

CITY OF

Deltona

FLORIDA

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

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

City of Deltona, Florida

Deltona: A City on the Move



Annual Comprehensive Financial Report

For the year ended
September 30, 2025

Prepared By:
Finance Department

This page intentionally left blank

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

Table of Contents

Introductory Section

Letter of Transmittal.....	i
Certificate of Achievement.....	viii
Organizational Chart.....	ix
Elected Officials.....	x
Other Officials.....	xi

Financial Section

Independent Auditors' Report.....	1
--	----------

Management's Discussion and Analysis.....	5
--	----------

Basic Financial Statements

Government-Wide Financial Statements:	
Statement of Net Position.....	23
Statement of Activities.....	24
Fund Financial Statements:	
Balance Sheet – All Governmental Funds.....	25
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	26
Statement of Revenues, Expenditures, and Changes in Fund Balances – All Governmental Funds.....	27
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities.....	28
Statement of Net Position – Proprietary Funds.....	29
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds.....	31
Statement of Cash Flows – Proprietary Funds.....	32
Statement of Fiduciary Net Position – Pension Trust Funds.....	34
Statement of Changes in Fiduciary Net Position – Pension Trust Funds.....	35

Notes to Financial Statements.....	37
------------------------------------	----

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – General Fund.....	96
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – Transportation Fund.....	97

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

Table of Contents (*Continued*)

Required Supplementary Information (*Continued*)

Schedules of Changes in Total OPEB Liability and Related Ratios.....	98
Schedules of Changes in Firefighter Net Position Liability and Related Ratios	99
Schedules of FRS Contributions and Investments Returns.....	100
Schedules of Firefighters Contributions and Investments Returns	101
Schedules of Proportionate Share of Net Pension Liability	102
Notes to the Required Supplementary Information	103

Supplemental Information

Combining Balance Sheet – Non-major Governmental Funds.....	110
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-major Governmental Funds	114
Schedule of Revenues and Expenditures – Budget and Actual Fire/Rescue Service Impact Fees Fund.....	118
Schedule of Revenues and Expenditures – Budget and Actual State Housing Initiative Partnership.....	119
Schedule of Revenues and Expenditures – Budget and Actual Community Development Block Grant Fund	120
Schedule of Revenues and Expenditures – Budget and Actual Streetlighting Districts Fund.....	121
Schedule of Revenues and Expenditures – Budget and Actual Park Impact Fees Fund	122
Schedule of Revenues and Expenditures – Budget and Actual Tree Replacement Fees Fund	123
Schedule of Revenues and Expenditures – Budget and Actual Law Enforcement Impact Fees Fund	124
Schedule of Revenues and Expenditures – Budget and Actual Building Inspections Fund	125
Schedule of Revenues and Expenditures – Budget and Actual Transportation Impact Fees Fund.....	126
Schedule of Revenues and Expenditures – Budget and Actual Lake Districts Fund.....	127
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – Community Redevelopment Area (CRA).....	128
Schedule of Revenues and Expenditures – Budget and Actual Capital Projects – Capital Improvement Fund.....	129
Schedule of Revenues and Expenditures – Budget and Actual Capital Projects – Park Projects Fund.....	130
Notes to the Supplemental Information.....	131
Combining Balance Sheet of Net Position – Internal Service Funds	133
Schedule of Revenues and Expenditures – Budget and Actual Internal Service Funds	134
Statement of Cash Flows – Internal Service Funds	135

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

Table of Contents (Continued)

Statistical Section (Unaudited)

Financial Trends:

Net Position by Component	140
Changes in Net Position	142
Fund Balances of Governmental Funds	146
Changes in Fund Balances of Governmental Funds	148
Tax Revenues by Source, Governmental Funds	150

Revenue Capacity:

Assessed and Estimated Actual Value of Taxable Property	151
Direct and Overlapping Property Tax Rates	152
Principal Taxpayers	153
Property Tax Levies and Collections	154

Debt Capacity:

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

Demographic and Economic Information:

Demographic and Economic Statistics	158
---	-----

Operating Information:

Full-time Equivalent City Government Employees by Function/Program	161
Various Indicators by Function/Program	162
Water Sold by Type of Customer	163
Wastewater Sold by Type of Customer	164
Principal Employers	165

Additional Elements of Report Prepared in Accordance with *Government Auditing Standards*, Issued by the Comptroller General of the United States and the *Rules of the Auditor General* of the State of Florida

Schedule of Expenditures of Federal Awards	168
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	169
Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	171
Schedule of Findings and Questioned Costs – Federal Award Programs	174
Independent Accountant's Report on Compliance with Section 218.415	175
Management Letter	176
Affidavit of Compliance	179

This page intentionally left blank



City of Deltona

April 30, 2026

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

Ladies and Gentlemen:

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

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

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

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

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

City History

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

Letter of Transmittal

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

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

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

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



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

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

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

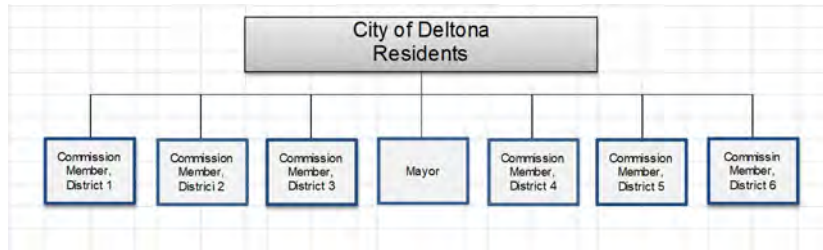
Profile of the Government

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

Letter of Transmittal

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

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



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

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

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

Local Economy and Economic Development

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

Letter of Transmittal

Building Activity

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

Streets and Roads

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

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

Parks and Recreation

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

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

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

Public Safety

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

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

Letter of Transmittal

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

Utility System

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

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

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

The Center at Deltona

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

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

Financial Outlook and Challenges

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

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

Letter of Transmittal

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

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

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

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

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

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

Awards and acknowledgements

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

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

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

Letter of Transmittal

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

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

Respectfully submitted,



Dale "Doc" Dougherty
City Manager



Jonathan C. McKinney
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Deltona
Florida**

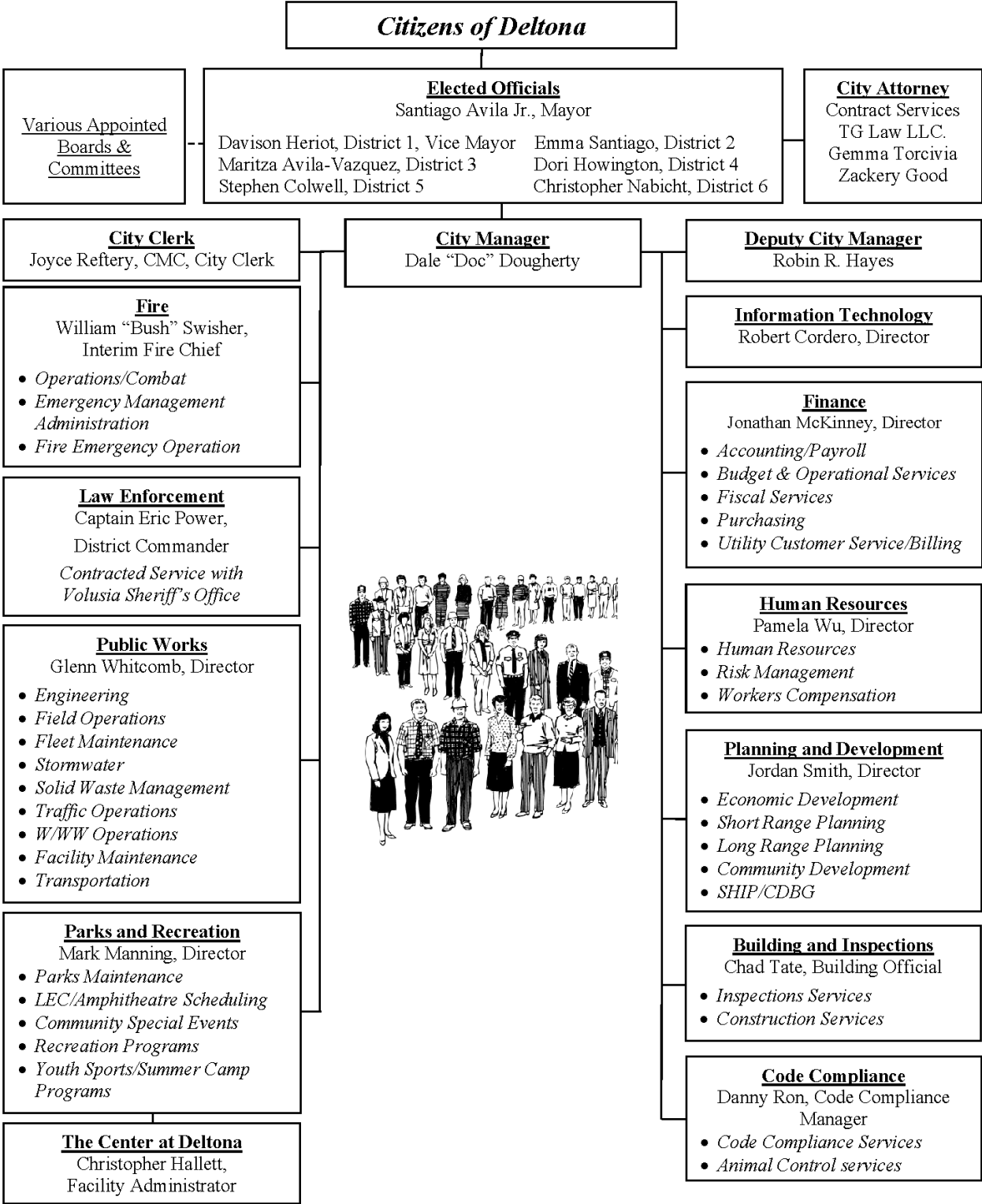
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morill

Executive Director/CEO

ORGANIZATIONAL CHART
As of September 30, 2025



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



Santiago Avila, Jr.
Mayor



Davison Heriot
Vice Mayor
District 1



Emma Santiago
District 2



Maritza Avila-Vazquez
District 3



Dori Howington
District 4



Stephen Colwell
District 5



Chris Nabicht
District 6

OTHER OFFICIALS

As of Issuance Date

City Manager -----Dale “Doc” Dougherty
Deputy City Manager-----Robin R. Hayes
Public Works Director-----Glenn Whitcomb
City Attorney -----Gemma Torcivia
Information Technology Director-----Robert Cordero
City Clerk -----Joyce Raftery
Finance Director -----Jonathan C. McKinney
Human Resources Director -----Pamela Wu
Planning and Development Services Director -----Jordan Smith
Fire Chief (Interim) -----William “Bush” Swisher
Parks & Recreation Director -----Mark Manning

This page intentionally left blank

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Commissioners
City of Deltona
Deltona, Florida

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

Honorable Mayor and City Commissioners
City of Deltona
Deltona, Florida

INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Honorable Mayor and City Commissioners
City of Deltona
Deltona, Florida

INDEPENDENT AUDITOR'S REPORT

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual non-major fund financial statements, non-major fund budgetary comparison schedules and schedule of expenditures of federal awards and state projects, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.550, *Rules of the Auditor General*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, non-major fund budgetary comparison schedules and the schedule of expenditures of federal awards and state projects are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

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

Honorable Mayor and City Commissioners
City of Deltona
Deltona, Florida

INDEPENDENT AUDITOR'S REPORT

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

Purvis Gray

April 30, 2026
Ocala, Florida

Management's Discussion and Analysis

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

The Economy

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

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

Deltona Village

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

American Rescue Plan Act

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

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

Fitch Ratings

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

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

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of FY2025 by \$323,094,802 (net position). Of this amount, \$145,103,722 is unrestricted net position.
- The City's total net position changed by \$28,923,723. Of the change, \$19,423,113 was attributed to governmental activities and \$9,500,610 to business-type activities.
- At September 30, 2025, the City's governmental funds reported combined ending fund balances \$143,582,277, a change of \$4,038,848 in comparison with the prior year. The amount of unassigned governmental fund balance was \$35,545,395 as of September 30, 2025.
- At September 30, 2025, the general fund balance was \$88,387,164, of this amount \$35,545,395 was unassigned.

Overview of the Financial Statements

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

Government-Wide Financial Statements

The *Government-Wide Financial Statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

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

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

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

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

The City's government-wide financial statements can be found on pages 23 - 24 of this report.

Fund financial statements

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

Governmental Funds

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

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

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

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

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

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

Proprietary Funds

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

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

Fiduciary Funds

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

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

Notes to the Financial Statements

The Notes to the Financial Statements provide additional information intended to help the reader obtain a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages 38 - 93 of this report.

Other information

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

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

Government-wide Financial Analysis

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

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

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

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

This space intentionally left blank

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

City of Deltona's Net Position

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

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

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

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

City of Deltona's Changes in Net Position

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

Governmental Activities - Revenues

Program Revenues

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

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

General revenues

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

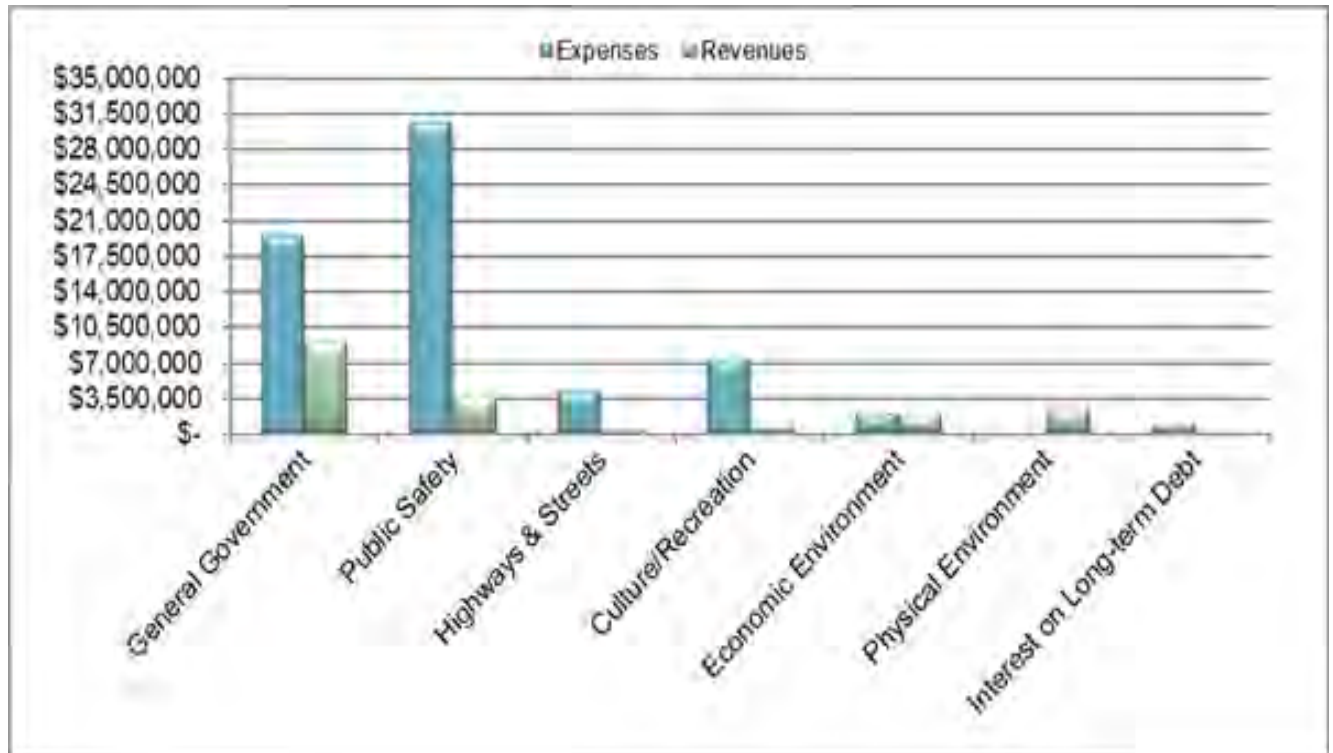
- Although the property tax millage rate levied for FY2025 decreased to 7.00 mills from the prior year of 7.35 mills, increased property values resulted in \$2,522,396 additional ad valorem receipts. Franchise Fees changed by \$286,502. Transport revenue decreased by \$(862,631), and other taxes including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

Governmental Activities - Expenses

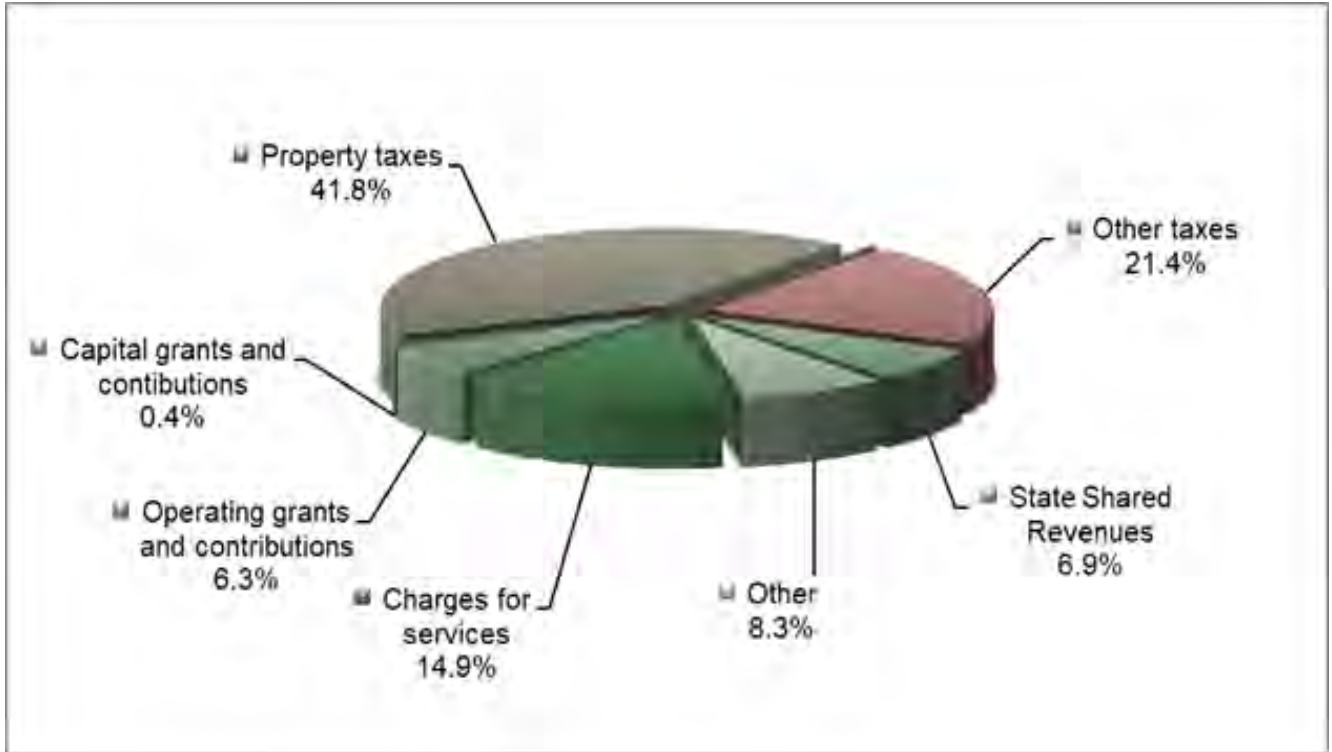
Governmental Activities expenses decreased in total by \$(5,581,091) or (7.94) %. The largest changes were:

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

Expenses and Program Revenues – Governmental Activities



Revenues by Source – Governmental Activities



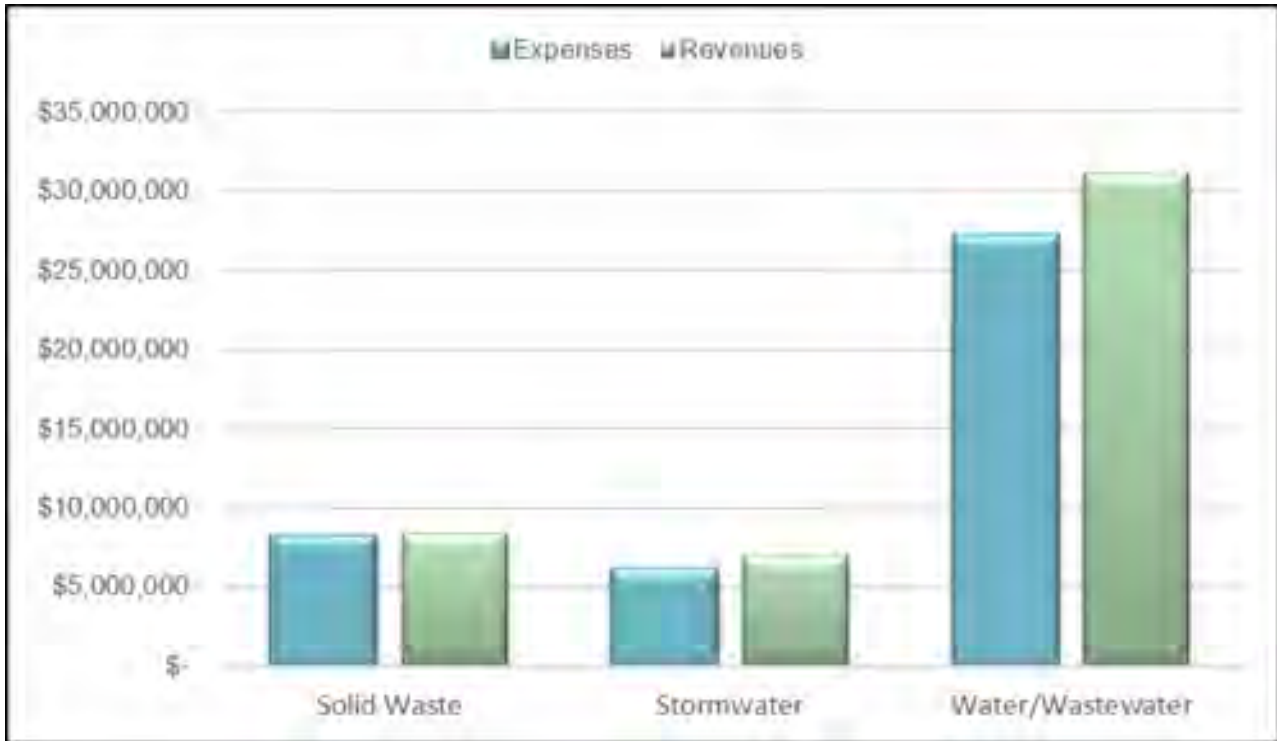
Business-type Activities – Revenues & Expenses

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

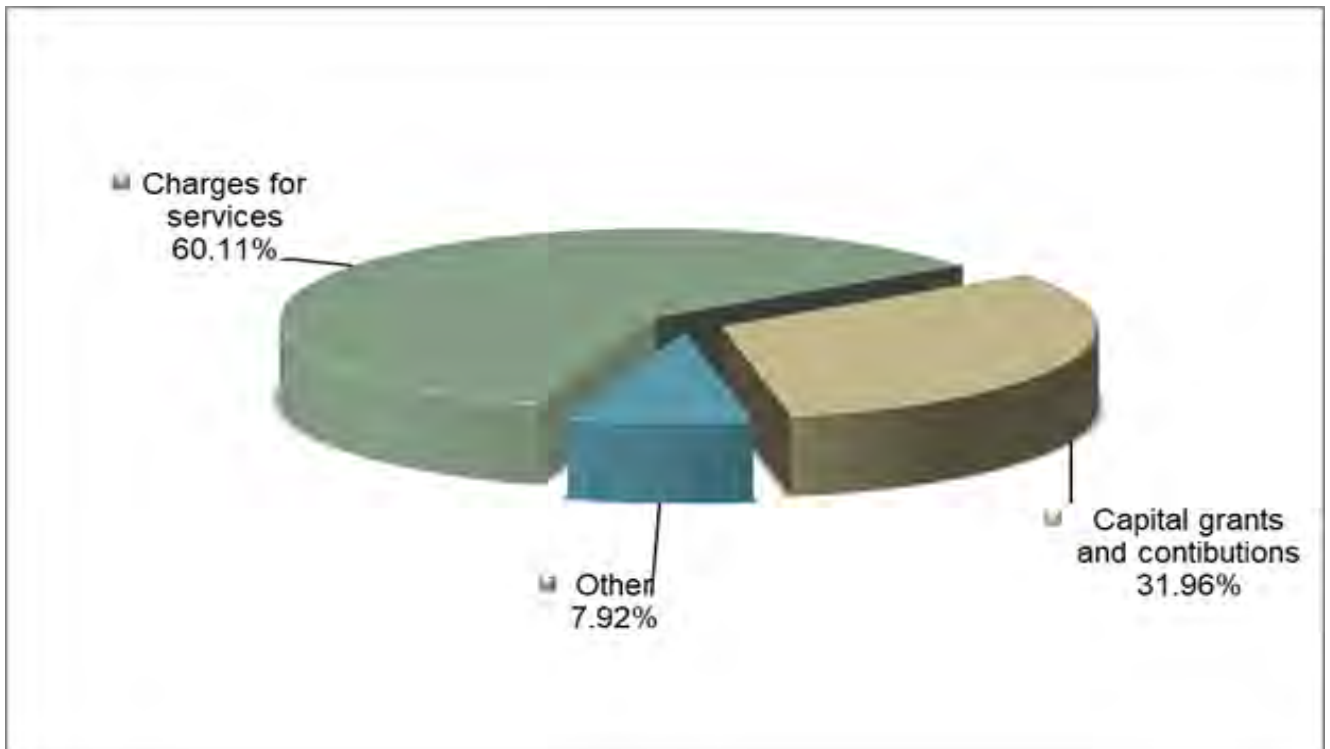
Charges for Services changed by \$607,354 or 2.04%, due to annual increases in water/sewer rates.

- Capital Grants and Contributions increased by \$14,148,146, due to the recognition of the grant revenue received from the American Rescue Plan Act (ARPA) for the water meter replacement project in the prior year.
- Business-type expenses increased by \$18,147,331, or 77.32%, due to the restatement of funds, in addition to the increase of costs for personnel, fuel costs and repairs and maintenance on the sewer system.

Expenses and Program Revenues – Business-type Activities



Revenues by Source – Business-type Activities



Financial Analysis of the City's Funds

Governmental Funds

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

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

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

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

- Natural Disaster Reserve, initially established at \$6,000,000, was increased to \$8,000,000 by the Commission in 2018, with indexed increases authorized for each year thereafter. At September 30, 2025 the reserve is \$10,515,000.
- Economic Development and Infrastructure Incentive reserve with a combined total of \$525,600 as of September 30, 2025; and
- Grants Match reserve of \$378,500 as of September 30, 2025.

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

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

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

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

Transportation Fund

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

Proprietary Funds

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

General Fund Final Budgetary Highlights

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

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

- General Fund actual revenues exceeded budget by \$3,018,786. Charges for service, specifically permit fee revenue, exceeded the budgeted amount by \$450,137 as the housing market continues to thrive. State revenue sharing and intergovernmental revenue were less than budgeted amounts by \$(348,497) and \$(900,084), respectively. Interest income exceeded the budgeted amount by \$3,779,563.
- General Fund operating expenditures ended the fiscal year \$10,968,342 under budget, due to position vacancies, most significantly in the Parks and Recreation and City Manager Departments.
- Capital outlay expenditures were under budget by approximately \$3,603,378 due to supply chain issues, most notably with the purchase and delivery of vehicles and equipment in Physical Environment.

Capital Asset and Debt Administration

Capital Assets

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

City of Deltona's Capital Assets

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

Debt Administration

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

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

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

City of Deltona Outstanding Debt

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

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

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

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

Economic Factors, Future Budget, and Outlook

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

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

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

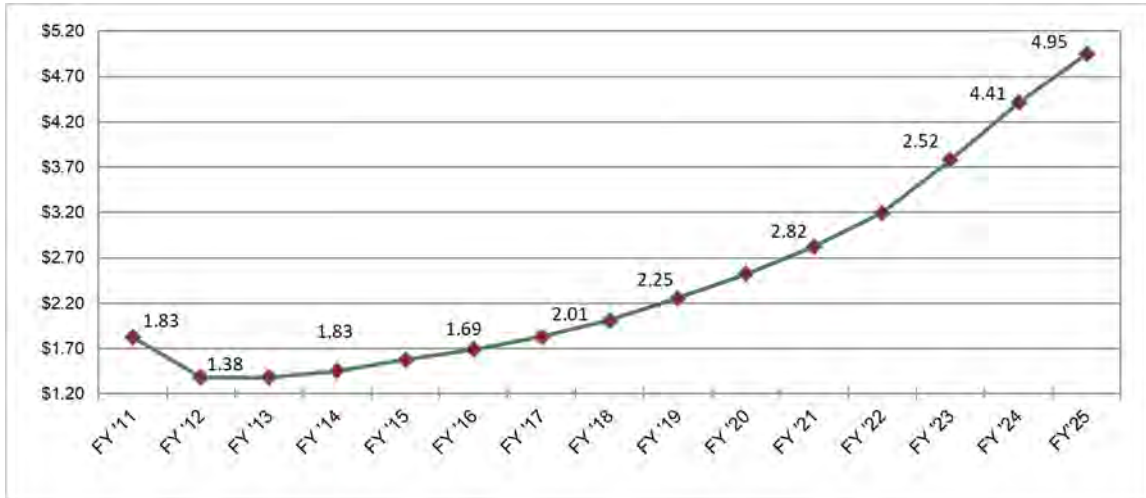
During the FY2025 budget process, the City Commission voted for an ad valorem (property) tax millage rate of 7.00 mils, which is a reduction from the FY2024 millage rate of 7.35. The rise in property values resulted in higher revenue collections than the prior year, underscoring an important principle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

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

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

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

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



City of Deltona – Tax Revenue per Residential Parcel



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

Current and upcoming challenges facing the City include:

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

Requests for Information

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

This page intentionally left blank

Statement of Net Position
September 30, 2025

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

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

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

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

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

Balance Sheet
Governmental Funds
September 30, 2025

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

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

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

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

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

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

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

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

Net change in fund balances of Governmental Funds \$ 13,936,380

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

Long-term liabilities, including bonds payable, are not due and payable in the current period and, accordingly, are not reported in the current period and therefore are not reported as liabilities in the Governmental Funds.

Bonds and loans payable	890,000	
Subscription based information technology arrangement payable	34,971	
Premium on bonds payable	75,825	
Bond and loan issue costs	<u>10,846</u>	1,011,642

Internal Service funds are used by management to charge the cost of fleet and information technology to other funds. 1,521,034

Gain/loss on sale of capital assets (248,000)

Certain revenues and expenditures are not recognized and/or payable in the current period and, accordingly, are not reported in the current period and therefore are not reported as liabilities in the Governmental Funds.

Compensated absences (Excludes ISF impact of \$152,167)	(1,214,486)	
Other post employment benefits liability (Excludes ISF impact of \$3,425)	(34,313)	
Net pension liability (Excludes ISF impact of \$67,580)	<u>1,117,960</u>	(130,839)

Governmental Funds report capital outlays as expenditures. In the Statement of Activities, however, the cost of those assets is depreciated (expensed) over their useful lives. This is the amount by which depreciation exceeded expenditures in the current period.

Capital asset purchases	9,135,563	
Less: depreciation expense	<u>(5,802,667)</u>	3,332,896

Change in net position of governmental activities \$ 19,423,113

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

Statement of Net Position
Proprietary Fund
September 30, 2025

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

This page intentionally left blank

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

I. Summary of significant accounting policies

A. Reporting entity

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

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

Blended Component Unit

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

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

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

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

B. Government-wide and fund financial statements

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

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

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

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

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

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

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

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

The City reports the following major governmental funds:

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

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

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

The City reports the following major enterprise fund:

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

The City reports the following internal service funds:

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

The City reports the following fiduciary fund type:

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

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

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

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

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

D. Assets, liabilities, and net position or equity

1. Deposits and investments

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

City Investments

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

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

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

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

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

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

Firefighters' Pension Plan Investments

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

Authorized investments include:

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

General Employees' Pension Investments

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

Additional Disclosures

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

2. Receivables and payables

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

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

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

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

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

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

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

3. Inventories and prepaid items

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

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

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

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

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

4. Capital Assets

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

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

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

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

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

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

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

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

5. Compensated Absences

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

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

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

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

6. Long-term obligations

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

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

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

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

7. On-Behalf Payments for Fringe Benefits

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

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

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

8. Deferred Outflows / Inflows of Resources

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

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

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

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

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

9. Leases

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

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

Lessor Accounting:

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

Lessee Accounting:

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

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

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

10. Subscription-based Information Technology Arrangements (SBITA)

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

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

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

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

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

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

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

11. Fund Equity / Net Position

Net Position

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

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

Net Position Flow Assumptions

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

Fund Balance

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

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

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

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

Fund Balance Flow Assumptions

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

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

Minimum Fund Balance Policy

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

This policy establishes the following reserves within the General Fund:

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

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

Economic Development and Infrastructure Reserves

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

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

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

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

12. Fund Balance/Net Position Restatement

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

13. Future Accounting Pronouncements

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

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

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

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

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

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

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

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

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

II. Stewardship, compliance, and accountability

A. Budgetary information

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

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

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

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

This space intentionally left blank

III. Detailed Notes on All Activities and Funds

A. Deposits and investments

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

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

Interest Rate Risk

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

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

Credit Risk

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

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

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

Concentration of Credit Risk

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

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

Custodial Credit Risk – Deposits

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

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

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

Custodial Credit Risk – Investments

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

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

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

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

Foreign Currency Risk

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

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

Fair Value Measurement

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

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

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

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

City of Deltona, Florida

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

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

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

Valuation Techniques and Inputs

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

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

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

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

This space intentionally left blank.

B. Receivables

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

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

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

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

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

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

City of Deltona, Florida

C. Capital assets

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

	Beginning Balance*	Increases	Transfers/ Adjustments	Decreases	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 15,067,014	\$ -		\$ -	\$ 15,067,014
Infrastructure right of way	4,372,500	-	-	-	4,372,500
Construction in progress	2,616,200	8,775,121		(4,602,626)	6,788,695
Total capital assets, not being depreciated	22,055,714	8,775,121	-	(4,602,626)	26,228,209
Capital assets, being depreciated:					
Intangibles	79,880	-		-	79,880
Right to use - SBITA	102,521	-	34,972	-	137,493
Buildings and improvements	68,776,556	946,930		(81,217)	69,642,269
Machinery and equipment	31,450,268	3,651,550		(3,520,791)	31,581,027
Infrastructure (roads and streets)	127,148,832	364,588	-	(270,944)	127,242,476
Total capital assets, being depreciated	227,558,057	4,963,068	34,972	(3,872,952)	228,683,145
Less accumulated depreciation for:					
Amortization	(79,880)			-	(79,880)
Amortization - Right to use SBITA	(26,726)	(43,725)	(43,725)	-	(114,176)
Buildings and improvements	(42,412,701)	(670,108)		68,993	(43,013,816)
Machinery and equipment	(24,061,527)	(1,651,631)		3,304,465	(22,408,693)
Infrastructure (roads and streets)	(70,478,013)	(3,437,203)	-	260,247	(73,654,969)
Total accumulated depreciation	(137,058,847)	(5,802,667)	(43,725)	3,633,705	(139,271,534)
Total capital assets, being depreciated, net	90,499,210	(839,599)	(8,753)	(239,247)	89,411,611
Governmental activities capital assets, net	\$ 112,554,924	\$ 7,935,522	\$ (8,753)	\$ (4,841,873)	\$ 115,639,820
Business-type activities-Water/wastewater					
Capital assets, not being depreciated:					
Land	\$ 3,203,197	\$ -	\$ -	\$ -	\$ 3,203,197
Construction in progress	25,738,715	5,952,400		(3,466,731)	28,224,384
Total capital assets, not being depreciated	28,941,912	5,952,400		(3,466,731)	31,427,581
Capital assets, being depreciated:					
Intangible - Capitalized	2,091,561	-	-	-	2,091,561
Intangible - Right to use SBITA	15,088	-	-	(15,088)	-
Buildings and improvements	11,786,598	-	-	(491,100)	11,295,498
Improvements other than buildings	169,659,458	1,176,787		(543,005)	170,293,240
Machinery and equipment	45,108,238	1,503,763		(2,777,960)	43,834,041
Total capital assets, being depreciated	228,660,943	2,680,550		(3,827,153)	227,514,340
Less accumulated depreciation for:					
Intangible - Capitalized	(1,017,152)	(200,591)	-	-	(1,217,743)
Intangible - Right to use SBITA	(10,058)	(5,030)	-	15,088	-
Buildings and improvements	(4,363,704)	(401,878)	-	491,100	(4,274,482)
Improvements other than buildings	(68,692,514)	(4,420,953)		539,409	(72,574,058)
Machinery and equipment	(31,361,212)	(2,778,219)		2,764,752	(31,374,679)
Total accumulated depreciation	(105,444,640)	(7,806,671)		3,810,349	(109,440,962)
Total capital assets, being depreciated, net	123,216,303	(5,126,121)		(16,804)	118,073,378
Business-type activities capital assets, net	\$ 152,158,215	\$ 826,279	\$ -	\$ (3,483,535)	\$ 149,500,959

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

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

Governmental Activities:

General government and administration	\$	2,790,174
Public safety		851,475
Highways and streets		758,198
Culture and recreation		1,402,820
Physical environment		
Total depreciation expense - governmental activities	\$	5,802,667

Business-type activities:

Stormwater Utility- total additions to accumulated depreciation- Business-Type activities	\$	1,069,741
Water and sewer utility - total additions to accumulated depreciation- Business-Type activities		6,736,930
Total depreciation expense - Business-Type activities	\$	7,806,671

D. Construction and Other Significant Commitments

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

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

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

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

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

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

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

Enterprise fund capital projects are financed through utility operating revenues.

This space intentionally left blank.

E. Interfund receivables, payables and transfers

Interfund balances at September 30, 2025 were:

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

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

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

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

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

This space intentionally left blank

F. Lease Receivables

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

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

This space intentionally left blank

G. Long-term debt

Revenue bonds

Capital Improvement Revenue Refunding Bonds, Series 2016

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

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

Capital improvement Revenue Refunding Bonds, Series 2016					
Fiscal Years Ended	Transportation Portion		Community Center Portion		Total
	Principal	Interest	Principal	Interest	
2026	725,000	727,413	200,000	202,506	1,854,919
2027	765,000	691,163	210,000	192,506	1,858,669
2028	795,000	660,563	220,000	184,106	1,859,669
2029	810,000	644,663	225,000	179,706	1,859,369
2030	845,000	612,263	235,000	170,706	1,862,969
2031-2035	4,700,000	2,539,763	1,320,000	707,281	9,267,044
2036-2040	5,545,000	1,729,363	1,545,000	480,281	9,299,644
2041-2045	6,450,000	835,988	1,790,000	231,925	9,307,913
2046	1,410,000	44,063	390,000	12,188	1,856,251
Total	\$ 22,045,000	\$ 8,485,242	\$ 6,135,000	\$ 2,361,205	\$ 39,026,447

Debt service forward delivery agreement

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

Stormwater Bank Note, 2009 (Direct Borrowing)

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

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

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

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

Business-type Activity Liabilities

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

State Revolving Loans (Direct Borrowings)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Taxable Utility System Refunding Revenue Bonds, Series 2021

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

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

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

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

Subscription-based Information Technology Arrangements (SBITA)

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

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

Pledged Revenues

Governmental Activities - General Fund & Transportation Fund

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

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

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

Business-type Activities - Stormwater Utility

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

Business-type Activities – Water and Sewer Utility

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

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

Debt Service Reserve Funds

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

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

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

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

Changes in long-term liabilities

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

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

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

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

City of Deltona, Florida

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

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

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

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

IV. Other Information

A. Risk management

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

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

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

B. Commitments

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

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

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

C. Contingent liabilities

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

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

D. Risk Disclosures

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

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

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

Accordingly, no additional risk disclosures are necessary.

This space intentionally left blank

D. Other postemployment benefits (OPEB) Plans

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

City of Deltona, Florida

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

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

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

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

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

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

	1% Decrease 2.81%	Current Discount Rate 3.81%	1% Increase 4.81%
OPEB Plan Liability	<u>\$ 1,643,131</u>	<u>\$ 1,450,469</u>	<u>\$ 1,285,453</u>

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

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
OPEB Plan Liability	<u>\$ 1,234,748</u>	<u>\$ 1,450,469</u>	<u>\$ 1,719,571</u>

E. Employee retirement systems and pension plans

Firefighters' Pension Plan

Plan Description

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

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

Funding Policy

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

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

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

Benefits

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

Normal Retirement

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

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

Early Retirement

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

Supplemental Benefit

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

Cost of Living Allowance (COLA)

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

Disability Benefit

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

Pre-Retirement Death Benefit

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

Vesting

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

Membership

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

Contributions

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

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

Investments

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

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

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

Concentrations

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

Rate of Return

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

Deferred Retirement Option Program (DROP)

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

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

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

Net Pension Liability

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

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

Actuarial Assumptions

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

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

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

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

The most recent actuarial experience study used to review the significant assumptions was dated August 11, 2021.

The Long-Term Expected Rate of Return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class.

For 2025 the inflation rate assumption of the investment advisor was 2.5%. These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

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

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

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

Discount Rate

The Discount Rate used to measure the total pension liability was 7.40%. The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that City contribution will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those assumptions, the Firefighters' Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

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

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

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

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

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

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

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

General Employees’ Pension Plan

Plan Description

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

Membership

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

Funding Policy

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

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

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

Florida Retirement System Plans (FRS)

General Information

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

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

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

FRS Pension Plan Description

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

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

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

Membership

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

Benefits

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

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

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

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

Contributions/Funding

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

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

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

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

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

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

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

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

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

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

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

Actuarial Assumptions

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

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

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

This space left intentionally blank.

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

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

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

Discount Rate

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

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

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

City Net FRS Pension Plan Liability Based on Discount Rate

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

Pension Plan Fiduciary Net Position

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

Payables to the Pension Plan

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

FRS Health Insurance Subsidy Plan (HIS Plan)

Plan Description

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

Benefits

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

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

Contributions

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

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

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

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

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

City of Deltona, Florida

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

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

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

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

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

Actuarial Assumptions

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

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

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

Discount Rate

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

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

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

City Net HIS Plan Liability Based on Discount Rate

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

Pension Plan Fiduciary Net Position

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

Payables to the Pension Plan

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

Summary of Pension Plans Liability / Inflows / Outflows / Expense

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

GASB 68
Summary of Pension Plans

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

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

Schedule of Pension Plan Net Position as of September 30, 2025 (1)			
	Firefighters' Pension Trust Fund	General Employees' Pension Trust Fund (2)	Total
Assets			
Cash and Investments	\$ 55,659,012	\$ 4,156,636	\$ 59,815,648
Member Contributions in Transit	30,197	-	30,197
Due from Other Governments	56,183	-	56,183
Prepaid	5,350	-	5,350
Total Assets	<u>55,750,742</u>	<u>4,156,636</u>	<u>59,907,378</u>
Liabilities			
Accounts Payable	45,762	-	45,762
Total Liabilities	<u>45,762</u>	<u>-</u>	<u>45,762</u>
Net Position			
Reserved for Employees' Pension	<u>\$ 55,704,980</u>	<u>\$ 4,156,636</u>	<u>\$ 59,861,616</u>
Additions			
Contributions			
Employer	\$ 2,055,547	\$ 52,623	\$ 2,108,170
State of Florida	742,504	-	742,504
Employee	727,486	-	727,486
Buyback	-	-	-
Total Contributions	<u>3,525,537</u>	<u>52,623</u>	<u>3,578,160</u>
Investment earnings			
Interest and dividends	3,944,611	83,387	4,027,998
Net change in fair value of investments	1,804,596	321,858	2,126,454
Less investment expense	(162,674)	-	(162,674)
Total investment income (loss)	<u>5,586,533</u>	<u>405,245</u>	<u>5,991,778</u>
Total Additions	<u>9,112,070</u>	<u>457,868</u>	<u>9,569,938</u>
Deductions			
Benefit Payments - Retirement	2,202,390	193,571	2,395,961
Benefit Payments - Disability	28,697	-	28,697
Benefit Payments - Beneficiary	41,927	-	41,927
Forfeitures	-	-	-
Administration	134,382	-	134,382
Total Deductions	<u>2,407,396</u>	<u>193,571</u>	<u>2,600,967</u>
Net Increase	6,704,674	264,297	6,968,971
Net Position Reserved for Employees' Pension Benefits			
Beginning of Year	49,000,306	3,892,339	52,892,645
End of Year	<u>\$ 55,704,980</u>	<u>\$ 4,156,636</u>	<u>\$ 59,861,616</u>

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

(2) Defined contribution plan.

Other Pension Plan Information

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

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

F.Related Party Disclosure

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

This space left intentionally blank.

G.Change in Reporting Entity

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

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

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

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

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

This page intentionally left blank

REQUIRED SUPPLEMENTARY INFORMATION

City of Deltona, Florida

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

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

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

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

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

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

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

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

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

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

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

Notes to Schedule:

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

Required Supplementary Information

Schedule of Florida Retirement System Contributions
Last 10 Years

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

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

	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016
Actuarially determined contributions	\$ 337,530	\$ 235,832	\$ 229,434	\$ 217,895	\$ 189,899	\$ 172,448	\$ 168,355	\$ 157,613	\$ 140,558	\$ 137,737
Contributions in relation to the actuarially determined contributions	(337,530)	(235,832)	(229,434)	(217,895)	(189,899)	(172,448)	(168,355)	(157,613)	(140,558)	(137,737)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 17,697,598	\$ 14,206,736	\$ 13,916,746	\$ 13,126,220	\$ 11,439,703	\$ 10,388,422	\$ 10,141,856	\$ 9,494,763	\$ 8,915,167	\$ 8,322,149
Contributions as % of covered payroll	1.91%	1.66%	1.65%	1.66%	1.66%	1.66%	1.66%	1.66%	1.58%	1.66%

Required Supplementary Information

Schedule of Firefighter Pension Contributions
Last 10 Fiscal Years

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

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

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

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

Schedule of Proportionate Share of Net Pension Liability
Last 10 Years

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

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

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

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

Note 1

Firefighter Pension Insurance Premium

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

Note 2

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

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

Note 3

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

There were no benefit changes during the year.

Note 4 Methods and Assumptions Used to Determine Contribution Rates

Firefighters' Pension Plan September 30, 2025																	
Funding method:	Entry Age Normal Actuarial Cost Method. Loads for determining minimum required contribution: Interest - half year, based on a current 7.50% assumption. Salary - None.																
Amortization method:	New UAAL amortization bases are amortized over 15 (previously 30) years.																
Remaining amortization period:	13 Years (as of 10/01/2023)																
Inflation:	2.5% per year																
Mortality:	PubS.H-2010 base table varies by member category and gender, projected generationally with Scale MP-2021																
Interest rate:	7.40% (previously 7.50%) per year compounded annually, net of investment related expenses.																
Retirement age:	2.0% for each year eligible for Early Retirement																
	<table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2">% Retiring During the Year (Normal Retirement)</th> </tr> <tr> <th>Yrs Following 1st Eligibility</th> <th>Rate</th> </tr> </thead> <tbody> <tr><td>0</td><td>33.3%</td></tr> <tr><td>1</td><td>33.3%</td></tr> <tr><td>2</td><td>33.3%</td></tr> <tr><td>3</td><td>10.0%</td></tr> <tr><td>4</td><td>10.0%</td></tr> <tr><td>5+</td><td>100.0%</td></tr> </tbody> </table>	% Retiring During the Year (Normal Retirement)		Yrs Following 1st Eligibility	Rate	0	33.3%	1	33.3%	2	33.3%	3	10.0%	4	10.0%	5+	100.0%
% Retiring During the Year (Normal Retirement)																	
Yrs Following 1st Eligibility	Rate																
0	33.3%																
1	33.3%																
2	33.3%																
3	10.0%																
4	10.0%																
5+	100.0%																
	The current assumed rates of retirement resulted from the August 11, 2021 Experience Study.																
Disability rate:	<table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Age</th> <th>Rate</th> </tr> </thead> <tbody> <tr><td>25</td><td>0.27%</td></tr> <tr><td>35</td><td>0.39%</td></tr> <tr><td>45</td><td>0.60%</td></tr> <tr><td>55</td><td>1.86%</td></tr> </tbody> </table>	Age	Rate	25	0.27%	35	0.39%	45	0.60%	55	1.86%						
Age	Rate																
25	0.27%																
35	0.39%																
45	0.60%																
55	1.86%																
	Assumption: 90% of disablements are service related. The current assumed rates resulted from the August 11, 2021 Experience Study. All previous assumed rates are consistent with other Florida firefighter plans.																
Termination rate:	<table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2">% Terminating During the Year (Normal Retirement)</th> </tr> <tr> <th>Service</th> <th>Rate</th> </tr> </thead> <tbody> <tr><td><2</td><td>8.0%</td></tr> <tr><td>2-4</td><td>4.0%</td></tr> <tr><td>5-19</td><td>2.0%</td></tr> <tr><td>20+</td><td>0.0%</td></tr> </tbody> </table>	% Terminating During the Year (Normal Retirement)		Service	Rate	<2	8.0%	2-4	4.0%	5-19	2.0%	20+	0.0%				
% Terminating During the Year (Normal Retirement)																	
Service	Rate																
<2	8.0%																
2-4	4.0%																
5-19	2.0%																
20+	0.0%																
	The current assumed rates of termination resulted from the August 11, 2021 Experience Study.																
Salary increases:	<table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Service</th> <th>Rate</th> </tr> </thead> <tbody> <tr><td><5</td><td>6.00%</td></tr> <tr><td>5-12</td><td>5.00%</td></tr> <tr><td>15+</td><td>4.50%</td></tr> </tbody> </table>	Service	Rate	<5	6.00%	5-12	5.00%	15+	4.50%								
Service	Rate																
<5	6.00%																
5-12	5.00%																
15+	4.50%																
	Previously 5.0% per year. The current rates resulted from the August 11, 2021 Experience Study.																
Cost-of-Living adjustment (COLA):	2.35% automatic COLA beginning at the later of age 52 or three (3) years following benefit commencement, payable to all service retirees who have completed at least 21 years of service, and all line-of-duty disability retirees.																
Payroll growth:	0.0% per year for amortization of UAAL. This assumption cannot exceed the ten-year average payroll growth, in compliance with Part VII of Chapter 112, Florida Statutes.																
Actuarial asset method:	All assets are valued at fair value with an adjustment made to uniformly spread actuarial investment gains and losses (as measured by actual fair value investment return against expected fair value investment return) over a five year period.																

Required Supplementary Information

Changes in benefit terms:

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

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

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

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

Changes of Assumptions:

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

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

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

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

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

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

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

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

This space intentionally left blank

Required Supplementary Information

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

* Refer to FRS Valuation Report for specific information.

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

* Refer to FRS Valuation Report for specific information.

Senate Bill 7024 increased the level of monthly benefits from \$5.00 times years of service to \$7.50, with an increased minimum of \$45.00 to a maximum of \$225.00.

Required Supplementary Information

This page intentionally left blank

SUPPLEMENTAL INFORMATION

Combining Balance Sheet
 Nonmajor Governmental Funds
 September 30, 2025

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Note 1

Budgetary Data

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

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

This page intentionally left blank

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

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

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

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

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

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

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

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

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

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

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

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

This part of the City of Deltona’s Annual Comprehensive Financial Report presents unaudited detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

Page

Financial Trends

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

Net Position by Component	140
Changes in Net Position	142
Fund Balances of Governmental Funds	146
Changes in Fund Balances of Governmental Funds	148
Tax Revenues by Source, Governmental Funds.....	150

Revenue Capacity

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

Assessed Value and Estimated Actual Value of Taxable Property	151
Direct and Overlapping Property Tax Rates.....	152
Principal Taxpayers	153
Property Tax Levies and Collections.....	154

Debt Capacity

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

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

Demographic and Economic Information

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

Demographic and Economic Statistics.....	158
--	-----

Operating Information

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

Full-time Equivalent City Government Employees by Function/Program 161
Various Indicators by Function/Program 162
Water Sold by Type of Customer 163
Wastewater Sold by Type of Customer..... 164
Principal Employers 165

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

STATISTICAL TABLES

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

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

City of Deltona, Florida

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

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

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

City of Deltona, Florida

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

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

	Fiscal Year Ending			
	9/30/2016	9/30/2017	9/30/2018	9/30/2019
General revenues & other changes in net position				
Governmental activities:				
Taxes:				
Property taxes	\$ 13,771,773	\$ 14,770,931	\$ 16,050,125	\$ 17,925,314
Franchise fees	3,605,362	3,735,850	4,019,845	4,197,228
Public service tax	7,499,797	7,127,906	7,321,620	7,559,957
Sales tax	4,678,595	4,876,557	5,177,402	5,230,594
Local option gas taxes	2,274,920	2,342,719	2,372,411	2,426,376
State revenue sharing	2,887,043	3,158,126	3,315,348	3,489,272
Investment earnings	332,012	370,353	484,257	1,211,566
Miscellaneous income	841,477	888,039	591,425	708,260
Transfers out	-	(35,000)	(2,200,000)	-
Total governmental activities	<u>35,890,979</u>	<u>37,235,481</u>	<u>37,132,433</u>	<u>42,748,567</u>
Business-type activities:				
Investment earnings	140,317	44,199	31,962	514,364
Gain on sale of capital assets	9,467	(2,841)	25,962	69,857
Interest expense and issue costs	(5,728,589)	(5,751,540)	(6,218,021)	(5,583,285)
Miscellaneous income	894,738	898,177	1,029,018	-
Transfers in	-	35,000	2,200,000	-
Transfers out	-	-	-	-
Total business-type activities	<u>(4,684,067)</u>	<u>(4,777,005)</u>	<u>(2,931,079)</u>	<u>(4,999,064)</u>
Total primary government	<u>31,206,912</u>	<u>32,458,476</u>	<u>34,201,354</u>	<u>37,749,503</u>
Change in net position				
Governmental activities	(2,195,771)	(432,706)	(3,189,317)	19,423,112
Business-type activities	1,862,774	1,333,170	5,418,541	9,500,610
Total primary government	<u>\$ (332,997)</u>	<u>\$ 900,464</u>	<u>\$ 2,229,224</u>	<u>\$ 28,923,722</u>

City of Deltona, Florida

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

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

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

City of Deltona, Florida

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

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

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

* Note: Calculation excludes non-capitalized capital.

City of Deltona, Florida

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

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

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

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

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

Source: County of Volusia Property Appraiser.

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

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

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

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

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

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

Source: County of Volusia Property Appraiser.

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

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

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

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

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

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

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

(2) Figures include relevant premiums.

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

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

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

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

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

- (1) Governmental debt only; excludes business-type activities debt.
- (2) Source: County of Volusia Finance Department; percentage based on Deltona's total taxable property value compared to Volusia County's total taxable property value.
- (3) Source: Volusia County School Board June 2025-26 Budget Pg 88 ACFR.

**PLEGGED-REVENUE COVERAGE
LAST FOUR FISCAL YEARS**

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

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

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

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

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

(2) Operating expenses do not include depreciation.

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

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

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

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

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

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

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

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

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

(1) Source: Office of Economic & Demographic Research.

(2) City of Deltona Unemployment Rate. Source: U.S. Dept. of Labor, Bureau of Labor Statistics.

(3) Source: Volusia County School Board. *The Volusia County School Board does not provide the Attendance Percentage any longer.

(4) Source: U.S. Dept. of Commerce, Bureau of Economic Analysis.

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

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

* Law enforcement services contracted with Volusia County Sheriff's Office
Source: City Finance Department

**VARIOUS INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General										
Last charter amendment										
Number of Commissioners	7	7	7	7	7	7	7	7	7	7
Form of government										
Municipal boundaries (1)	41	41	41	41	41	41	41	41	41	41
Police										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of Police officers	76	76	76	79	83	83	83	83	85	89
Number of patrol vehicles	76	76	76	79	83	83	83	83	85	89
Number of arrests	3,142	2,963	2,506	2,139	2,810	1,667	1,810	4,350	2,149	1,974
Fire										
Number of stations	5	5	5	5	5	5	5	5	5	5
Number of vehicles (engines)	9	9	9	9	8	9	9	9	9	10
Number of calls	9,987	10,876	10,618	10,185	10,462	11,144	11,980	11,738	11,697	11,900
Number of vehicles responding								19234	19096	19,400
Building										
Building permits issued	5,072	7,130	8,557	6,712	9,983	9,991	10,383	10,769	7,268	6,915
Average price of single family Residential construction	329,098	266,490	265,753	265,930	277,308	294,707	303,906	387,791	437,559	394,018
Value of permits issued (\$1,000's of dollars)	61,401	107,779	192,812	118,919	297,505	244,076	446,630	369,211	191,948	179,135
Recreation										
Number of parks	20	21	21	21	23	23	24	24	24	24
Acres maintained	314	317	317	317	352	352	352	362	362	354
Number of buildings	30	30	30	30	30	30	30	29	29	29
Number of people served	315,000	315,000	350,000	350,000	365,000	385,000	395,000	395,000	398,000	400,000
Library										
Number of libraries	1	1	1	1	1	1	1	1	1	1
Public Works										
Miles of streets	423.54	423.54	423.54	437.30	437.30	442.00	467.00	467.00	467.00	467.00
Number of street lighting districts	42	44	37	44	45	45	45	45	45	45
Number of city maintained traffic signals	18	20	20	20	22	22	22	26	28	27
Number of school signals	34	34	34	34	34	32	32	34	34	34
Number of buildings	2	2	2	2	2	2	2	2	2	2
Number of pedestrian crosswalk flashing lights	-	-	-	-	-	-	30	30	30	30
Water										
Number of units served	33,646	33,743	33,889	34,394	34,389	34,177	34,512	36,069	36,257	36,373
Average daily flow (2)	9.86	9.55	8.95	8.95	7.44	7.56	7.48	7.80	7.82	7.93
Miles of water main	501	501	454	457	457	464	469	472	476	476
Number of plants	17	17	17	17	17	17	17	17	17	16
Number of vehicles	50	51	48	48	48	48	57	51	40	40
Number of buildings	29	29	29	29	29	29	29	29	39	39
Reclaimed Main (AWS) Alternative Water Supply		33	33	35	35	39	44	44	46	46
Wastewater										
Miles of sanitary sewers	93	93	91	93	93	94	91	102	103	103
Number of vehicles	11	10	10	10	10	10	10	10	10	28
Number of buildings	7	7	7	7	7	7	7	7	7	7
Number of plants	2	2	2	2	2	2	2	2	2	2

- (1) Square miles.
- (2) Millions of gallons.

Source: Various City Departments

**WATER RELATED INDICATORS - LAST THREE FISCAL YEARS
WATER SOLD BY CUSTOMER TYPE
(In Millions of Gallons)**

Type of Customer	Fiscal Year		
	2023	2024	2025
Single / Multi Family Residences	2,128.38	2,080.71	2,211.96
Commercial / Multi Family Commercial	99.30	103.40	102.32
Hydrant	2.65	1.26	1.45
Bulk	41.49	31.57	46.77
Irrigation	47.38	33.87	45.06
Totals	2,319.20	2,250.81	2,407.56

WATER RATES BY CUSTOMER TYPE

Type of Customer	2022 Fiscal Year Eff. 12/1/21	
	Inside City Limits	Outside City Limits
Water Rates (Per 1,000 gallons consumed)		
Residential		
0 - 5,000	2.25	2.81
5,001 - 10,000	4.54	5.67
10,001 - 20,000	7.95	9.93
over 20,001	15.91	19.88
Commercial		
Rates apply to all usage - no cap	4.34	5.42
Irrigation Rates (Per 1,000 gallons consumed)		
0 - 10,000	4.54	5.67
10,001 - 20,000	7.95	9.93
over 20,001	15.91	19.88

Type of Customer	2023 Fiscal Year Eff. 12/1/2022	
	Inside City Limits	Outside City Limits
Water Rates (Per 1,000 gallons consumed)		
Residential		
0 - 5,000	2.36	2.95
5,001 - 10,000	4.76	5.95
10,001 - 20,000	8.34	10.42
over 20,001	16.70	20.87
Commercial		
Rates apply to all usage - no cap	4.55	5.69
Irrigation Rates (Per 1,000 gallons consumed)		
0 - 10,000	4.76	5.95
10,001 - 20,000	8.34	10.42
over 20,001	16.70	20.87

Type of Customer	2024 Fiscal Year Eff. 12/01/2023	
	Inside City Limits	Outside City Limits
Water Rates (Per 1,000 gallons consumed)		
Residential		
0 - 5,000	2.47	3.08
5,001 - 10,000	4.99	6.23
10,001 - 20,000	8.75	10.93
over 20,001	17.53	21.91
Commercial		
Rates apply to all usage - no cap	4.77	5.96
Irrigation Rates (Per 1,000 gallons consumed)		
0 - 10,000	4.99	6.23
10,001 - 20,000	8.75	10.93
over 20,001	17.53	21.91

(1) The City had both a rate structure and a rate change effective with bills dated on or after December 1, 2024.

**WASTEWATER RELATED INDICATORS - LAST THREE FISCAL YEARS
WASTEWATER SOLD BY CUSTOMER TYPE
(In Millions of Gallons)**

Type of Customer	Fiscal Year		
	2023	2024	2025
Single / Multi Family Residences	270.76	283.49	299.00
Multi Family Residences	-	-	-
Commercial / Multi Family Commercial	82.27	87.53	88.78
Bulk	16.72	13.64	18.04
Reclaimed - Residential & Commercial	325.15	316.71	301.47
Totals	694.90	701.37	707.29

WASTEWATER RATES BY CUSTOMER TYPE

Type of Customer	2022 Fiscal Year Eff. 12/1/21	
	Inside City Limits	Outside City Limits
Sewer Rates (Per 1,000 gallons consumed)		
Residential		
0 - 2,000	-	-
2,001 - 5,000	16.91	21.13
5,000+	21.99	27.48
Commercial		
Rates apply to all usage - no cap	18.27	22.83
Reclaimed (Per 1,000 gallons consumed)		
Rates apply to all usage - no cap	1.81	2.26

Type of Customer	2023 Fiscal Year Eff. 12/1/22	
	Inside City Limits	Outside City Limits
Sewer Rates (Per 1,000 gallons consumed)		
Residential		
0 - 2,000	-	-
2,001 - 5,000	17.75	22.18
5,000+	23.08	28.85
Commercial		
Rates apply to all usage - no cap	20.13	23.97
Reclaimed (Per 1,000 gallons consumed)		
Rates apply to all usage - no cap	1.90	2.37

Type of Customer	2024 Fiscal Year Eff. 12/1/23	
	Inside City Limits	Outside City Limits
Sewer Rates (Per 1,000 gallons consumed)		
Residential		
0 - 2,000	-	-
2,001 - 5,000	18.63	23.28
5,000+	24.23	30.28
Commercial		
Rates apply to all usage - no cap	20.13	25.16
Reclaimed (Per 1,000 gallons consumed)		
Rates apply to all usage - no cap	1.99	2.48

(1) The City had a rate change effective with bills dated on or after December 1, 2023.

**PRINCIPAL EMPLOYERS
CURRENT AND NINE YEARS AGO**

Employer	2025 (1)			2016 (2)		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Amazon	1429	1	14.36%			0.00%
Publix Supermarkets	592	2	5.95%	470	2	4.37%
Walmart	502	3	5.05%	404	3	3.76%
City of Deltona	389	4	3.70%	320	4	2.98%
Methodist Children's Home	256	5	2.57%			0.00%
McDonalds	193	6	1.94%	211	5	1.96%
Winn Dixie	-			123	6	1.14%
Lowe's	139	7	1.40%		-	0.00%
Deltona Operating	128	8	1.29%		-	0.00%
USPS	88	9	0.88%	90	9	0.84%
Southern Building Services	83	10	0.83%			0.00%
Wendy's				80	10	0.00%
Daytona State College				1,256	1	11.69%
Deltona Family YMCA				98	8	0.91%
Deltona Health Care Center				108	7	1.01%
Total	3,799		37.97%	3,160		28.66%

(1) Source: Department of Economic Opportunity, Bureau of Workforce Statistics & Economic Research

(2) Source: City's Comprehensive Annual Financial Report for FYE 09/30/16

This page intentionally left blank

**ADDITIONAL ELEMENTS OF REPORT PREPARED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*,
ISSUED BY THE COMPTROLLER GENERAL OF THE UNITED
STATES AND THE *RULES OF THE AUDITOR GENERAL OF
THE STATE OF FLORIDA***

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

Grantor/Pass-Through Grantor/Program Title	Grant Number	Assistance Listing Number	Program or Award Amount	Expenses	Subrecipient Award Amount
<u>FEDERAL AWARDS</u>					
United States Department of Housing and Urban Development					
Community Development Block Grant	B-20-MC-12-0049	14.218	738,809	335,612	-
Community Development Block Grant	B-22-MC-12-0049	14.218	558,558	15,038	-
Community Development Block Grant	B-23-MW-12-0049	14.218	521,246	40,050	-
Community Development Block Grant	B-24-MW-12-0049	14.218	519,094	435,838	70,659
Total United States Department of Housing and Urban Development:				<u>826,538</u>	<u>70,659</u>
United States Department of the Treasury					
COVID-19 Coronavirus State and Local Recovery Funds	SLT-2324	21.027	13,972,193	492,712	-
Total United States Department of Treasury:				<u>492,712</u>	<u>-</u>
United States Department of Homeland Security					
<i>Passed Through State of Florida Division of Emergency Management</i>					
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	4673	97.036		352,469	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	4834	97.036		498,252	-
Total United States Department of Homeland Security				<u>850,721</u>	<u>-</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$ 2,169,971</u>	<u>\$ 70,659</u>
STATE FINANCIAL ASSISTANCE					
Florida Housing Finance Corp.					
State Housing Initiatives Partnership Program	FY2024 /2025	40.901	739,431	1,246,416	-
Total Florida Housing Finance Corp:				<u>1,246,416</u>	<u>-</u>
TOTAL STATE FINANCIAL ASSISTANCE				<u>\$ 1,246,416</u>	<u>\$ -</u>
TOTAL FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE				<u>\$ 3,416,387</u>	<u>\$ 70,659</u>

Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance

Note 1. Basis of Presentation

The accompanying Schedule of Federal Awards of the City of Deltona, Florida is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Uniform Guidance.

Note 2. Indirect Cost Rate

The City has elected not to use the 10% de minimus indirect cost rate as allowed under the Uniform Guidance.

Note 3. Disaster Grants - Public Assistance

Expenditures reported in the schedule for ALN #97.036, Disaster Grants - Public Assistance, include \$801,888 of expenditures incurred by the City in prior years and was awarded during the year ended September 30, 2025. These grants are as follows:

Grant Number 4673	Hurricane Ian	\$ 331,930
Grant Number 4834	Hurricane Milton	\$ 469,958

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

Honorable Mayor and City Commissioners
City of Deltona
Deltona, Florida

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

Report on Internal Control Over Financial Reporting

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

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

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

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

Honorable Mayor and City Commissioners
City of Deltona
Deltona, Florida

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Purvis Gray

April 30, 2026
Ocala, Florida

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

Honorable Mayor and City Commissioners
City of Deltona
Deltona, Florida

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited the City of Deltona, Florida’s (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the requirements described in the Department of Financial Services, *State Compliance Supplement*, that could have a direct and material effect on each of the City’s major federal programs and state projects for the year ended September 30, 2025. The City’s major federal programs and state projects are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2025.

Basis for Opinion on Each Major Federal Program and State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Chapter 10.550, *Rules of the Auditor General*. Our responsibilities under those standards and the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General* are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

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

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

Honorable Mayor and City Commissioners
City of Deltona
Deltona, Florida

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

Responsibilities of Management for Compliance

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

Auditor’s Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material non-compliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City’s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Honorable Mayor and City Commissioners
City of Deltona
Deltona, Florida

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program and state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program and state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Purvis Gray

April 30, 2026
Ocala, Florida

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARD AND STATE AWARDS PROGRAMS
FOR THE YEAR ENDED SEPTEMBER 30, 2025
CITY OF DELTONA, FLORIDA**

SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of Auditor’s Report Issued:	Unmodified
Internal Control over Financial Reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Non-compliance material to financial statements noted?	No

Federal Awards and State Projects

Internal Control over Major Programs/Projects:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of Auditor’s Report Issued on Compliance for Major Programs/Projects:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with CFR 200.516(A), or Chapter 10.557 for local government entities?	No
Identification of Major Programs:	

Federal Program

U.S. Department of Homeland Security Disaster Grants – Public Assistance (Presidentially Declared Disasters)	AL No. 97.036
Dollar Threshold Used to Distinguish Between Type A and Type B Programs – Federal Programs	\$1,000,000
Auditee qualified as low-risk auditee pursuant to the Uniform Guidance?	Yes

State Projects

Florida Housing Finance Corporation State Housing Initiatives Partnerships Program (SHIP)	CSFA No. 40.901
Dollar Threshold Used to Distinguish Between Type A and Type B Programs – State Projects	\$750,000

Other Issues

- No summary schedule of prior audit findings is required because there were no prior audit findings related to federal programs and state projects.

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

Honorable Mayor and City Commissioners
City of Deltona
Deltona, Florida

We have examined the City of Deltona, Florida's (the City) compliance with requirements of Section 218.415, Florida Statutes as of and for the year ended September 30, 2025, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

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

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

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

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

Purvis Gray

April 30, 2026
Ocala, Florida

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

MANAGEMENT LETTER

Honorable Mayor and City Commissioners
City of Deltona
Deltona, Florida

Report on the Financial Statements

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

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and on Internal Control Over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with American Institute of Certified Public Accountants Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated April 30, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government be disclosed in the management letter, unless disclosed in the notes to the financial statements (see Note I of the City's basic financial statements as of and for the year ended September 30, 2025, for this information).

CERTIFIED PUBLIC ACCOUNTANTS

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

Members of American and Florida Institutes of Certified Public Accountants

Honorable Mayor and City Commissioners
City of Deltona
Deltona, Florida

MANAGEMENT LETTER

Financial Condition and Management

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

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

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

Property Assessed Clean Energy (PACE) Programs

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

Special District Component Units

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

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, *Rules of the Auditor General*, the Southwest Deltona Community Redevelopment Agency (CRA) reported this information in the CRA's separately issued financial statements.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate non-compliance with provisions of contracts or grant agreements, or fraud, waste or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

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

Honorable Mayor and City Commissioners
City of Deltona
Deltona, Florida

MANAGEMENT LETTER

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, accompanying reports, or other matters.

Purvis Gray

April 30, 2026
Ocala, Florida

AFFIDAVIT OF COMPLIANCE

BEFORE ME, the undersigned authority, personally appeared Jonathan C. McKinney, who being duly sworn, deposes and says on oath that:

- 1. I am the Chief Financial Officer of the City of Deltona, which is a local governmental entity of the State of Florida.
- 2. The governing body of the City of Deltona adopted Ordinance No. 96-38 and 96-39 implementing impact fees, and Ordinances No. 28-2006, 19-2011, 04-2016, and 28-2016 amending the impact fees.
- 3. The City of Deltona has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

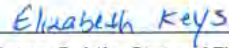
FURTHER AFFIANT SAYETH NAUGHT



 John McKinney, Finance Director

SUBSCRIBED AND SWORN before me by means of [XX] physical presence or [] online notarization on the 20 day of April 2026 by John McKinney, Finance Director of the City of Deltona, Florida, who is personally known to me.





 Notary Public, State of Florida
Printed name, commission and expiration of commission term

This page intentionally left blank