

2025



CITY OF PALM COAST, FLORIDA POPULAR ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025



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ABOUT THIS DOCUMENT



Government Finance Officers Association

Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

**City of Palm Coast
Florida**

For its Annual Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morill

Executive Director/CEO

This Popular Annual Financial Report (PAFR) of the City of Palm Coast is being published to increase public awareness and provide a simplified overview of the City's financial position. It is designed to provide citizens, taxpayers, customers, and creditors with a general overview of the economic condition.

The PAFR summarizes and condenses the financial activities of the City of Palm Coast governmental and business-type activities and derives its information from the Annual Comprehensive Financial Report for Fiscal Year 2025, which ended September 30, 2025. The comprehensive report was prepared in conformance with Generally Accepted Accounting Principles (GAAP) and includes financial statements audited by the City's auditors.

Unlike the comprehensive report, the PAFR is unaudited and presented on a non-GAAP basis. This means that it contains condensed financial information and does not provide all the necessary financial statements and note disclosures required by GAAP for governmental entities. We invite you to review the City's audited comprehensive financial report which includes detailed information on the City's finances.

Financial reports are available online at www.palmcoast.gov/finance/reports-and-documents and paper copies are available upon request at City Offices.

PALM COAST CITY COUNCIL

The Mayor and City Council members are elected at-large, for a term of four years. Council Members and the Mayor may serve no more than two consecutive four-year terms in the same seat.



MIKE NORRIS

MAYOR



TY MILLER

DISTRICT 1



THERESA PONTIERI

VICE MAYOR & DISTRICT 2



DAVID SULLIVAN

DISTRICT 3



CHARLES GAMBARO

DISTRICT 4

City Council meets in regular session on the first Tuesday of each month at 6:00 p.m. and the third Tuesday of each month at 9 a.m. at the Palm Coast City Hall, 160 Lake Ave. Live coverage may be viewed on the City's YouTube channel at <http://www.youtube.com/@PalmCoastFL>. Meetings are also offered on demand on the City Council Agendas and Minutes page of the City website at <http://www.palmcoast.gov/agendas>.

The City Council also conducts workshop meetings on the second Tuesday of each month at 9 a.m. Both workshop meetings and regular sessions of the City Council are open to the public.

PALM COAST CITY LEADERSHIP



LAUREN JOHNSTON
ACTING CITY MANAGER



KYLE BERRYHILL
FIRE DEPARTMENT CHIEF



RENINA FULLER
HUMAN RESOURCES DIRECTOR



MATTHEW MANCILL
PUBLIC WORKS DIRECTOR



HELENA ALVES
FINANCE DIRECTOR



BRIAN ROCHE
UTILITY DIRECTOR



DOUG AKINS
I.T. DIRECTOR



CARL COTE
STORMWATER &
ENGINEERING DIRECTOR



BRITTANY KERSHAW
COMMUNICATIONS &
MARKETING DIRECTOR



JOHN ZOBLER
COMMUNITY DEVELOPMENT
DIRECTOR



JAMES HIRST
PARKS & RECREATION
DIRECTOR

ABOUT PALM COAST

110K

RESIDENTS

597

EMPLOYEES

FORM OF GOVERNMENT:

COUNCIL-CITY MANAGER

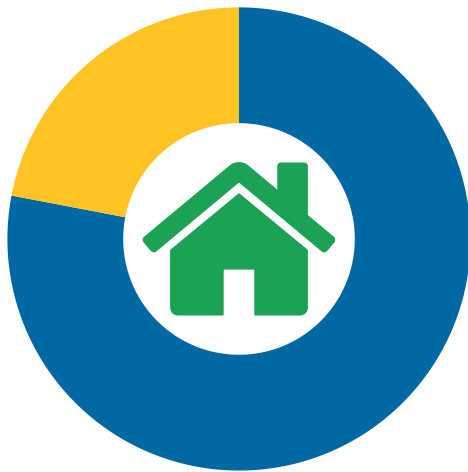
SQUARE MILES:

97

INITIAL INCORPORATION:

DECEMBER 31, 1999

RENT 22%



OWN 78%



\$384,935

HOME VALUE



950K

ANNUAL VISITORS



\$5 MIL

LEGISLATIVE FUNDING

- 30 CITY FACILITIES
- 5 FIRE STATIONS
- 76 FIREFIGHTERS
- 14 FIRE APPARATUS
- 1 FCSO STATION
- 66 FCSO DEPUTIES
- 14 PARKS
- 8 PLAYGROUNDS
- 130+ MILES OF TRAILS
- 2 DOG PARKS
- 1 AQUATIC CENTER
- 26 ANNUAL EVENTS
- 351 PROGRAMS
- 26 SPORTS FIELDS
- 1,222 MILES OF SWALES
- 84 MILES OF CANALS
- 17 WATER WIERS
- 777 WATER MAINS
- 707 SEWER MAINS
- 63 TRAFFIC SIGNALS
- 3,807 STREET LIGHTS
- 545 MILES OF ROADS

OUR BELIEFS

Vision



A multigenerational community recognized as one of Florida's premier cities that values:

Building a diverse, sustainable economic base to support innovation while providing necessary infrastructure and services.

Providing exceptional amenities and standards that support a high quality lifestyle and promote cultural activities.

Protecting the environment and beauty of Palm Coast while conserving natural resources.

Mission



Delivering exceptional service by making citizens our priority.

Values



Pride

Accountability

Leadership

Motivated

Collaborative

Ownership

Achievement

Stewardship

Trust

PILLARS OF PRIORITIES



STRONG RESILIENT ECONOMY

Support the expansion and smart growth of both population and businesses to ensure success locally as well as regionally. Improve financial strengths within the City to promote fiscal responsibility and secure future stability.

SAFE & RELIABLE SERVICES

A safe community for all is the catalyst to ensure that residents and regional visitors experience exceptional quality amenities year-round. Recruiting and retaining a quality, talented workforce to maintain uninterrupted services to the citizens.



CIVIC ENGAGEMENT

Build a cooperative and trusting relationship between the City and the community. Promote the opportunity for communication between the decision-makers. Enhance existing channels through which accurate and timely information is disseminated from the City. Increase the public's understanding and support of the City's goals and strategies.

SUSTAINABLE ENVIRONMENT & INFRASTRUCTURE

Build and effectively manage sustainable infrastructure that promotes clean water, safe streets, and green infrastructure. Anticipate the need for additional services and infrastructure. Continue to provide opportunities for development. Maintain visual appeal by caring for our land, water, air, and wildlife.



FY 2025 ACCOMPLISHMENTS

WASTEWATER TREATMENT PLANT 2 EXPANSION

The City of Palm Coast completed the expansion of Wastewater Treatment Plant #2, increasing capacity from 2 million gallons per day to 4 million gallons per day.



MAJOR INVESTMENT FROM GOOGLE AND DC BLOX

The City welcomed major investments from Google and DC Blox with a \$35-\$40 million Cable Landing Station in Town Center, and launched its first Business Retention and Expansion program to support local business growth.

RECORD NUMBER OF RESIDENTS PARTICIPATING IN PROGRAMS

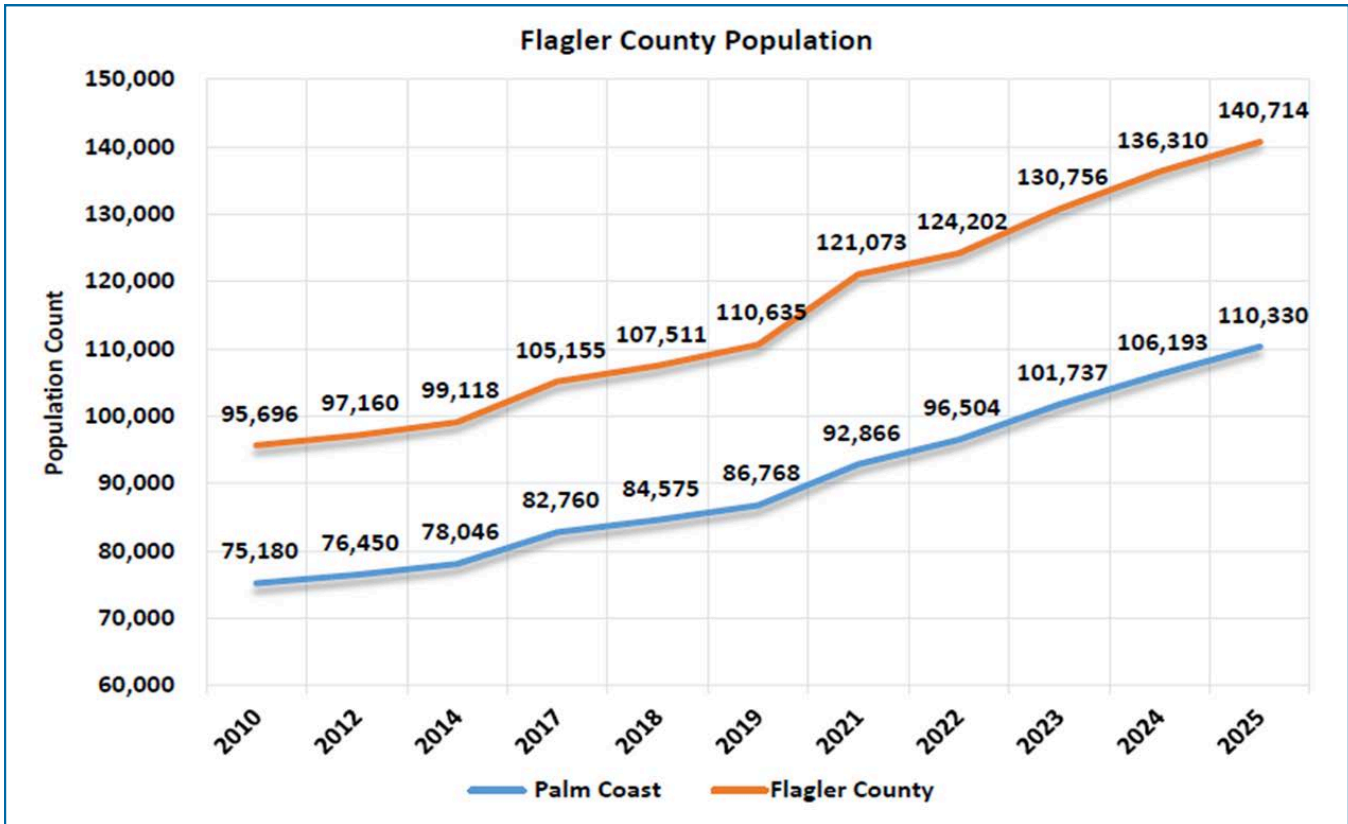
Over 80,000 residents participated in 387 programs and events hosted by the City across City-owned facilities, parks, and trails, highlighting strong community engagement and the continued demand for recreation, wellness, and cultural opportunities throughout Palm Coast



POPULATION

FLAGLER COUNTY POPULATION

COUNTY/CITY	APR-10 (CENSUS)	APR-25 (ESTIMATE)	TOTAL CHANGE
Flagler County	95,696	140,714	45,018
Beverly Beach	338	504	166
Bunnell	2,676	4,224	1,548
Flagler Beach	4,424	5,659	1,235
Marineland	16	12	(4)
Palm Coast	75,180	110,330	35,150
Unincorporated	13,062	19,903	6,923



EMPLOYMENT

Flagler County

TOP PRIVATE EMPLOYERS

Advent Health Palm Coast	1,713
ALSW, LLC	1075
Publix Supermarkets	863
Hammock Beach Resort	661
Walmart	452
Target	186
Home Depot	175
Lowe's	173
Winn-Dixie	151

TOP PUBLIC SECTOR EMPLOYERS

Flagler County Schools	2,184
City of Palm Coast	597
Flagler County Board of County Commissioners	535
Flagler County Sheriff's Office	377

LABOR FORCE AND UNEMPLOYMENT

(as of August 2025)

Rate	5.4%
Unemployment	3,022
Employment	52,959
Labor Force	55,981

ECONOMIC INDICATORS

(Information provided by ESRI inc)

2025 Median Household Income	\$77,810
2025 Per Capita Income	\$45,618
2025 Median Home Value	\$384,935

STATEMENT OF NET POSITION

The following financial summary is based upon a condensed view of the City’s assets, liabilities, and deferred inflows/outflows for the three most recent fiscal years:

	Governmental Activities	Business-type Activities	2025 Total	2024 Total	2023 Total
Current and other assets	\$ 142,949,020	\$ 179,762,079	\$ 322,711,099	\$ 276,118,237	\$ 245,892,574
Capital assets	378,975,422	389,295,751	768,271,173	698,759,322	640,553,135
Total assets	521,924,442	569,057,830	1,090,982,272	974,877,559	886,445,709
Total deferred outflows of resources	928,437	1,811,858	2,740,295	3,034,657	3,527,834
Long-term liabilities	\$ 9,102,378	\$ 164,549,063	\$ 173,651,441	\$ 163,449,923	\$ 163,564,409
Other liabilities	26,940,970	7,943,744	34,884,714	37,454,776	38,480,863
Total liabilities	36,043,348	172,492,807	208,536,155	200,904,699	202,045,272
Total deferred inflows of resources	2,166,989	3,367,539	5,534,528	5,894,734	5,405,818
Net Investment in capital assets	\$ 376,251,432	\$ 229,538,347	\$ 605,789,779	\$ 546,777,092	\$ 489,792,804
Restricted	55,344,208	84,298,479	139,642,687	102,415,951	88,584,141
Unrestricted	\$ 53,046,902	\$ 81,172,516	\$ 134,219,418	\$ 121,919,740	\$ 104,145,508
Total net position	484,642,542	395,009,342	879,651,884	771,112,783	682,522,453

Government-wide Overall Financial Analysis

The City of Palm Coast’s net position was \$880 million at the close of the most recent fiscal year. Of this, 15% falls in the unrestricted category. Unrestricted net position is the amount that can be used to provide services to residents. Net position increased city-wide by \$108 million. The previous year increase in net position from 2023 to 2024 was \$88.5 million.

Approximately 16% of net position represents resources that are subject to external restrictions and are not available to provide services to residents. By far, the largest portion of the City of Palm Coast’s net position (69%) reflects its investment in capital assets less any outstanding related debt used to acquire those assets. Capital assets, which include an investment in land, buildings or roads, are not available for future spending. Resources needed to repay debt must be provided from future revenue sources.

Current and Other Assets - Assets that include cash, securities, receivables, inventory and prepaid assets, and can be converted into cash usually within one year.

Capital Assets - Long-term investments in land, buildings, equipment, improvements, infrastructure, and construction in progress.

Current and Other Liabilities - These are primarily debts that can be paid off in one year or less. This includes accounts payable, accrued payroll, and accrued interest payable.

Deferred Inflows/Outflows - Acquisition/consumption of net assets applicable to future reporting periods.

Long-Term Liabilities - Represent mainly debt obligations of the City. The proceeds from these various debt issues are used to finance large projects such as building and roadway construction, renovations and major equipment purchases.

Net Position - Total assets and deferred outflows less liabilities and deferred inflows.

Restricted Net Position - Resources whose use is subject to externally imposed restrictions.

Unrestricted Net Position - These are resources that are accessible to the City to provide services to the residents if there were no additional revenues or resources available.

STATEMENT OF ACTIVITIES

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. The Statement of Activities distinguish functions of the City of Palm Coast that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

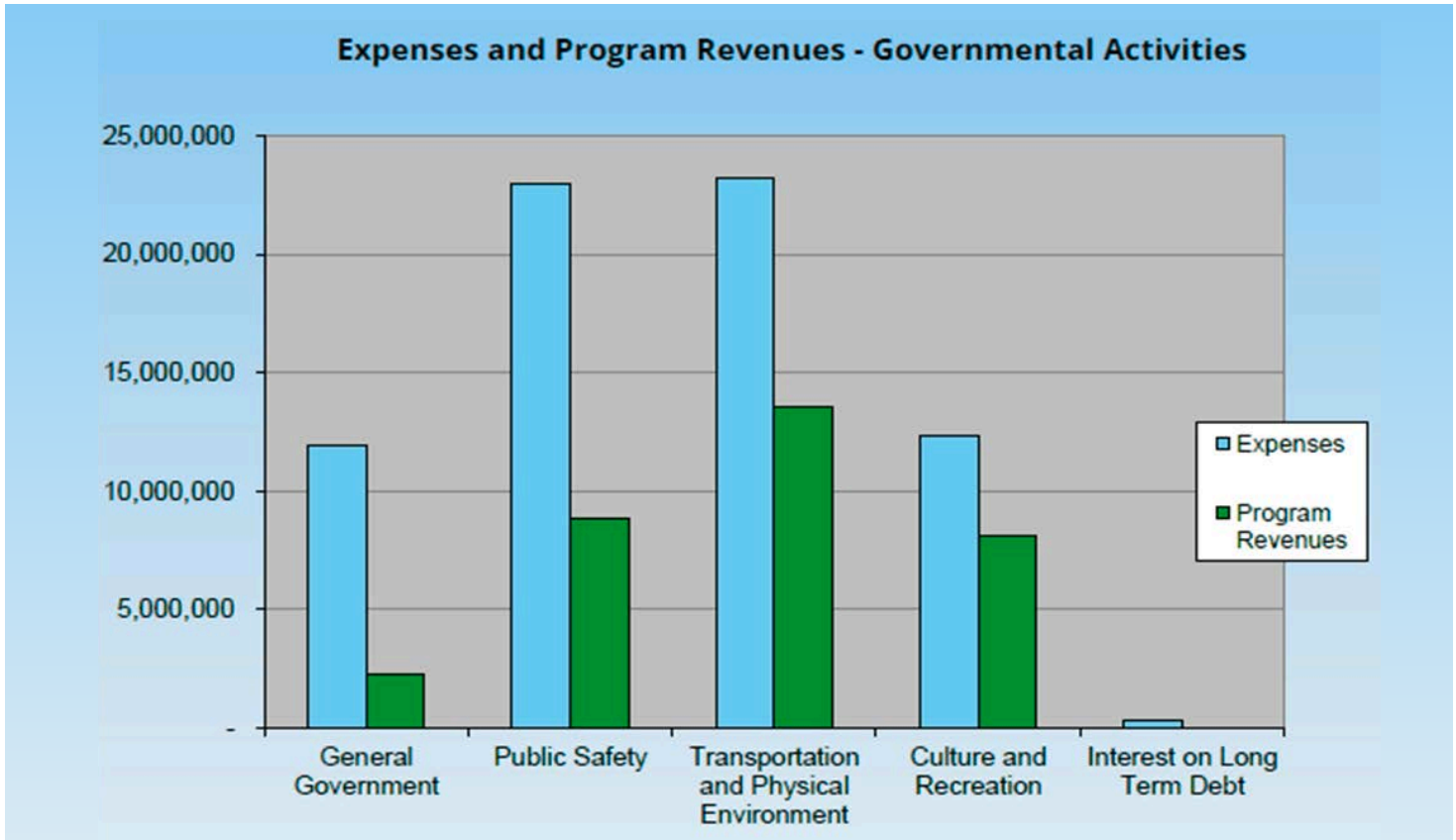
Revenues:	Governmental Activities	Business-type Activities	2025 Total	2024 Total	2023 Total
Program revenues:					
Charges for services	\$ 4,814,924	\$ 121,138,434	\$ 125,953,358	\$ 110,958,529	\$ 97,100,351
Operating grants and contributions	3,890,851	-	3,890,851	3,748,848	5,382,166
Capital grants and contributions	24,106,532	49,980,791	74,087,323	59,101,998	32,570,287
General revenues:					
Property taxes	41,644,735	529,222	42,173,957	37,816,862	35,585,215
Other taxes	10,401,282	-	10,401,282	9,875,543	9,605,354
Intergovernmental	6,614,432	-	6,614,432	6,519,906	6,375,395
Other	7,005,429	5,848,788	12,854,217	13,850,097	9,251,390
Total revenues	98,478,185	177,497,235	275,975,420	241,871,783	195,870,158
Expenses:					
General government	11,954,416	-	11,954,416	9,720,522	9,155,865
Public safety	22,961,208	-	22,961,208	23,187,338	19,999,882
Transportation and physical environment	23,210,932	-	23,210,932	21,637,138	23,078,078
Culture and recreation	12,340,664	-	12,340,664	11,023,057	10,596,107
Utility	-	58,898,925	58,898,925	53,440,529	49,252,925
Solid waste	-	17,981,813	17,981,813	16,608,670	15,354,772
Stormwater	-	15,653,049	15,653,049	13,355,610	11,421,834
Building permits	-	3,323,359	3,323,359	3,091,097	3,028,633
Information technology	-	798,418	798,418	880,846	774,010
Interest on long-term debt	313,536	-	313,536	336,646	373,082
Total expenses	70,780,756	96,655,564	167,436,320	153,281,453	143,035,188
Increase (decrease) in net					
Position before transfers	27,697,429	80,841,671	108,539,100	88,590,330	52,834,970
Transfers	5,579,539	(5,579,539)	-	-	-
Increase (decrease) in net position	33,276,968	75,262,132	108,539,100	88,590,330	52,834,970
Net position - beginning	451,365,574	319,747,210	771,112,784	682,522,453	629,687,483
Net position - ending	\$ 484,642,542	\$ 395,009,342	\$ 879,651,884	\$ 771,112,783	\$ 682,522,453

Governmental Activities - Activities which provide services to citizens and are primarily financed through taxes and intergovernmental grants.

Business - Type Activities - Activities that are carried out primarily to provide specific services in exchange for a specific user fee.

Program Revenues - Charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function.

The governmental activities of the City of Palm Coast include general government, public safety, transportation, physical environment, and culture and recreation. Amounts reported as program revenues are charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. In addition, program revenues include grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function. Any expenses not covered by program revenues are supplemented with taxes and other general revenues.



Governmental activities increased the City of Palm Coast’s net position by \$33.3 million during the current fiscal year. Factors include revenues in excess of expenditures in the general fund, interest earnings, and accumulation of impact fees.

Governmental activities unrestricted net position increased by \$5 million. The primary driver for this increase was revenues in excess of expenditures in the general fund and increase in committed funds for future construction in capital projects funds.

Capital grants and contributions decreased \$847 thousand primarily due to federal and state grants received in previous fiscal year. Operating grants and contributions increased \$142 thousand primarily due to increase in State funding received. Property taxes increased by \$4.4 million due to increases in taxable value throughout the City. Other revenue decreased \$877 thousand mainly due to the decrease in investment earnings from previous year.

General Government - General services which include Human Resources, the City Clerk, Administration and Financial Services.

Public Safety - Provide citizens with Police and Fire services.

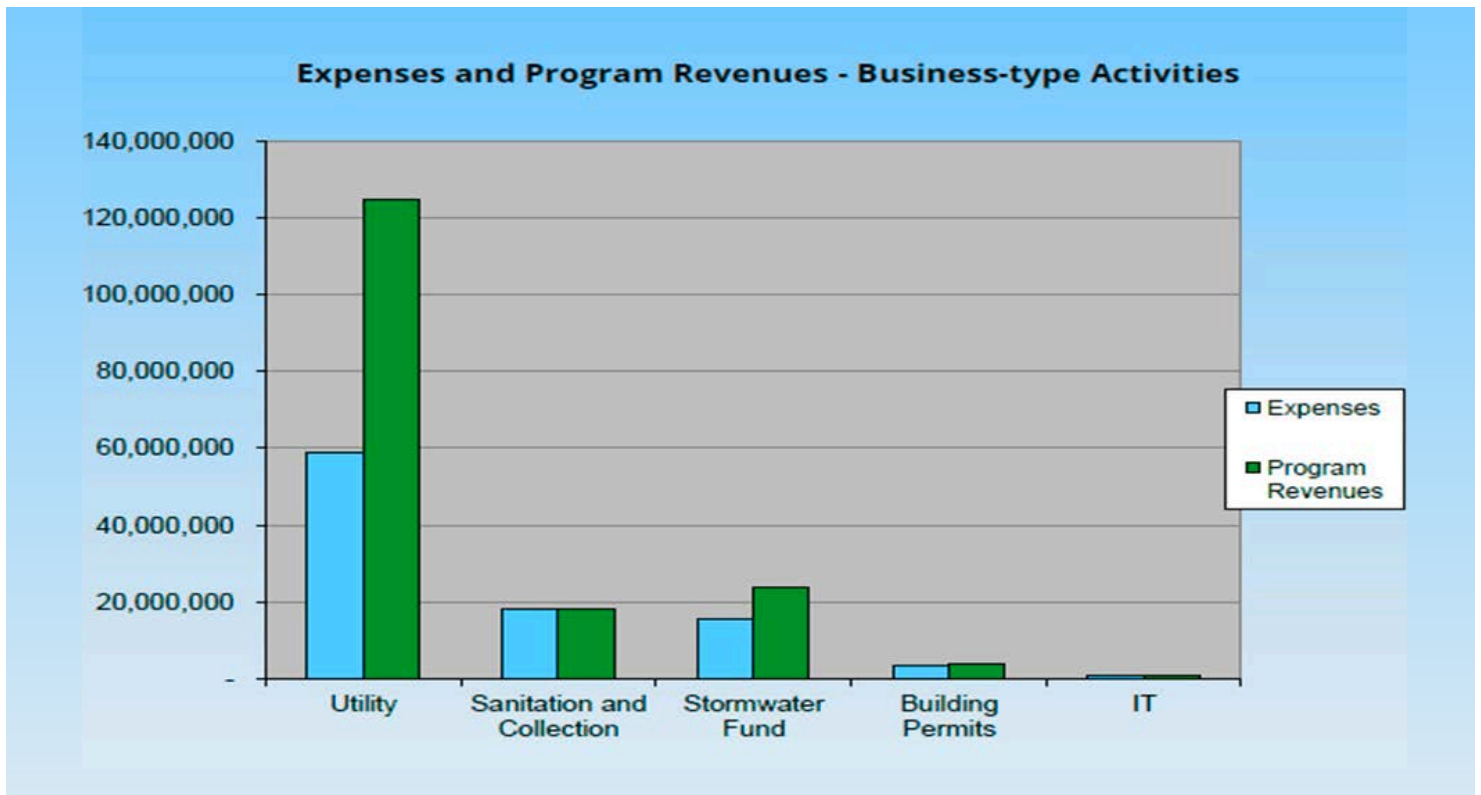
Transportation & Physical Environment - Includes street construction, resurfacing and maintenance.

Culture & Recreation - Includes recreational programs and maintenance to city parks.

The business-type activities of the City of Palm Coast include a water and sewer utility, solid waste collection, stormwater management, building permits and inspections, and information technology (IT).

Business-type activities increased the City of Palm Coast's net position by \$75 million. The increase in net position was attributable to an approximately \$69 million increase in the utility fund. The increase was mainly due to capital grants and contributions received, impact fees collected, an increase in the customer base, and interest earnings. Utility expenses also increased due to the increases in cost.

Stormwater net position increased approximately \$5 million for the year due to an increase in revenue rates for capacity projects and necessary maintenance pursuant to the Council's focus on improving the Stormwater system. The net results of these activities above were the primary drivers of business-type activities, unrestricted net position increasing by approximately \$7 million. The increase of \$27 million in restricted net position was primarily related to impact fees collected and used, as well as renewal and replacement capital funds used for improvement projects of the utility system.



Bond Proceeds - Funds used to finance a project or purpose for which the bonds were issued and to pay certain costs of the issuance.

Capital Projects - Projects with long range returns and useful life spans. These projects are relatively expensive and have physical presence such as buildings or roads.

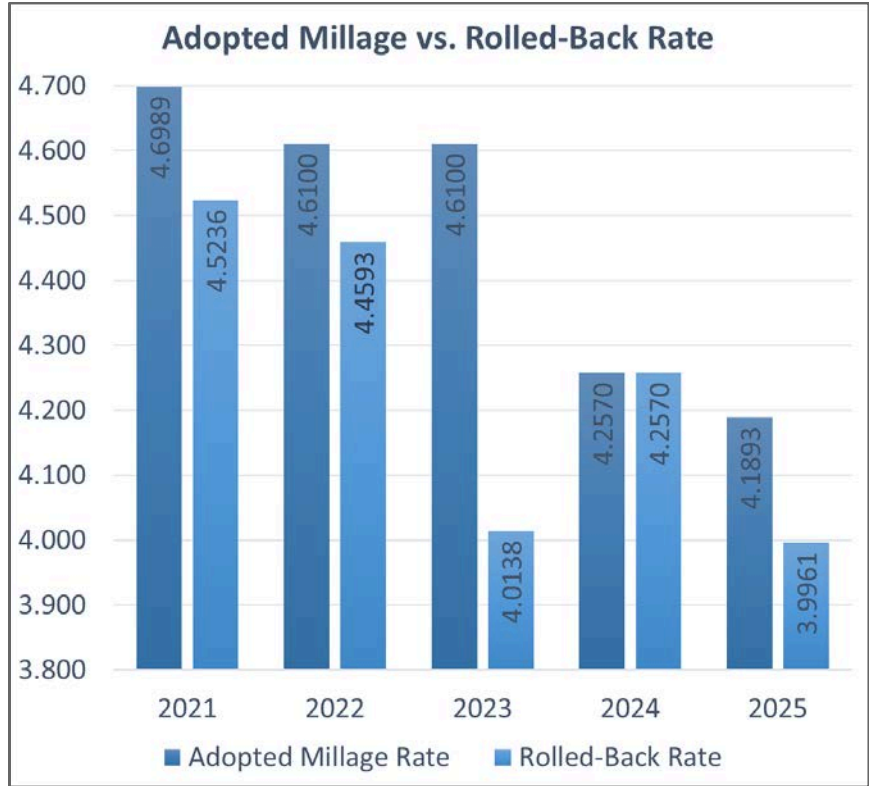
General Fund - The largest fund within the City. This fund accounts for most of the traditional services provided by cities. Revenues include property taxes, licenses, local taxes and service charges.

REVENUES

For fiscal year 2025, the City Council adopted a millage rate of 4.1893. Property taxes are approximately 9% of the total City revenue budget; they remain the largest revenue source for the General Fund.

City Council has been sensitive to the public's desire to maintain level property taxes, but inflationary pressure and future infrastructure requirements will have an effect on future tax collections.

Other major sources of tax revenue for the General Fund include the Communication Services Tax and the Half-Cent Sales Tax. Revenue diversification in the General Fund provides opportunities to mitigate the effect of rising costs, service level enhancements, and infrastructure funding.



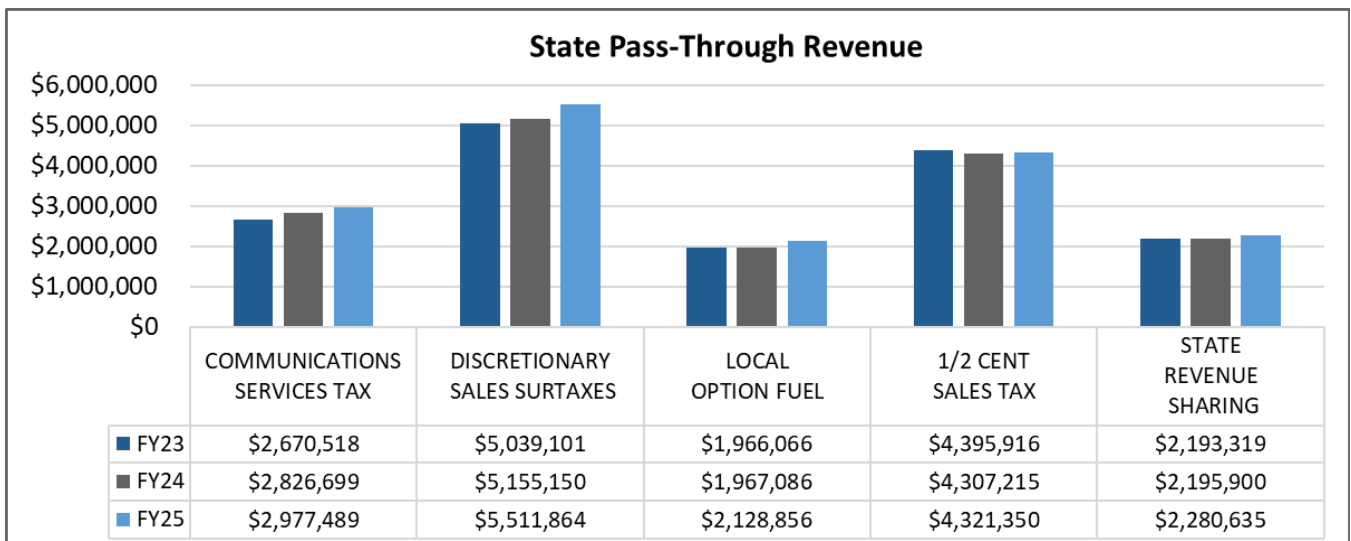
Ad Valorem Tax - (Property or Real Estate Taxes) Taxes assessed on a portion of a property's value.

Communications Services Tax - The communications services tax applies to telecommunications, video, direct-to-home satellite and related services at a rate of 5.22%. These tax revenues may be used for any public purpose.

Half Cent Sales Tax - This program generates the largest amount of revenue for local governments among the state-shared revenue sources currently authorized by Legislature. It distributes a portion of the state 6% sales tax.

Millage Rate - For property tax purposes, a rate established per \$1,000 of assessed taxable value. A property tax millage rate of 3.5 mills for example, would mean property with a taxable value of \$100,000 would pay \$350 in property taxes.

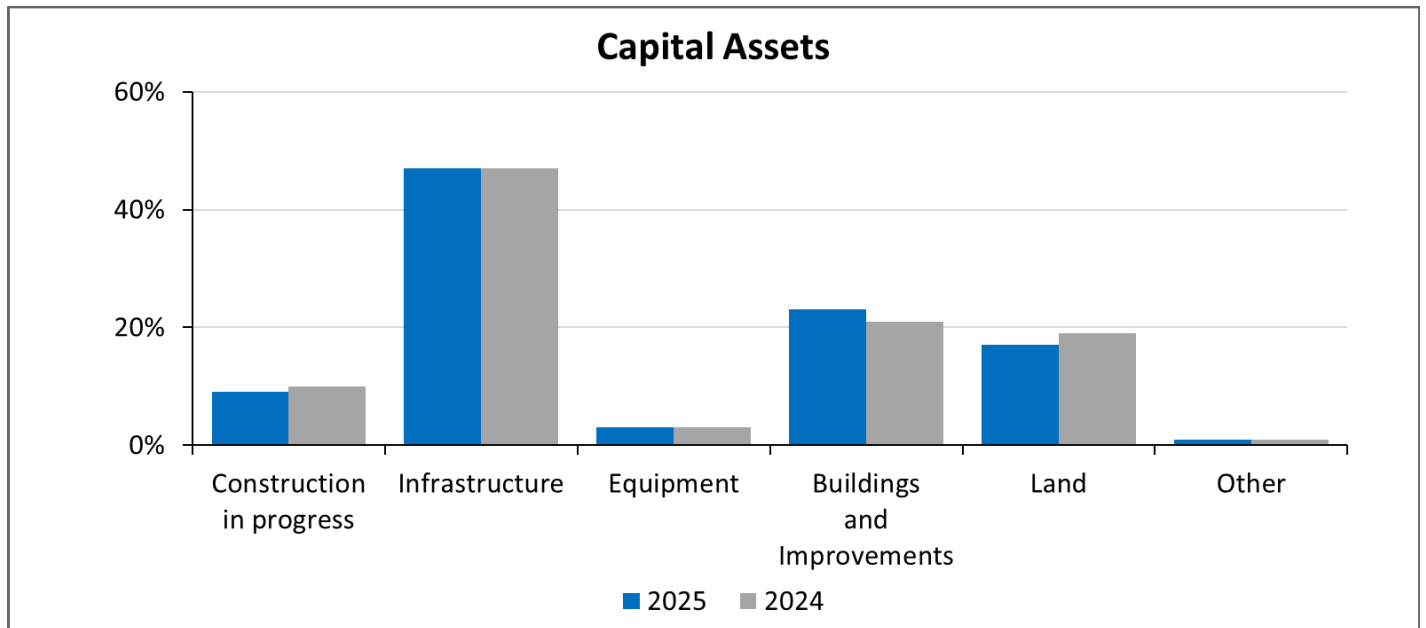
Rolled-Back Rate - The millage necessary to raise the same amount of Ad Valorem Tax Revenue as the previous year, excluding taxes from new construction.



CAPITAL ASSETS

The City of Palm Coast’s investment in capital assets as of September 30, 2025, amounts to \$768.3 million (net of accumulated depreciation). This investment increased by \$69.5 million for the current fiscal year. The overall increase is due to road expansions, bridge rehabilitation, utility infrastructure and park expansions, offset by regular depreciation expense for the fiscal year.

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 116,598,032	\$ 116,570,077	\$ 14,514,747	\$ 14,514,747	\$ 131,112,779	\$ 131,084,824
Buildings and improvements						
other than buildings	68,539,525	68,026,011	108,793,848	77,183,804	177,333,373	145,209,815
Infrastructure	130,981,780	131,669,927	230,718,023	195,488,659	361,699,803	327,158,586
Equipment	23,501,980	21,731,303	1,809,056	1,738,328	25,311,036	23,469,631
Construction in progress	39,035,933	23,846,031	33,222,799	47,594,773	72,258,732	71,440,804
Right-to-use leased equipment	-	-	237,278	286,370	237,278	286,370
SBITA	318,172	109,292	-	-	318,172	109,292
Total	\$ 378,975,422	\$ 361,952,641	\$ 389,295,751	\$ 336,806,681	\$ 768,271,173	\$ 698,759,322



Asset - Property owned by the City, which has monetary value.

Capital Assets - Long-term investments in land, buildings, equipment, improvements, infrastructure, and construction in progress.

Construction in Progress - Construction work which has been started but is not yet completed.

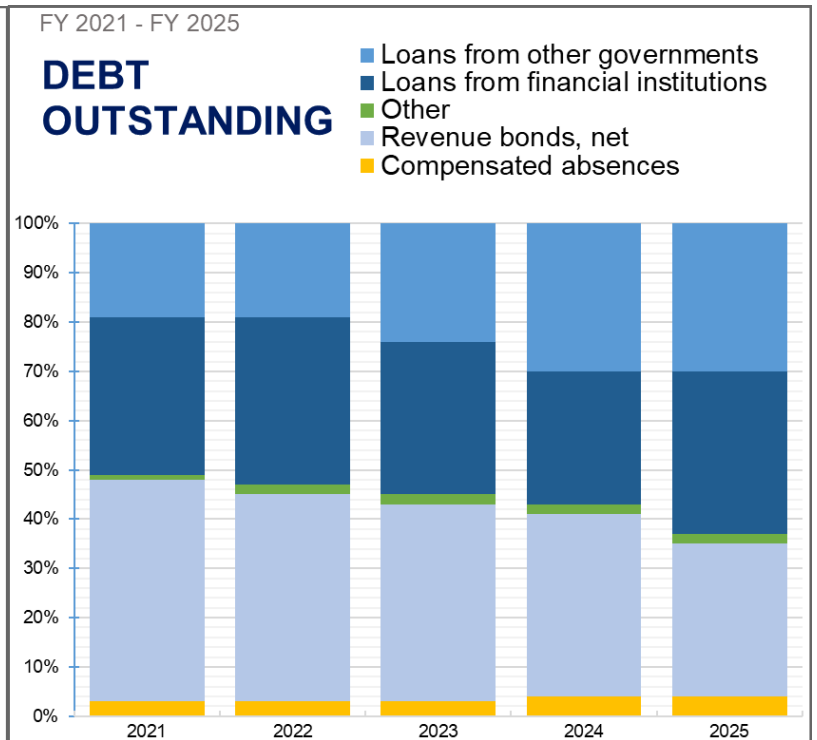
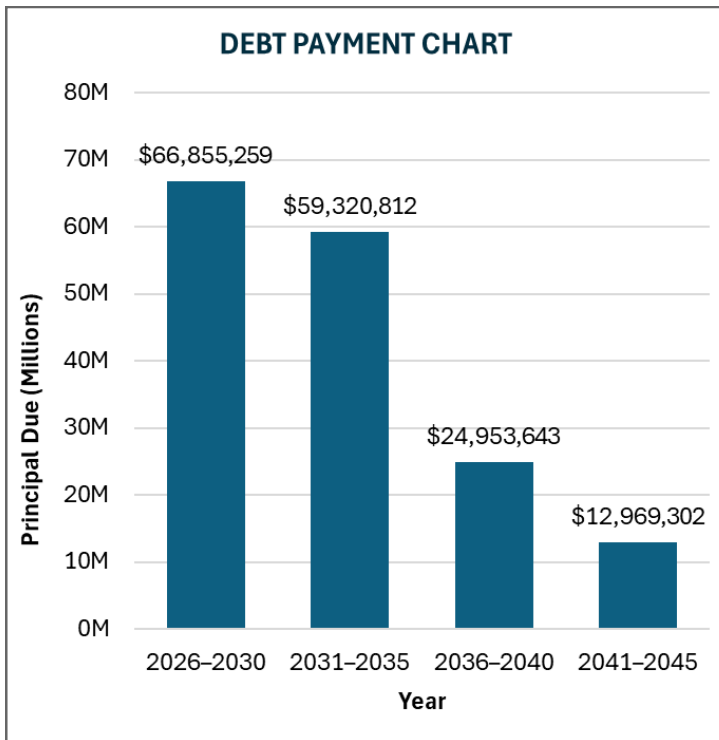
Depreciation - A measurement of the decline in value of an asset over a period of time.

Infrastructure - Basic equipment and structures, such as roads and bridges, needed for the City to function properly.

CITY DEBT

The City of Palm Coast owes \$54.5 million in revenue bonds, including premiums, used for the purchase and expansion of the utility system. There are State Revolving Fund loans and bank loans totaling \$107 million primarily for utility and stormwater improvements. The City also has a CRA revenue loan for redevelopment costs with a balance of \$2.4 million at year-end. The remainder of the long-term debt is made up of compensated absences, an unfunded total OPEB liability, a net pension liability, and leases and SBITA liabilities. The total long term debt of the City is \$173.6 million.

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Loans from other governments	\$ -	\$ -	\$ 51,921,206	\$ 49,407,583	\$ 51,921,206	\$ 49,407,583
Loans from financial institutions	2,409,809	3,145,809	55,258,000	41,884,000	57,667,809	45,029,809
Revenue bonds, net	-	-	54,510,000	59,945,000	54,510,000	59,945,000
Net pension liability	1,037,549	1,521,607	-	-	1,037,549	1,521,607
OPEB liability	1,369,806	1,201,029	3,809	3,601	1,373,615	1,204,630
Compensated absences	3,971,033	3,578,517	2,605,517	2,355,273	6,576,550	5,933,790
Leases payable	-	-	250,531	298,393	250,531	298,393
SBITA	314,181	109,106	-	-	314,181	109,106
Total	\$ 9,102,378	\$ 9,556,068	\$ 164,549,063	\$ 153,893,850	\$ 173,651,441	\$ 163,449,918



CRA - Community Redevelopment Area - A special district in which any future increases in property taxes are set aside to support economic development projects within the district.

Compensated Absences - Expected payments to employees who miss work because of illness, vacation or holidays.

OPEB - Other post employment benefits - Post employment benefits that an employee will begin to receive at the start of retirement.

Revenue Bond - A special type of municipal bond distinguished by its guarantee of repayment solely by revenues generated by a specified revenue-generating entity associated with the purpose of the bonds.

Net Pension Liability - Liability related to Florida Retirement System (FRS) pension benefits.

Long Term Debt - Debt that is due in one year or more.

NEXT YEAR'S BUDGET & RATES

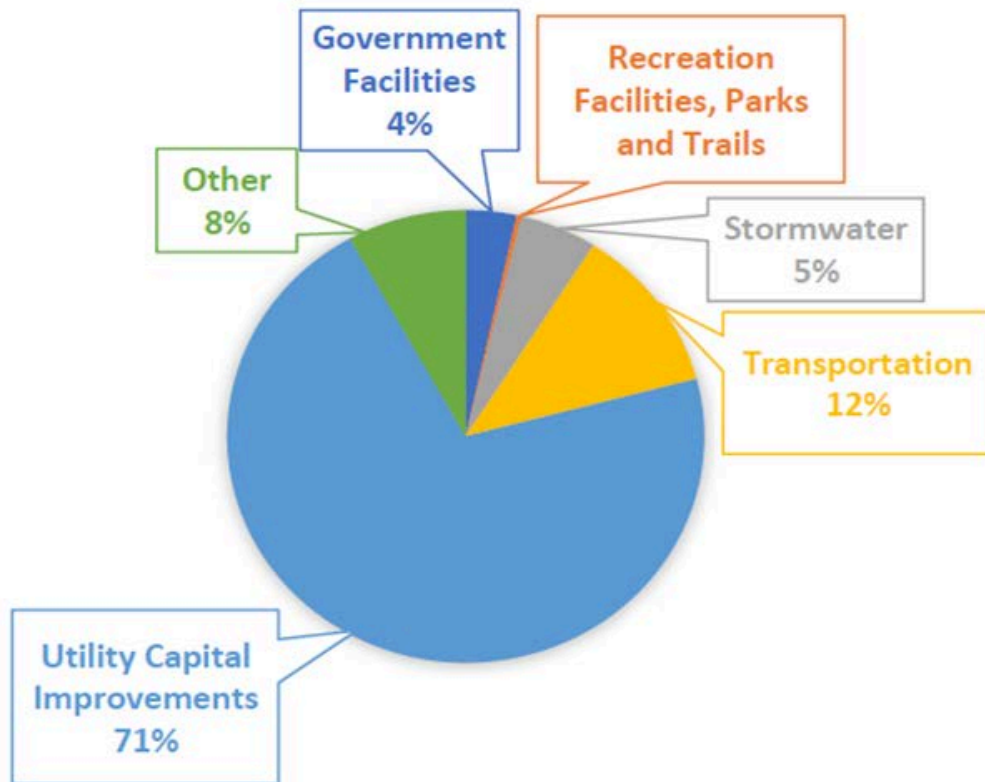
During the current fiscal year, unassigned fund balance in the general fund increased to \$24 million. The available fund balance, as a percentage of next year's budgeted expenditures and transfers out is approximately 35.5%.

The City Council approved a millage rate of 4.0893 mills for fiscal year 2026. Of the total millage, .0502 mills will be dedicated to the stormwater fund. The balance of 4.0391 mills is assigned to the general fund. Market values of properties have continued to increase. The increase in taxable value was approximately 10.34%. New construction added approximately 5.49% to the taxable value, therefore the City had a net 4.85% increase in taxable property value for the year.

The water and sewer rates increased for fiscal year 2026 as a result of a rate study performed in 2025. The water and sewer rates increased by an adjustment of 8% for all customers effective October 1, 2025. These rate increases are necessary to cover anticipated increases in operating costs and capital needs. As a result of these actions, Fitch rated the City's bond rating as AA.

The City Council adopted a policy of having new development help fund its impact on infrastructure in the community through impact fees. These fees were increased in May of 2024 for water and wastewater utility as per a rate study completed during that fiscal year and will continue to increase for the next three years. All other impact fees were increased October 1, 2025 based on a rate studies done during fiscal year 2025.

The fiscal year 2026 budget includes over \$230 million invested in new and replacement infrastructure City-wide. This investment includes roadway expansions, refurbished recreational facilities, bridge rehabilitation, stormwater control structure replacements, and utility infrastructure expansion and replacements

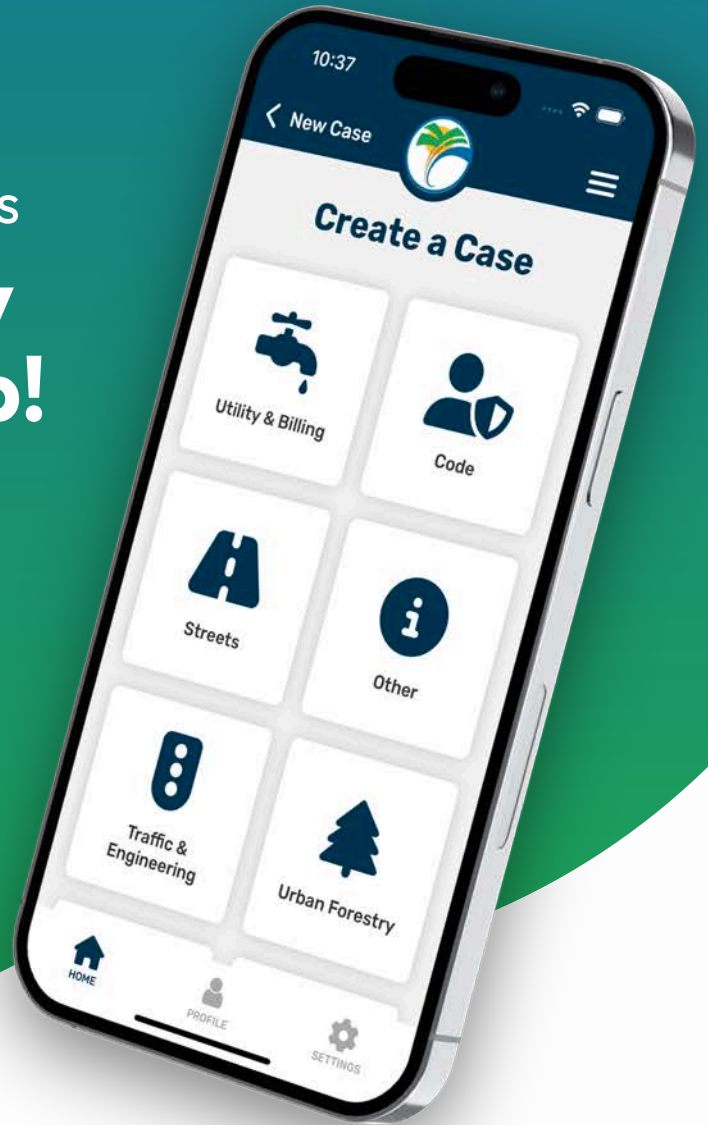




Palm Coast at Your Fingertips

Download the City of Palm Coast App!

SCAN HERE



Track and monitor cases



Get notifications on case updates



Stay informed on City news and events



Track and Pay your Utility Bills

Download on the **App Store**

GET IT ON **Google Play**

Learn more by visiting app.palmcoast.gov

This app was developed in-house by the City of Palm Coast Information Technology Department.