in fund balance	(1,103)	(1,103)	1,407	2,510
Fund Balances, beginning of year	4,311	4,311	4,311	-
Fund Balances, end of year	<u>\$ 3,208</u>	<u>\$ 3,208</u>	<u>\$ 5,718</u>	<u>\$ 2,510</u>

CITY OF ORANGE CITY, FLORIDA

BUDGET TO ACTUAL COMPARISON
KENTUCKY AVE (SAD) ASSESSMENT - SPECIAL REVENUE FUND

For the Year Ended September 30, 2025

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Special Assessments	\$ 57,826	\$ 57,826	\$ 59,063	\$ 1,237
Investment Earnings	-	-	262	262
Total revenues	<u>57,826</u>	<u>57,826</u>	<u>59,325</u>	<u>1,499</u>
EXPENDITURES:				
Current:				
Transportation	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>57,826</u>	<u>57,826</u>	<u>59,325</u>	<u>1,499</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(57,826)</u>	<u>(57,826)</u>	<u>(263)</u>	<u>57,563</u>
Total other financing sources (uses)	<u>(57,826)</u>	<u>(57,826)</u>	<u>(263)</u>	<u>57,563</u>
Net change in fund balances	-	-	59,062	59,062
Fund Balances, beginning of year	<u>(604,943)</u>	<u>(604,943)</u>	<u>(604,943)</u>	<u>-</u>
Fund Balances, end of year	<u>\$ (604,943)</u>	<u>\$ (604,943)</u>	<u>\$ (545,881)</u>	<u>\$ 59,062</u>

CITY OF ORANGE CITY, FLORIDA

BUDGET TO ACTUAL COMPARISON
TREE BANK - SPECIAL REVENUE FUND

For the Year Ended September 30, 2025

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Licenses and Permits	\$ 5,000	\$ 22,000	\$ 22,363	\$ 363
Investment Earnings	1,200	2,200	3,473	1,273
Total revenues	<u>6,200</u>	<u>24,200</u>	<u>25,836</u>	<u>1,636</u>
EXPENDITURES:				
Current:				
Public safety	20,000	46,500	41,937	4,563
Total expenditures	<u>20,000</u>	<u>46,500</u>	<u>41,937</u>	<u>4,563</u>
Excess (deficiency) of revenues over expenditures	<u>(13,800)</u>	<u>(22,300)</u>	<u>(16,101)</u>	<u>6,199</u>
Net change in fund balances	(13,800)	(22,300)	(16,101)	6,199
Fund Balances, beginning of year	<u>234,360</u>	<u>234,360</u>	<u>234,360</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 220,560</u>	<u>\$ 212,060</u>	<u>\$ 218,259</u>	<u>\$ 6,199</u>

CITY OF ORANGE CITY, FLORIDA

BUDGET TO ACTUAL COMPARISON
BUILDING SAFETY - SPECIAL REVENUE FUND

For the Year Ended September 30, 2025

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Licenses and permits	480,000	\$ 480,000	\$ 385,588	\$ (94,412)
Investment Earnings	-	-	727	727
Miscellaneous	-	-	433	433
Total revenues	<u>480,000</u>	<u>480,000</u>	<u>386,748</u>	<u>(93,252)</u>
EXPENDITURES:				
Current:				
Building Division	604,114	604,114	499,913	104,201
Total expenditures	<u>604,114</u>	<u>604,114</u>	<u>499,913</u>	<u>104,201</u>
Excess (deficiency) of revenues over expenditures	<u>(124,114)</u>	<u>(124,114)</u>	<u>(113,165)</u>	<u>10,949</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	104,151	124,114	124,114	-
Total other financing sources (uses)	<u>104,151</u>	<u>124,114</u>	<u>124,114</u>	<u>-</u>
Net change in fund balances	(19,963)	-	10,949	10,949
Fund Balances, beginning of year	1,266	1,266	1,266	-
Fund Balances, end of year	<u>\$ (18,697)</u>	<u>\$ 1,266</u>	<u>\$ 12,215</u>	<u>\$ 10,949</u>



STATISTICAL SECTION



CITY OF ORANGE CITY, FLORIDA

STATISTICAL SECTION

For the Year Ended September 30, 2025

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

CONTENTS

TABLES

Financial Trends

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

1 through 4

Revenue Capacity

These schedules contain information to help readers assess the City's most significant local revenue source - its property tax.

5 through 8

Debt Capacity

These schedules present information to help readers assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. There are no limitations placed upon the amount of debt the City may issue by either the City Charter or the City's Code of Ordinances or by Florida Statutes.

9 through 11

Demographic and Economic Information

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

12 through 13

Operating Information

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

14 through 16

Except where noted, the information in these schedules is derived from the City of Orange City's annual comprehensive financial reports for the relevant year. The City implemented GASB Statement 54 in 2011; schedules presenting fund equity include information beginning in that year.

TABLE 1
CITY OF ORANGE CITY, FLORIDA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
SEPTEMBER 30, 2025

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Net investment in capital assets	\$ 7,652,289	\$ 8,614,451	\$ 8,986,632	\$ 10,080,529	\$ 9,625,706	\$ 9,119,370	\$ 11,121,269	\$ 11,545,757	\$ 12,978,595	\$ 16,346,707
Restricted	646,346	628,049	1,047,126	1,005,201	1,602,000	1,895,848	2,492,007	3,831,770	3,940,685	4,389,923
Unrestricted	3,522,587	249,665	(25,867)	250,156	1,161,600	4,975,564	11,024,444	12,119,311	13,347,155	11,215,512
Total governmental activities net position	\$11,821,222	\$ 9,492,165	\$10,007,891	\$ 11,335,886	\$ 12,389,306	\$ 15,990,782	\$ 24,637,720	\$ 27,496,838	\$ 30,266,435	\$ 31,952,142
Business-type activities										
Net investment in capital assets	\$10,283,233	\$ 16,076,379	\$20,963,248	\$ 24,351,126	\$ 24,138,415	\$ 24,536,284	\$ 25,369,116	\$ 29,688,120	\$ 32,136,779	\$ 34,363,245
Restricted	295,000	310,000	320,000	330,000	594,746	645,366	281,567	320,320	4,798,452	5,878,003
Unrestricted	3,291,079	4,048,384	5,008,520	5,019,856	7,584,339	10,232,996	12,404,966	10,867,866	7,636,191	8,975,462
Total business-type activities net position	\$13,869,312	\$ 20,434,763	\$26,291,768	\$ 29,700,982	\$ 32,317,500	\$ 35,414,646	\$ 38,055,649	\$ 40,876,306	\$ 44,571,422	\$ 49,216,710
Primary government										
Net investment in capital assets	\$17,935,522	\$ 24,690,830	\$29,949,880	34,431,655	33,764,121	33,655,654	36,490,385	41,233,877	45,115,374	50,709,952
Restricted	941,346	938,049	1,367,126	1,335,201	2,196,746	2,541,214	2,773,574	4,152,090	8,739,137	10,267,926
Unrestricted	6,813,666	4,298,049	4,982,653	5,270,012	8,745,939	15,208,560	23,429,410	22,987,177	20,983,346	20,190,974
Total primary government net position	\$25,690,534	\$ 29,926,928	\$36,299,659	\$ 41,036,868	\$ 44,706,806	\$ 51,405,428	\$ 62,693,369	\$ 68,373,144	\$ 74,837,857	\$ 81,168,852

TABLE 2

**CITY OF ORANGE CITY, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
SEPTEMBER 30, 2025
(continued)**

Expenses	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities:										
General government	\$ 3,012,446	\$ 2,637,169	\$ 2,794,659	\$ 3,188,748	\$ 3,300,566	\$ 2,945,936	\$ 3,488,881	\$ 4,029,736	\$ 5,169,382	\$ 5,463,008
Public safety	6,247,281	7,045,247	8,125,224	8,853,471	9,304,186	7,376,700	8,852,404	10,663,374	10,123,755	12,285,212
Transportation	1,508,542	1,107,884	1,611,000	1,920,073	2,153,632	1,842,482	1,778,663	2,173,905	1,410,532	1,088,143
Culture and recreation	541,844	1,265,752	693,156	652,902	634,319	744,382	968,556	1,041,712	1,044,764	1,028,202
Economic environment	-	10,822	12,046	14,158	24,693	14,956	250,917	49,750	28,250	442,522
Interest on long-term debt	-	-	-	-	9,086	44,879	9,311	12,752	29,475	15,630
Total governmental activities expenses	11,310,113	12,066,874	13,236,085	14,629,352	15,426,482	12,969,335	15,348,732	17,971,229	17,806,158	20,322,717
Business-type activities:										
Water and wastewater system	3,577,722	3,881,259	4,048,452	4,163,674	5,008,858	5,750,227	6,308,740	7,115,921	7,597,304	9,269,144
Stormwater	78,101	102,091	221,775	352,153	433,037	515,948	664,005	1,058,321	857,166	954,923
Total business-type activities expenses	3,655,823	3,983,350	4,270,227	4,515,827	5,441,895	6,266,175	6,972,745	8,174,242	8,454,470	10,224,067
Total primary government expenses	\$ 14,965,936	\$ 16,050,224	\$ 17,506,312	\$ 19,145,179	\$ 20,868,377	\$ 19,235,510	\$ 22,321,477	\$ 26,145,471	\$ 26,260,628	\$ 30,546,784
Program Revenues										
Governmental activities:										
Charges for services:										
General government	2,327,456	2,417,373	2,485,552	3,056,020	3,266,574	3,376,431	3,488,312	3,310,772	2,994,079	3,149,516
Public safety	1,732,887	1,799,228	1,838,168	1,942,570	2,041,877	2,171,911	2,356,139	2,364,361	2,516,383	3,397,995
Transportation	366,401	391,186	422,213	444,213	406,037	474,825	611,296	1,173,156	739,021	765,071
Culture and recreation	76,571	40,265	30,512	38,139	18,394	20,760	34,797	43,467	34,571	99,963
Operating grants and contributions	85,438	113,316	491,300	831,487	1,220,285	331,168	6,842,726	739,494	285,686	434,058
Capital grants and contributions	114,297	154,178	432,918	903,831	203,543	161,257	49,200	65,661	6,183	115,772
Total governmental activities program revenues	4,703,050	4,915,546	5,700,663	7,216,260	7,156,710	6,536,352	13,382,470	7,696,911	6,575,923	7,962,375
Business-type activities:										
Charges for services:										
Water and wastewater system	4,440,775	4,574,779	4,541,038	4,848,397	5,915,616	6,908,121	7,344,386	7,827,655	8,167,143	8,911,449
Stormwater	553,682	580,751	609,144	628,135	687,590	720,542	777,099	821,319	871,087	923,956
Operating grants and contributions	148,118	-	-	-	-	-	-	290,942	-	-
Capital grants and contributions	314,435	3,456,591	5,239,319	2,705,959	1,717,117	2,011,558	1,321,014	2,115,665	3,014,982	2,602,561
Total business-type activities program revenues	5,457,010	8,612,121	10,389,501	8,182,491	8,320,323	9,640,221	9,442,499	11,055,581	12,053,212	12,437,966
Total primary government program revenues	10,160,060	13,527,667	16,090,164	15,398,751	15,477,033	16,176,573	22,824,969	18,752,492	18,629,135	20,400,341

(Continued)

TABLE 2

**CITY OF ORANGE CITY, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
SEPTEMBER 30, 2025
(continued)**

Net (Expense)/Revenue	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities	(6,607,063)	(7,151,328)	(7,535,422)	(7,413,092)	(8,269,772)	(6,432,983)	(1,966,262)	(10,274,318)	(11,230,235)	(12,360,342)
Business-type activities	1,801,187	4,628,771	6,119,274	3,666,664	2,878,428	3,374,046	2,469,754	2,881,339	3,598,742	2,213,899
Total primary government net expense	\$ (4,805,876)	\$ (2,522,557)	\$ (1,416,148)	\$ (3,746,428)	\$ (5,391,344)	\$ (3,058,937)	\$ 503,492	\$ (7,392,979)	\$ (7,631,493)	\$ (10,146,443)
General Revenues and Other										
Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	3,992,652	4,289,865	5,025,511	5,420,268	5,910,975	6,488,502	7,058,750	7,904,965	8,186,030	8,803,610
Local option gas and use tax	210,491	222,898	230,519	227,464	245,357	231,451	216,863	229,699	263,392	271,882
Utility service taxes	1,450,946	1,452,492	1,548,629	1,811,278	1,892,751	1,982,187	2,104,883	2,356,583	2,365,056	2,736,740
State sales tax	620,006	679,175	808,666	840,898	792,650	938,679	1,065,567	1,151,125	1,131,015	1,158,825
Unrestricted investment earnings	9,140	18,247	29,390	41,000	46,457	10,465	86,011	902,206	1,514,774	1,436,004
Miscellaneous	58,487	89,855	111,777	132,373	157,823	92,138	202,297	271,045	209,070	904,949
Transfers	(127,258)	(1,930,261)	258,750	267,806	277,179	291,037	(121,171)	317,813	330,525	(1,101,254)
Total governmental activities	6,214,464	4,822,271	8,013,242	8,741,087	9,323,192	10,034,459	10,613,200	13,133,436	13,999,862	14,210,756
Business-type activities:										
Investment earnings	1,172	1,582	1,582	2,001	10,910	3,838	28,476	207,874	418,992	372,426
Miscellaneous	7,577	4,837	28,307	8,355	4,359	10,299	16,133	45,757	7,907	975,032
Gain on disposal	-	-	-	-	-	-	5,469	3,500	-	-
Transfers	127,258	1,930,261	(258,750)	(267,806)	(277,179)	(291,037)	121,171	(317,813)	(330,525)	1,101,254
Total business-type activities	136,007	1,936,680	(228,861)	(257,450)	(261,910)	(276,900)	171,249	(60,682)	96,374	2,448,712
Total primary government	6,350,471	6,758,951	7,784,381	8,483,637	9,061,282	9,757,559	10,784,449	13,072,754	14,096,236	16,659,468
Change in Net Position										
Functions and Programs										
Governmental activities	(392,599)	(2,329,057)	477,820	1,327,995	1,053,420	3,601,476	8,646,938	2,859,118	2,769,627	1,850,414
Business-type activities	1,937,194	6,565,451	5,890,413	3,409,214	2,616,518	3,097,146	2,641,003	2,820,657	3,695,116	4,662,611
Total primary government	\$ 1,544,595	\$ 4,236,394	\$ 6,368,233	\$ 4,737,209	\$ 3,669,938	\$ 6,698,622	\$ 11,287,941	\$ 5,679,775	\$ 6,464,743	\$ 6,513,025

TABLE 3

**CITY OF ORANGE CITY, FLORIDA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
SEPTEMBER 30, 2025**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Nonspendable	\$ 87,800	\$ 103,117	\$ 100,666	\$ 103,333	\$ 1,498,826	\$ 1,501,536	\$ 1,446,204	\$ 2,109,537	\$ 1,950,958	\$ 1,852,323
Restricted	-	-	79,287	-	54,994	79,532	54,994	79,656	79,532	79,656
Committed	-	-	-	-	-	-	-	-	1,585,148	1,714,752
Assigned	694,077	1,053,781	342,677	490,799	1,369,591	1,104,551	1,085,206	10,462,669	15,295,103	11,407,814
Unassigned	8,633,352	5,784,872	7,140,432	9,249,870	10,876,990	13,529,117	19,555,032	12,496,609	7,453,618	9,144,571
Total general fund	<u>\$ 9,415,229</u>	<u>\$ 6,941,770</u>	<u>\$ 7,663,062</u>	<u>\$ 9,844,002</u>	<u>\$ 13,800,401</u>	<u>\$ 16,214,736</u>	<u>\$ 22,141,436</u>	<u>\$ 25,148,471</u>	<u>\$ 26,364,359</u>	<u>\$ 24,199,116</u>
All other governmental funds										
Nonspendable	-	-	-	-	-	-	-	987	1,010	700
Committed	\$ 489,942	\$ 603,258	\$ 722,330	\$ 910,518	\$ 1,515,896	\$ 1,786,092	\$ 2,398,587	\$ 2,472,021	\$ 2,614,570	\$ 2,562,389
Restricted	157,468	24,791	245,509	94,683	43,509	61,380	102,359	1,361,762	1,345,357	1,847,235
Unassigned	-	-	-	-	(919,238)	(514,766)	(133,690)	-	(604,943)	(545,881)
Total all other governmental funds	<u>\$ 647,410</u>	<u>\$ 628,049</u>	<u>\$ 967,839</u>	<u>\$ 1,005,201</u>	<u>\$ 640,167</u>	<u>\$ 1,332,706</u>	<u>\$ 2,367,256</u>	<u>\$ 3,834,770</u>	<u>\$ 3,355,994</u>	<u>\$ 3,864,443</u>

TABLE 4

**CITY OF ORANGE CITY, FLORIDA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
SEPTEMBER 30, 2025**

	2016	2017	2018	2019	2020
REVENUES					
Property taxes	\$ 3,992,652	\$ 4,289,865	\$ 5,025,511	\$ 5,420,268	\$ 5,910,975
Franchise fees	1,207,730	1,168,329	1,245,420	1,299,447	1,268,617
Local option gas tax	210,491	222,898	230,519	227,464	245,357
Utility service taxes	1,450,946	1,452,492	1,548,629	1,811,278	1,892,751
Fees and fines	37,866	26,393	20,288	22,429	26,643
Licenses and permits	469,346	599,236	610,078	1,161,022	1,298,900
Intergovernmental	1,137,065	1,266,730	1,890,546	2,852,431	1,976,402
Impact fees/special assessments	-	-	-	-	-
Charges for services	462,890	251,914	214,965	594,194	1,109,906
Impact fees	194,505	483,644	600,372	208,778	299,304
Investment earnings	9,140	18,247	29,390	41,000	46,457
Contractual - DeBary Fire and PW	1,438,124	1,545,004	1,650,365	1,703,823	1,781,752
Miscellaneous	434,017	343,326	389,072	347,407	345,659
Total revenues	11,044,772	11,668,078	13,455,155	15,689,541	16,202,723
EXPENDITURES					
Current:					
General government	2,686,782	2,426,057	2,501,028	2,722,333	2,888,976
Public safety	5,549,894	6,054,775	6,932,578	6,927,371	7,161,324
Transportation	1,256,655	1,475,164	1,300,869	1,394,989	1,441,842
Culture and recreation	289,492	339,410	402,929	418,235	456,326
Economic environment	-	9,508	10,505	10,970	21,124
Debt service:					
Principal	-	-	-	-	38,249
Interest and other charges	-	-	-	-	9,086
Capital outlay	1,680,167	1,925,723	1,504,914	2,541,685	2,552,529
Total expenditures	11,462,990	12,230,637	12,652,823	14,015,583	14,569,456
Excess (deficiency) of revenues over expenditures	(418,218)	(562,559)	802,332	1,673,958	1,633,267
OTHER FINANCING SOURCES (USES)					
Proceeds from debt	-	-	-	-	-
Subscriptions Issued	-	-	-	-	-
Notes payable issued	-	-	-	276,538	1,680,919
Transfers in	273,345	295,479	391,359	322,164	454,928
Transfer out	(367,275)	(2,225,740)	(132,609)	(54,358)	(177,749)
Total other financing sources and uses:	(93,930)	(1,930,261)	258,750	544,344	1,958,098
Net change in fund balance	\$ (512,148)	\$ (2,492,820)	\$ 1,061,082	\$ 2,218,302	\$ 3,591,365
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.39%

(Continued)

TABLE 4

**CITY OF ORANGE CITY, FLORIDA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
SEPTEMBER 30, 2025
(Continued)**

	2021	2022	2023	2024	2025
REVENUES					
Property taxes	\$ 6,488,502	\$ 7,058,750	\$ 7,904,965	\$ 8,186,030	\$ 8,803,610
Franchise fees	1,343,099	1,431,523	1,680,433	1,663,574	1,782,827
Local option gas tax	231,451	216,863	229,699	263,392	271,882
Utility service taxes	1,982,187	2,104,883	2,356,583	2,365,056	2,736,740
Fees and fines	47,174	49,157	51,504	76,711	53,518
Licenses and permits	1,355,548	1,354,325	888,896	698,191	582,391
Intergovernmental	1,613,770	7,944,074	2,601,397	1,878,408	2,318,263
Impact fees/special assessments	-	1,133,842	1,084,293	844,997	750,710
Charges for services	310,079	263,842	196,277	159,429	220,052
Impact fees	784,191	-	-	-	-
Investment earnings	10,465	86,011	902,206	1,514,774	1,436,004
Contractual - DeBary Fire and PW	1,837,621	2,036,683	2,079,835	2,190,276	3,117,357
Miscellaneous	275,687	436,888	536,446	404,392	1,201,031
Total revenues	16,279,774	24,116,841	20,512,534	20,245,230	23,274,385
EXPENDITURES					
Current:					
General government	3,029,653	3,324,357	3,390,996	4,912,127	5,331,545
Public safety	7,607,346	8,106,621	8,778,620	9,382,818	11,976,443
Transportation	1,445,371	1,656,350	1,750,258	973,269	1,071,384
Culture and recreation	522,700	686,170	706,285	738,346	737,486
Economic environment	16,804	13,793	17,870	27,641	39,026
Debt service:					
Principal	165,808	158,291	240,809	236,415	240,570
Interest and other charges	44,879	9,311	12,752	23,828	17,877
Capital outlay	843,108	3,079,527	1,805,971	3,544,199	4,415,593
Total expenditures	13,675,669	17,034,420	16,703,561	19,838,643	23,829,924
Excess (deficiency) of revenues over expenditures	2,604,105	7,082,421	3,808,973	406,587	(555,539)
OTHER FINANCING SOURCES (USES)					
Proceeds from debt	-	-	-	-	-
Subscriptions Issued	-	-	347,763	-	-
Notes payable issued	211,732	-	-	-	-
Transfers in	396,091	403,053	960,742	513,937	526,213
Transfer out	(105,054)	(524,224)	(642,929)	(183,412)	(1,627,467)
Total other financing sources and uses	502,769	(121,171)	665,576	330,525	(1,101,254)
Net change in fund balance	\$ 3,106,874	\$ 6,961,250	\$ 4,474,549	\$ 737,112	\$ (1,656,793)
Debt service as a percentage of noncapital expenditures	1.64%	1.20%	1.70%	1.60%	1.33%

TABLE 5

TABLE 5

**CITY OF ORANGE CITY, FLORIDA
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 SEPTEMBER 30, 2025**

Fiscal Year	Estimated Market Value		Less Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property	Personal Property			
2016	678,491,531	89,179,203	217,673,966	549,996,768	7.4500
2017	723,709,685	87,125,986	222,289,211	588,546,460	7.4500
2018	777,294,578	85,322,431	230,806,662	631,810,347	8.0650
2019	847,820,688	85,876,915	252,691,908	681,005,695	8.0340
2020	946,427,391	89,772,541	281,509,395	754,691,537	7.8332
2021	1,030,026,222	109,713,127	313,073,298	826,666,051	7.8332
2022	1,120,125,760	115,072,550	329,573,886	905,612,230	7.7900
2023	1,258,133,252	134,527,652	367,500,840	1,025,160,064	7.6900
2024	1,435,790,320	146,614,324	428,807,789	1,153,596,855	7.1209
2025	1,584,255,999	152,312,250	452,712,934	1,283,855,315	6.8691

Source: Volusia County Property Appraiser

TABLE 6

**CITY OF ORANGE CITY, FLORIDA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2025**

Fiscal Year	City of Orange City, Florida Operating Millage (2)	Overlapping Rates (1)					Total Millage
		Volusia		St. Johns Water Mgmt	FL Inland Nav. District	Hospital Operating & Debt	
		School Board	County				
2016	7.4500	7.1970	7.2709	0.3023	0.0320	1.6679	23.9201
2017	7.4500	6.8480	7.0520	0.2885	0.0320	1.5900	23.2605
2018	8.0650	6.5200	7.0520	0.2724	0.0320	2.3660	24.3074
2019	8.0340	6.2810	6.6464	0.2562	0.0320	2.1751	23.4247
2020	7.8332	6.0810	6.1420	0.2414	0.0320	1.9080	22.6376
2021	7.8332	5.9070	5.9674	0.2287	0.0320	1.5035	21.6553
2022	7.7900	5.8020	5.8986	0.2189	0.0320	1.4073	21.5488
2023	7.6900	5.4820	5.7134	0.1974	0.0320	1.0816	20.1964
2024	7.1209	5.4090	5.6708	0.1793	0.0288	0.9806	19.3894
2025	6.8691	5.2850	5.5892	0.1793	0.0288	1.0480	18.9994

Source: Volusia County Property Appraiser

Notes:

- (1) Overlapping rates are those of local and county governments that apply to property owners within the City of Orange City. Not all overlapping rates apply to all Orange City property owners.
- (2) Orange City's direct rate is for operating millage. There is no debt service millage.

TABLE 7

CITY OF ORANGE CITY, FLORIDA
 PRINCIPAL PROPERTY TAXPAYERS
 CURRENT YEAR AND NINE YEARS AGO
 SEPTEMBER 30, 2025

Taxpayer Name	Type of Business	2025			2016		
		Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
John Knox Village of Central FL	Assisted Living Facility	\$ 54,511,665	1	4.25%	\$ 14,517,127	3	2.64%
Northland Grandeville LLC	Apartments (316)	37,758,336	2	2.94%	18,622,926	1	3.39%
EBSCO Integra Landings LLC	Apartments (270)	34,117,412	3	2.66%	17,076,732	2	3.10%
Grove Enterprise Partners	Apartments (130)	21,425,618	4	1.67%			
Enterprise Cove Apts LLC	Apartments	18,403,956	5	1.43%			
KRG Orange City Saxon LLC	Saxon Crossings	18,287,128	6	1.42%	12,213,004	5	2.22%
Walmart Stores East LP	Retail Store	16,754,327	7	1.30%	12,340,009	4	2.24%
985 W Volusia LLC	Shopping Center	15,955,817	8	1.24%	10,358,981	6	1.88%
Country Village Orange City	Manufactured Home Community	14,173,297	9	1.10%			0.00%
Publix Super Markets Inc	Crown Center Plaza North	13,776,124	10	1.07%	10,813,375	8	
Sun Orange City LLC	Orange City RV Park	-			9,743,190	7	1.77%
Lowe's Home Centers, Inc.	Retail Store (Lowe's)	-			8,231,170	9	1.50%
Orange City Marketplace, LLC	Shopping Center	-			7,790,130	10	1.42%
Total For Principal Taxpayers		245,163,680		19.09%	121,706,644		20.16%
Total For Other Taxpayers		1,038,913,399		80.91%	428,290,124		77.87%
Total		<u>\$ 1,284,077,079</u>		<u>100.00%</u>	<u>\$ 549,996,768</u>		<u>100.00%</u>

Source: Volusia County Property Appraiser

TABLE 8

**CITY OF ORANGE CITY, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2025**

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2016	4,097,476	3,813,028	93.06%	143,907	3,956,934	96.57%
2017	4,384,671	4,064,996	92.71%	72,124	4,137,120	94.35%
2018	5,095,737	4,669,059	91.63%	118,917	4,787,976	93.96%
2019	5,483,079	5,005,616	91.29%	91,114	5,096,731	92.95%
2020	5,903,748	5,273,860	89.33%	200,265	5,474,125	92.72%
2021	6,475,441	5,755,676	88.88%	171,731	5,927,407	91.54%
2022	7,054,719	6,322,476	89.62%	104,843	6,427,319	91.11%
2023	7,884,360	6,975,310	88.47%	127,945	7,103,255	90.09%
2024	8,205,146	7,288,068	88.82%	146,506	7,434,574	90.61%
2025	8,818,931	8,465,503	95.99%	185,507	8,279,996	93.89%

Source: Volusia County Property Appraiser

TABLE 9

CITY OF ORANGE CITY, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2025

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita (1)
	Special Assessment Revenue	Capital Improvement SRF Loan	Notes Payable	SBITA Liability	Utility Refunding Revenue 2005 (2)	Capital Improvement SRF Loan	Lease Liability	SBITA Liability			
2016	-	-	-	-	1,950,000	-	-	-	1,950,000	0.99%	167
2017	-	-	-	-	1,655,000	579,457	-	-	2,234,457	1.09%	189
2018	-	-	-	-	1,345,000	1,517,538	-	-	2,862,538	1.31%	244
2019	-	276,538	-	-	1,025,000	2,140,556	-	-	3,442,094	1.48%	284
2020	-	1,386,198	531,010	-	695,000	6,018,874	-	-	8,631,082	3.53%	694
2021	-	1,511,105	454,027	-	355,000	6,220,318	-	-	8,540,450	3.27%	633
2022	-	1,431,455	375,386	-	-	7,194,967	-	-	9,001,807	3.01%	648
2023	-	1,351,805	295,051	266,939	-	12,488,092	261,946	46,650	14,710,482	4.92%	1,058
2024	-	1,272,149	212,985	192,246	-	18,439,206	219,326	23,711	20,359,622	6.56%	1,422
2025	-	1,192,493	129,151	115,166	-	19,117,957	172,208	-	20,726,974	6.29%	1,394

Notes:

- (1) See Table 12 for personal income and population data.
- (2) Net of advanced refunding costs. 2014 refunding cost removed due to new GASB pronouncement
- (3) Details regarding the city's outstanding debt can be found in Note 6 on pg. 38 of the Notes to the Financial Statements

TABLE 10

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

<u>Governmental Unit</u>	<u>Net Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Orange City Share of Debt</u>
Debt Repaid with Property Taxes:			
County of Volusia, Florida:			
General Obligation Bonds	-	0.00%	-
Other Debt:			
District School Board of Volusia County, Florida:			
State School bonds	-	1.87%	-
Sales Tax Revenue Bonds	24,156,216	1.87%	451,001
Certificates of Participation	231,665,873	1.87%	4,325,241
Notes and Leases	8,200,873	1.87%	153,112
County of Volusia, Florida			
Revenue Bonds	36,290,000	2.11%	764,966
Notes Payable	18,186,020	2.11%	383,348
Total Overlapping Debt:	\$ 318,498,982		\$ 6,077,667
Direct Debt: City of Orange City			\$ 1,436,810
Total Direct & Overlapping Debt:			\$ 7,514,477

Source:

Assessed valuation data used to estimate applicable percentages provided by Volusia County Property Appraiser.
Debt outstanding data provided by each governmental unit.

- (1) For School Board overlapping debt, the percentage applicable to Orange City was determined by taking the City's taxable value of \$1,283,855,315 and dividing by the School Board's taxable value of \$68,765,061,894.
- (2) For Volusia County's overlapping debt, the percentage applicable to Orange City was determined by taking the City's taxable value of \$1,283,855,315 and dividing by Volusia County's taxable value of \$60,906,102,324.

TABLE 11

CITY OF ORANGE CITY, FLORIDA
 PLEDGED REVENUE COVERAGE
 BUSINESS-TYPE ACTIVITIES
 LAST TEN FISCAL YEARS
 SEPTEMBER 30, 2025

Fiscal Year	Gross Revenues (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Basic Covenant Coverage
				Principal	Interest	Total	
2016	4,440,775	2,648,948	1,791,827	285,000	65,996	350,996	5.105
2017	4,574,779	3,081,657	1,493,122	295,000	73,331	368,331	4.054
2018	4,542,620	3,353,609	1,189,011	310,000	58,411	368,411	3.227
2019	4,850,398	3,454,250	1,396,148	320,000	47,004	367,004	3.804
2020	5,918,956	4,107,702	1,811,254	415,831	52,132	467,963	3.871
2021	6,911,959	4,051,496	2,860,463	496,606	39,829	536,435	5.332
2022	7,372,862	4,714,824	2,658,038	533,112	27,545	560,657	4.741
2023	8,812,628	5,603,905	3,208,723	308,824	21,461	330,285	9.715
2024	9,457,222	6,238,792	3,218,430	316,737	19,435	336,172	9.574
2025	8,867,848	5,976,198	2,891,650	870,697	17,750	888,447	3.255

Notes:

- (1) Gross revenues from water, sewer and stormwater charges for services, plus interest income and service charges.
- (2) Total operating expenses exclusive of depreciation and amortization of intangibles.

**CITY OF ORANGE CITY, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2025**

Fiscal Year	Estimated Population (1)	School Enrollment (2)	Median Household Effective Buying Income (3)	Per Capita Personal Income (3)	Personal Income (4)	Unemployment Rate (4)
2016	11,679	5,609	41,117	38,176	19,782,310,000	5.5%
2017	11,850	5,500	40,788	38,807	20,543,253,000	5.1%
2018	11,720	5,216	43,838	40,658	21,902,076,000	4.3%
2019	12,103	5,308	46,760	42,374	23,201,619,000	3.7%
2020	12,436	4,857	49,494	44,180	24,444,162,000	3.4%
2021	13,483	5,323	49,494	46,475	26,095,706,000	7.7%
2022	13,898	5,569	56,786	52,964	29,893,649,000	4.6%
2023	14,313	5,462	63,075	53,559	31,021,130,000	3.1%
2024	14,866	5,401	66,581	55,824	32,955,808,000	3.3%
2025	14,882	5,498	70,044	59,259	35,719,516,000	3.8%

Sources:

(1) BEBR- Bureau of Economic and Business Research 2025

(2) Volusia County School Board 2025 ACFR

(3) <http://edr.state.fl.us/Content/area-profiles/county/volusia.pdf>
Summary, for Volusia County. Separate information for the City of Orange City is not available.

(4) Volusia County data obtained from Florida Department of Economic and Demographic Research

TABLE 13

CITY OF ORANGE CITY, FLORIDA
 PRINCIPAL EMPLOYERS
 CURRENT FISCAL YEAR AND NINE YEARS AGO
 SEPTEMBER 30, 2025

<u>Employer</u>	<u>September 30, 2025</u>			<u>September 30, 2016</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Population</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Population</u>
Florida Hospital Fish Memorial	1,500	1	10%	954	1	8%
John Knox Village	620	2	4%	609	2	5%
Volusia County Schools	501	3	3%	474	3	4%
Wal-Mart	400	4	3%	458	4	4%
Orange City Racing & Card Club	303	5	2%			
Chinchor Electric	245	6	2%			
Publix - Lakeland for Store #422	200	7	1%	185	5	2%
Home Depot	165	8	1%	150	7	1%
City of Orange City	140	9	1%			
Orange City Nursing & Rehab Ctr.	133	10	1%	166	6	1%
Olive Garden Italian Restaurant #1228	132	11	1%			
Lowe's Home Improvement	115	12	1%	123	10	1%
Target	100	13	1%	129	9	1%
Asbury Automotive Group (Coggin)		(1)	0%	143	8	1%
TOTAL	<u>4,554</u>		<u>31%</u>	<u>3,391</u>		<u>29%</u>
Population	<u>14,882</u>			<u>11,679</u>		

Source: City of Orange City, Finance Department

(1) Information not available.

TABLE 14

**CITY OF ORANGE CITY, FLORIDA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2025**

Function/Program	FISCAL YEAR									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General government										
Administration	5.90	5.00	6.00	6.00	6.00	6.00	6.00	7.00	7.00	8.00
City Clerk	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Finance	4.00	4.00	4.50	4.50	4.50	4.50	4.50	4.50	4.50	5.50
Planning and Zoning	5.00	4.92	4.92	4.92	4.92	4.92	4.92	4.10	4.03	3.63
Police										
Officers	25.00	26.00	28.00	28.00	29.00	29.00	29.00	30.00	31.00	32.00
Civilians	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Fire										
Firefighters and officers	20.50	20.50	20.50	20.50	23.25	23.25	23.25	23.25	24.00	24.00
Civilians	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00	3.00
Public Works										
Public Works	13.00	11.00	11.00	11.75	11.75	11.75	12.00	11.50	12.75	13.42
Parks Maintenance	3.50	4.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00	6.33
Utilities Enterprise	19.60	19.50	19.50	19.75	21.50	21.50	25.75	25.75	26.75	27.75
CRA Fund	-	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.15	0.15
Building Safety Fund (1)	-	-	-	-	-	-	-	0.82	0.82	1.22
Stormwater Fund	-	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
TOTAL	102.50	103.00	106.50	107.50	115.00	115.00	119.50	121.00	125.00	132.00

Source: City of Orange City Annual Budget Book

Notes:

(1) Building Safety Fund created in FY 23

TABLE 15

CITY OF ORANGE CITY, FLORIDA
 OPERATING INDICATORS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS
 SEPTEMBER 30, 2025

Function/Program	FISCAL YEAR									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police										
Arrests	777	676	503	506	480	442	428	463	622	496
Parking violations	72	107	60	85	47	92	53	122	76	103
Uniformed Traffic citations	1,394	1,003	826	1,510	1,076	2,559	2,226	2,889	4,129	1,850
911 Calls (1)	13,935	13,935	13,436	13,153	13,576	14,448	10,371	N/A	N/A	N/A
Cases investigated (CID)	385	344	458	303	416	366	359	240	290	249
Cases submitted to State Attorney (1)	1,890	903	703	672	1,156	680	637	N/A	N/A	N/A
Code enforcement cases	657	842	424	362	217	180	174	241	342	316
Code enforcement fines (dollars)	42,915	45,377	6,915	17,735	3,400	9,126	18,300	6,570	39,250	21,434
Animal control (captured animals)	564	521	284	97	45	23	32	88	77	61
Fire										
Emergency responses	7,114	7,629	7,313	6,587	7,412	7,350	7,560	7,433	7,890	8,145
Fires extinguished	94	97	108	133	238	352	202	179	115	117
Inspections	740	1,048	916	916	1,200	1,023	1,328	1,050	2,275	2,285
Public education programs	63	119	92	82	125	150	125	137	135	125
Public Works										
Street resurfacing (miles)	1.56	0	0	1	1	1	0.61	0.57	-	0.50
Potholes repaired	41	44	52	55	60	45	45	45	95	82
Parks and Recreation										
Park usage permits	180	230	193	320	42	68	90	104	90	127
General government										
Construction permits issued	917	952	987	944	1,352	1,597	1,287	1,079	1,066	968
Value of construction permits (thousands)	28,229	43,259	43,103	96,635	121,220	112,123	150,000	70,486	80,273	141,756
New commercial	2	6	5	2	9	2	8	33	14	13
New commercial value (thousands)	2,514	16,058	16,105	55,304	50,668	68,828	17,855	70,541	52,115	31,251
New residential	14	21	47	104	200	149	54	37	107	40
New residential value (thousands)	6,818	8,612	14,100	29,182	52,675	41,786	18,825	18,006	36,575	12,702
New redevelopment	9	9	2	2	-	-	-	2	1	2
New redevelopment value (thousands)	8,981	5,114	1,536	935	-	-	-	1,950	876	60
Annexations - number	3	1	3	151	2	-	-	-	-	-
Acres	10.23	1.87	5.99	242	8	-	-	-	-	-
Taxable value	361,079	0	125,692	19,113,522	196,253	-	-	-	-	-
Business licenses (new)	115	137	144	115	124	104	162	208	80	184
Legal notices published	36	38	38	36	60	70	58	109	54	63
Water										
New connections	9	25	53	91	210	220	39	17	48	119
Water mains breaks	24	15	19	8	14	17	17	40	13	12
Average daily consumption (1,000 gal.)	1,177	1,215	1,618	1,600	1,617	1,603	1,600	1,700	1,201	1,223
Water Accounts	3,845	3,983	4,021	4,088	4,315	4,426	4,376	4,419	4,467	4,579
Irrigation Accounts	401	399	401	404	405	393	392	389	388	370
Reclaim Accounts	29	35	47	166	318	463	578	578	612	710

Source: Various City departments

Notes:

(1) Statistical information not available.

TABLE 16

CITY OF ORANGE CITY, FLORIDA
 CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS
 SEPTEMBER 30, 2025


Function/Program	FISCAL YEAR									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	16	16	18	19	19	19	19	20	22	22
Fire stations	2	2	2	2	2	2	2	2	2	2
Public Works										
Street (miles)	10.3	10.3	10.3	40.26	40.26	40.3	40.3	40.3	42.4	43.5
Highways (miles)	47.0	47.0	47.0	47.0	47.0	47.0	47.0	47.0	47.0	47.0
Streetlights	500	500	500	533	533	533	533	533	782	782
Traffic signals	2	2	2	2	2	4	4	4	4	4
Parks and recreation										
Parks	9	9	7	10	10	10	10	10	10	9
Acreage	70	70	76.62	90	90	80.34	80.34	80.34	80	80
Playgrounds	3	3	3	3	3	3	3	3	3	3
Baseball/softball fields	5	5	5	5	5	5	5	5	6	4
Soccer/football fields	2	2	2	1	1	1	1	1	1	2
Tennis/pickleball courts	2	2	2	2	2	2	2	2	2	2
Basketball/volleyball courts	2.5	4	4	3	3	3	3	3	3	4
Senior centers	1	1	1	1	1	1	1	1	1	1
Shuffleboard facility	1	1	1	1	1	0	0	0	0	0
Splash pad	2	2	2	2	2	1	1	1	1	1
Water										
Water mains (miles)	91.04	90.28	94	96.2	97.17	97.2	97.2	96.55	97.55	96.5
Fire hydrants	503	500	506	527	540	536	536	537	556	588
Storage capacity (1,000 gal.)	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Sewage (1)										
Wastewater lift stations	16	16	21	21	23	24	24	24	25	27
Stormwater										
Stormwater retention areas	15	15	19	19	23	31	31	31	31	31

Source: Various city departments

Notes:
 (1) Processed by Volusia County



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COMPLIANCE SECTION



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

The Honorable Mayor and City Council
City of Orange City, 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 Orange City, 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 19, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

McDermitt Davis

Orlando, Florida
March 19, 2026



**INDEPENDENT AUDITOR'S 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**

Honorable Mayor and City Council
City of Orange City, 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 Orange City'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*, and Chapter 10.550, Rules of the Auditor General, that could have a direct and material effect on each of the City's major federal programs and state projects for the year ended September 30, 2025. The City's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each major federal program and state project 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 (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

McDiarmid Davis

Orlando, Florida
March 19, 2026

CITY OF ORANGE CITY, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

Year Ended September 30, 2025

Award type	Assistance		
Grantor	Listing/		
Pass-through grantor	CSFA	Agency or Pass-through	
Grantor program title	Number	Entity Grant Number	Expenditures
Federal Awards			
United States Department of Homeland Security			
Passed through Florida Division of Emergency Management			
Disaster Grants, Public Assistance	97.036	Z0756	\$ 6,712
Disaster Grants, Public Assistance	97.036	Z4624	260,798
Total U.S. Department of Homeland Security			<u>267,510</u>
United States Environmental Protection Agency			
Passed through State of Florida, Department of Environmental Protection			
Drinking Water State Revolving Funds Capitalization Grants *	66.468	LS642090	69,649
Drinking Water State Revolving Funds Capitalization Grants *	66.468	DW642041	1,548,166
Drinking Water State Revolving Funds Capitalization Grants *	66.468	DW6420A0	320,517
Total Drinking Water State Revolving Funds Capitalization Grants			<u>1,938,332</u>
Passed through State of Florida, Department of Environmental Protection			
Nonpoint Source Implementation Grants	66.460	NF095	22,945
Total U.S. Environmental Protection Agency			<u>1,961,277</u>
United States Department of Treasury			
Passed through State of Florida, Department of Environmental Protection			
Coronavirus State and Local Fiscal Recovery Funds	21.027	WG100	373,969
United States Department of Justice			
Passed through Florida Department of Law Enforcement			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	6N041	6,234
Edward Byrne Memorial Justice Assistance Grant Program	16.738	R7234	62,931
Total Edward Byrne Memorial Justice Assistance Grant Program			<u>69,165</u>
Bulletproof Vest Partnership Program	16.607		1,607
Total U.S. Department of Justice			<u>70,772</u>
United States Department of Housing and Urban Development			
Passed through Volusia County			
Community Development Block Grants/Entitlement Grants	14.218	CDBG 23/24	66,805
Total federal awards			<u><u>\$ 2,740,333</u></u>
State Financial Assistance			
Florida Department of Environmental Protection			
State Revolving Fund, Drinking Water Facility Construction	37.076	DW642050	\$ 251,526
Florida Springs Grant Program, Septic to Sewer Project	37.052	37983	119,580
Statewide Water Quality Restoration Projects *	37.039	WG100	1,241,056
Total state financial assistance			<u><u>\$ 1,612,162</u></u>

* Denotes a major program or project

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

Year Ended September 30, 2025

Note 1 - Basis of Presentation:

The accompanying schedule of expenditures of federal awards and state financial assistance (the Schedule) includes the federal and state grant activity of the City of Orange City (the City) under programs of the federal and state government for the year ended September 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) 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 position or cash flows of the City.

Note 2 - Summary of Significant Accounting Policies:

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Therefore, amounts reported on the Schedule are based on expenditures incurred as of September 30, 2025, even if the grant or loan was received subsequent to that date. Federal and state expenditures are recognized following the cost principles contained in the Uniform Guidance and Chapter 10.550, Rules of the Auditor General wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note 3 - Loans and Loan Guarantees:

In January 2022, the City executed a State Revolving Fund Loan agreement DW642041 for the City's pipe rehabilitation and looping project. Loan balance as of September 30, 2025 is \$8,798,548. Loan expenditures reported in the current year Schedule are \$1,548,166.

In March 2023, the City executed a State Revolving Fund Loan agreement DW642050 for the City's greensand filter improvements project. Loan balance as of September 30, 2025 is \$4,964,449. Loan expenditures reported in the current year Schedule are \$251,526.

In May 2024, the City executed a State Revolving Fund Loan agreement LS642090 for the City's drinking water planning and design project. Loan balance as of September 30, 2025 is \$140,409. Loan expenditures reported in the current year Schedule are \$69,649.

Note 4 - Indirect cost rate:

Indirect cost rate is dictated by its federal contract terms. The 15-percent de Minimis indirect rate as allowed under the Uniform Guidance is not in effect nor is available under its contracts.

Note 5 - Contingencies:

Grant expenditure amounts are subject to audit and adjustment. If any expenditures are disallowed by a 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 the City's management, all grant expenditures included on the Schedule complied with the terms of the grant agreements and applicable federal laws and regulations.

CITY OF ORANGE CITY, FLORIDA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL PROGRAMS AND STATE PROJECTS**

Year Ended September 30, 2025

Section I - Summary of Independent Auditor's Results:

Financial Statements

Type of auditors' report issued:	Unmodified Opinion	
Internal control over financial reporting:		
• Material weakness identified?	___ Yes	<u> X </u> No
• Significant deficiency identified	___ Yes	<u> X </u> None reported
Noncompliance material to financial Statements noted?	___ Yes	<u> X </u> No

Federal Awards and State Projects

Type of auditors' report issued on compliance for major federal programs and state projects:	Unmodified Opinion	
Internal control over major federal programs and state projects:		
• Material weakness identified?	___ Yes	<u> X </u> No
• Significant deficiency identified	___ Yes	<u> X </u> None reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) of the Uniform Guidance and Chapter 10.550?	___ Yes	<u> X </u> No

Identification of Major Federal Programs and State Projects

Federal	66.468	Drinking Water State Revolving Funds Capitalization Grants
State	37.039	Statewide Water Quality Restoration Projects
Dollar threshold used to distinguish between type A and type B programs	Federal \$1,000,000	State \$483,649
Auditee qualified as a low-risk auditee pursuant to the Uniform Guidance?	<u> X </u> Yes	___ No

Section II - Financial Statement Findings:

None

Section III - Federal Award and State Project Findings and Questioned Costs:

None

Section IV - Federal Award and State Projects Summary Schedule of Prior Year Findings:

No Prior Year Findings

MANAGEMENT LETTER

Honorable Mayor and City Council
City of Orange City, Florida

Report on the Financial Statements

We have audited the financial statements of the *City of Orange City, Florida* (the "City"), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated March 19, 2026.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 19, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition and Management

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

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

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did/did not operate within the City's geographical boundaries during the fiscal year under audit.

The City did have a PACE program operate within the City.

As required by Section 10.554(1)(i)6.b., Rules of the Auditor General, if a PACE program was operating within the geographical areas of the City of Orange City, a list of all program administrators and third-party administrators ("TPA") that administered the program.

See Attached Listing

As required by Section 10.554(1)(i)6.c., Rules of the Auditor General, if a PACE program was operating within the geographical areas of the City of Orange City, the full names and contact information of each such program administrator and third-party administrator.

See Attached Listing

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 note any such findings.

ML25-01 Investment Policy

During the audit, we noted that the required continuing education courses were not taken and properly documented by the designated individual as required by the City's investment policy and Florida Statutes. The former city manager left in August 2025, and documentation of investment CPE was not maintained. We recommend that the City implement procedures to ensure the proper continuing education courses are taken and documented each year as required by Florida Statutes.

Purpose of this Letter

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

McDermitt Davis

Orlando, Florida
March 19, 2026

PACE Programs

Florida Resiliency and Energy District ("FRED")

156 Tuskawilla Road, Suite 2340
Winter Springs, FL 32708
407-712-6356
info@fdcbonds.com
Robert J. Harvey, Executive Director

Third Party Administrator:

Peachtree Group
3500 Lenox Road, Suite 625
Atlanta, GA 30326
404-497-4111
info@peachtreegroup.com

Florida Green Finance Authority

c/o Special District Services, Inc.
2501A Burns Road
Palm Beach Gardens, FL 33410
561-630-4922
jcandela@sdsinc.org
Todd Wodraska, Manager and Secretary

Third Party Administrators

Renew Financial Group, LLC
555 12th Street, Suite 1650
Oakland, CA 94607
844-736-3934
info@renewfinancial.com

Petros PACE Finance, LLC
300 Colorado Street, Suite 2000
Austin, TX 78701
512-599-9037
krusso@throughco.com

Green Corridor Property Assessment Clean Energy (PACE) District

5385 North Nob Hill Road
Sunrise, FL 33351
786-271-9208
customer.care@ygrene.com

Third Party Administrators

Ygrene
6303 Blue Lagoon Drive, Suite 400
Miami, FL 33126
866-634-1358
customer.care@ygrene.com

Willdan Financial Services
27368 Via Industria, Suite 200
Temecula, CA 92590
866-807-6864
posr@willdan.com

Florida PACE Funding Agency

6650 Professional Parkway, Suite 102
Sarasota, FL 34240
850-400-PACE
info@FloridaPACE.gov
Wendi Leach, Executive Director

Third Party Administrator:

FortiFi
12770 High Bluff Drive, Suite 260
San Diego, CA 92130
858-345-2000
info@fortifi.com

Home Run

750 University Avenue, Suite 140
Los Gatos, CA 95032
800-231-6991
info@homerunfinancing.com

Bayview

4425 Ponce de Leon Boulevard
Coral Gables, FL 33146
844-518-2343
info@bayviewpace.com



1800 Pembroke Drive, Suite 170
Orlando, Florida 32810
407-843-5406
www.mcdermittdavis.com

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
THE REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES**

The Honorable Mayor and City Council
City of Orange City, Florida

We have examined City of Orange City's (the City) compliance with the requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2025. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, City of Orange City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2025, except for the noncompliance disclosed in management comment 25-01.

McDermitt Davis

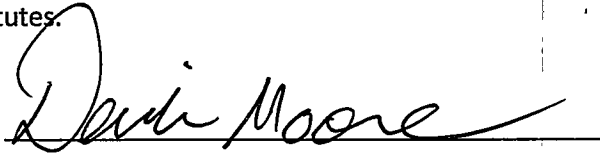
Orlando, Florida
March 19, 2026

AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Devlin Moore, who being duly sworn, deposes and says on oath that:

1. I am the Financial Director of the City of Orange City which is a local governmental entity of the State of Florida:
2. The City of Orange City adopted Ordinance No. 90-8-3 on 9/12/1990 implementing a Police, Fire and Park and Recreation impact fee; Ordinance No. 356 on 6/28/2008 implementing a Water and Sewer impact fee, and Ordinance No. 228, on 1/25/2005 implementing a Transportation impact fee; and
3. The City of Orange City attests, to the best of his or her knowledge, that all impact fees were collected and expended by the local government, or special district, or were collected and expended on its behalf, in full compliance with the spending period provision in the local ordinance or resolution, and that funds expended from each impact fee account were used only to acquire, construct, or improve specific infrastructure needs and remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

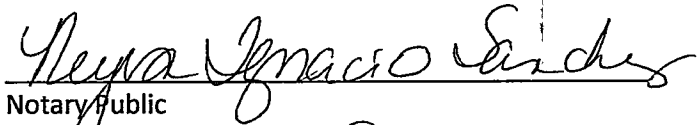


Devlin Moore, Finance Director
City of Orange City

By any public officer, trustee, or personal representative:

STATE OF FLORIDA
COUNTY OF VOLUSIA

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this 26 day of February, 2026 by Devlin Moore, Finance Director, who is personally known to me or who has produced (type of identification) as identification.

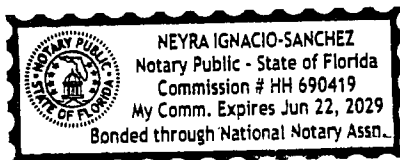


Notary Public



Name typed, printed or stamped

My Commission Expires: 2029





THE HEART OF SOUTHWEST VOLUSIA
WWW.ORANGECITYFL.GOV