



POPULAR ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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About Palm Coast

Palm Coast, Florida, established in 1999, is a Florida paradise with its 70 miles of waterways and proximity to Atlantic Ocean beaches. Renowned for its emphasis on quality of life, the city boasts numerous parks, over 130+ miles of trails, and abundant opportunities for outdoor recreation such as fishing, boating, tennis, and golf. Its parks and trails, adorned with native flora, offer serene environments for activities like bird-watching, with spots like St. Joe Walkway and Linear Park designated as Great Florida Birding & Wildlife Trails. Additionally, visitors can enjoy glimpses of dolphins and seabirds along the Intracoastal at Waterfront Park.

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, 2023

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 2024 which ended September 30, 2024. 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.

CITY LEADERSHIP

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
COUNCIL MEMBER - DISTRICT 1



THERESA PONTIERI
COUNCIL MEMBER - DISTRICT 2



RAY STEVENS
COUNCIL MEMBER - DISTRICT 3



CHARLES GAMBARO
COUNCIL MEMBER - 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.



Scan to visit the City's
YouTube channel



Scan to visit the City's
Agenda & Meetings page

ABOUT PALM COAST

The City of Palm Coast was incorporated on December 31, 1999 under a Council/Mayor form of government.



**564 Miles
of Paved Streets**



**13
Park Facilities**



**1
Community Center**



**5
Treatment Plants**



**130+
Miles of Trails**



**5
Fire Stations**



**50
Sports Fields**



**1
Swimming Pool**

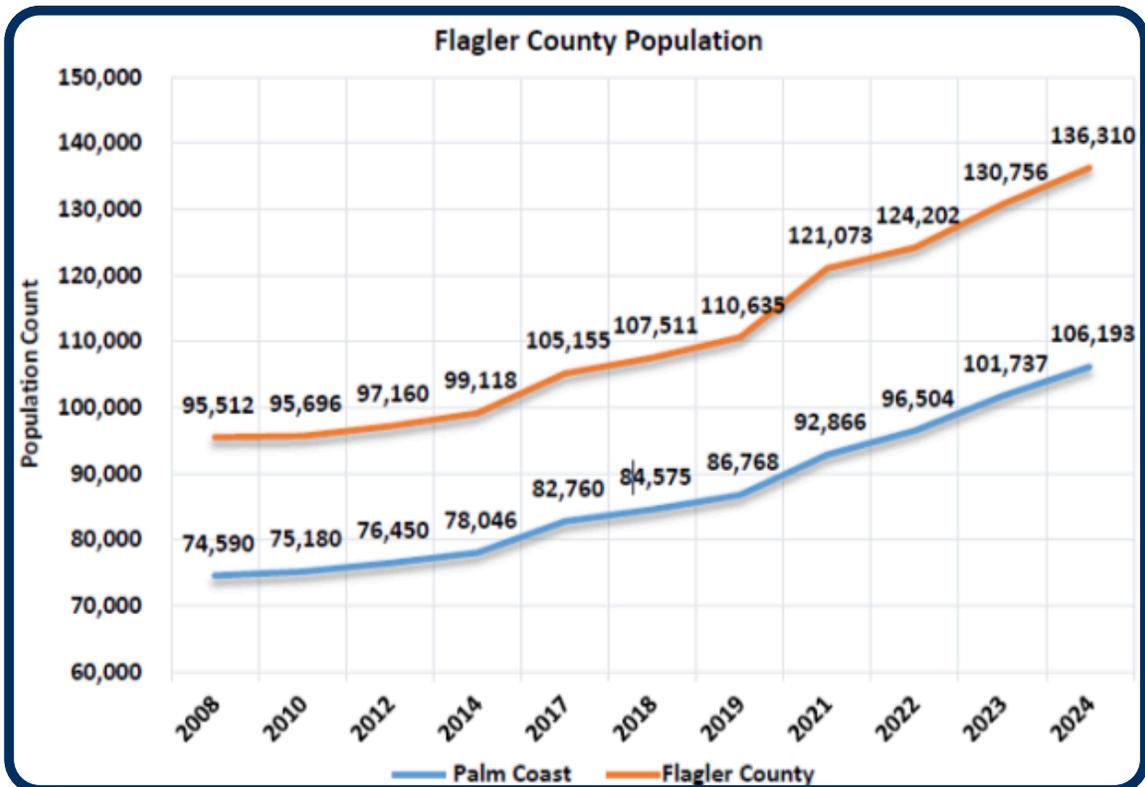


**9,000 Traffic
Signs & Signals**

POPULATION

FLAGLER COUNTY POPULATION

COUNTY/CITY	APR-10 (CENSUS)	APR-24 (ESTIMATE)	TOTAL CHANGE
FLAGLER COUNTY	95,696	136,310	40,614
BEVERLY BEACH	338	503	165
BUNNELL	2,676	4,149	1,473
FLAGLER BEACH	4,424	5,550	1,126
MARINELAND	16	12	(4)
PALM COAST	75,180	106,193	31,013
UNINCORPORATED	13,062	19,903	6,841



EMPLOYMENT

LARGEST PRIVATE EMPLOYERS

ADVENT HEALTH PALM COAST	1,823
ALSW LLC	890
PUBLIX SUPERMARKETS	863
HAMMOCK BEACH RESORT	637
WALMART	462

LARGEST PUBLIC EMPLOYERS

FLAGLER COUNTY SCHOOLS	2,257
CITY OF PALM COAST	591
FLAGLER COUNTY BOARD OF COUNTY COMMISSIONERS	506
FLAGLER COUNTY SHERIFFS OFFICE	336

LABOR FORCE AND UNEMPLOYMENT (AS OF AUGUST 2024)

RATE	4.4%
UNEMPLOYMENT	2,275
EMPLOYMENT	49,327
LABOR FORCE	51,602

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, **A**ccountability, **L**eadership, **M**otivated,
Collaborative, **O**wnership, **A**chievement, **S**tewardship, **T**rust

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 2024 ACCOMPLISHMENTS

JAN. 2024



STORYWALK AT LINEAR PARK RIBBON CUTTING CEREMONY



16K+
CALLS FOR SERVICE
74%
FIRES CONTAINED



1.7K
NEW RESIDENTIAL
METERS INSTALLED

FEB. 2024



SOUTHERN RECREATION CENTER RIBBON CUTTING CEREMONY



100+
CAPITAL PROJECTS
2.9 MILLION
LINEAR FEET OF
DITCHES MAINTAINED



120K
LBS OF LITTER
1.4K
WORK ORDERS
COMPLETED

OCT. 2024



CITY OF PALM COAST 25TH ANNIVERSARY CELEBRATION



28+
SPECIAL EVENTS



20 YEAR
AWARD WINNER

STATEMENT OF NET POSITION

	Governmental Activities	Business-type Activities	2024 Total	2023 Total	2022 Total
Current and other assets	\$ 130,053,580	\$ 146,064,657	\$ 276,118,237	\$ 245,892,574	\$ 223,023,044
Capital assets	361,952,641	336,806,681	698,759,322	640,553,135	604,965,471
Total assets	492,006,221	482,871,338	974,877,559	886,445,709	827,988,515
Total deferred outflows of resources	876,024	2,158,633	3,034,657	3,527,834	4,321,996
Long-term liabilities	9,556,072	153,893,851	163,449,923	163,564,409	166,842,211
Other liabilities	29,683,620	7,771,156	37,454,776	38,480,863	30,626,536
Total liabilities	39,239,692	161,665,007	200,904,699	202,045,272	197,468,747
Total deferred inflows of resources	2,276,980	3,617,754	5,894,734	5,405,818	5,154,281
Net position:					
Net investment in capital assets	358,697,726	188,079,366	546,777,092	489,792,804	451,696,251
Restricted	44,965,947	57,450,004	102,415,951	88,584,141	90,671,255
Unrestricted	47,701,900	74,217,840	121,919,740	104,145,508	87,319,977
Total net position	\$ 451,365,573	\$ 319,747,210	\$ 771,112,783	\$ 682,522,453	\$ 629,687,483

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

The City of Palm Coast's net position was \$771 million at the close of the most recent fiscal year. Of this, 16% 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 \$88.5 million. The previous year increase in net position from 2022 to 2023 was \$53 million.

Approximately 13% 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 (71%) 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 - Represents 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 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).

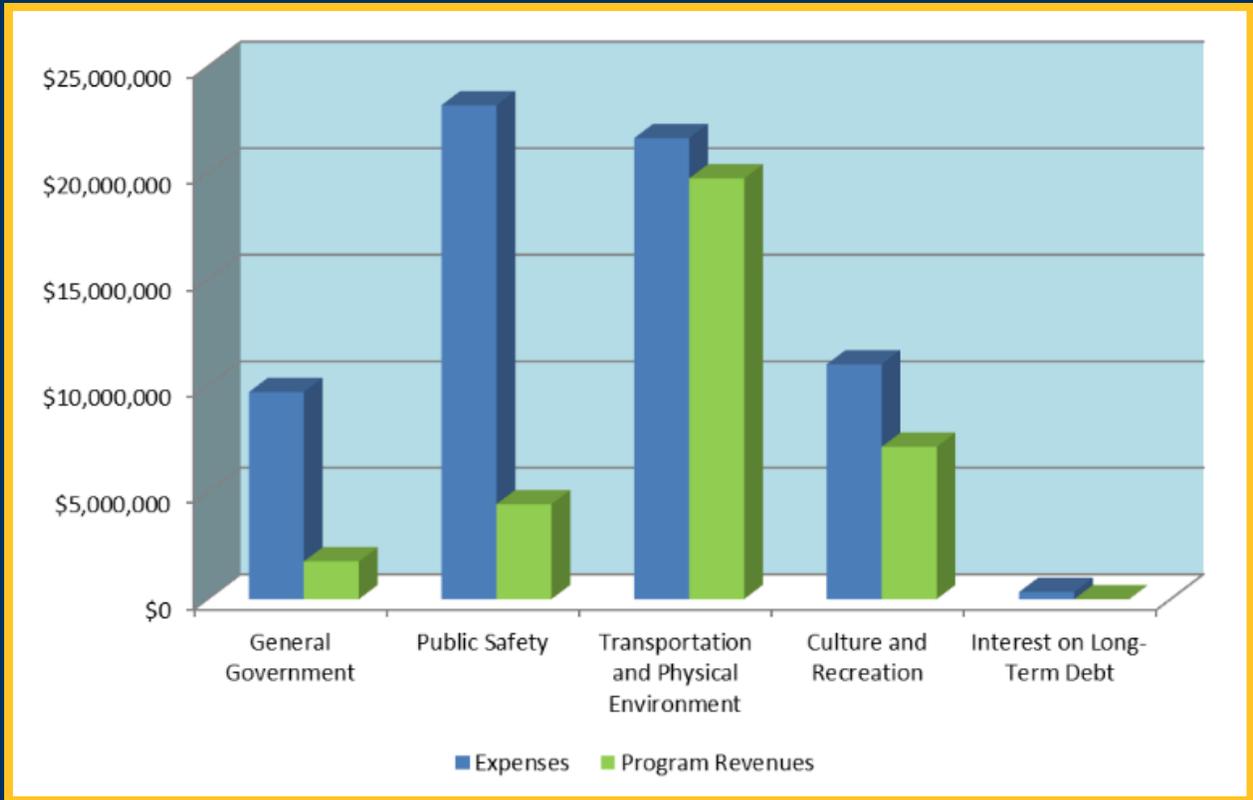
	Governmental Activities	Business-type Activities	2024 Total	2023 Total	2022 Total
Revenues:					
Program revenues:					
Charges for services	\$ 4,430,145	\$ 106,528,384	\$110,958,529	\$ 97,100,351	\$ 88,104,795
Operating grants and contributions	3,748,848	-	3,748,848	5,382,166	4,545,259
Capital grants and contributions	24,953,649	34,148,349	59,101,998	32,570,287	46,055,011
General revenues:					
Property taxes	37,289,138	527,724	37,816,862	35,585,215	29,938,104
Other taxes	9,875,543	-	9,875,543	9,605,354	8,996,381
Intergovernmental	6,519,906	-	6,519,906	6,375,395	5,847,983
Other	7,882,368	5,967,729	13,850,097	9,251,390	(1,306,558)
Total revenues	94,699,597	147,172,186	241,871,783	195,870,158	182,180,975
Expenses:					
General government	9,720,522	-	9,720,522	9,155,865	8,011,828
Public safety	23,187,338	-	23,187,338	19,999,882	17,843,411
Transportation and physical environment	21,637,138	-	21,637,138	23,078,078	21,609,665
Culture and recreation	11,023,057	-	11,023,057	10,596,107	9,106,759
Utility	-	53,440,529	53,440,529	49,252,925	44,761,380
Solid waste	-	16,608,670	16,608,670	15,354,772	11,078,167
Stormwater	-	13,355,610	13,355,610	11,421,834	10,509,526
Building permits	-	3,091,097	3,091,097	3,028,633	2,707,992
Information technology	-	880,846	880,846	774,010	720,585
Interest on long-term debt	336,646	-	336,646	373,082	384,661
Total expenses	65,904,701	87,376,752	153,281,453	143,035,188	126,733,974
Increase (decrease) in net position before transfers					
	28,794,896	59,795,434	88,590,330	52,834,970	55,447,001
Transfers					
	(1,282,237)	1,282,237	-	-	-
Increase (decrease) in net position					
	27,512,659	61,077,671	88,590,330	52,834,970	55,447,001
Net position - beginning					
	423,852,914	258,669,539	682,522,453	629,687,483	574,240,482
Net position - ending					
	\$ 451,365,573	\$ 319,747,210	\$771,112,783	\$682,522,453	\$629,687,483

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

Business - Type Activities - 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 and 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 \$27.5 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 \$2.6 million. The primary driver for this increase was revenues in excess of expenditures in the general fund.

Capital grants and contributions increased \$15.4 million primarily due to federal and state grants received as well as a land exchange with a higher market value received. Operating grants and contributions decreased \$1.2 million primarily due to FEMA funding received in the prior year. Property taxes increased \$2.2 million due to increases in taxable value throughout the City. Other revenue increased \$2.2 million mainly due to the increase in investment earnings.

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

Public Safety - Provide citizens with Police and Fire services.

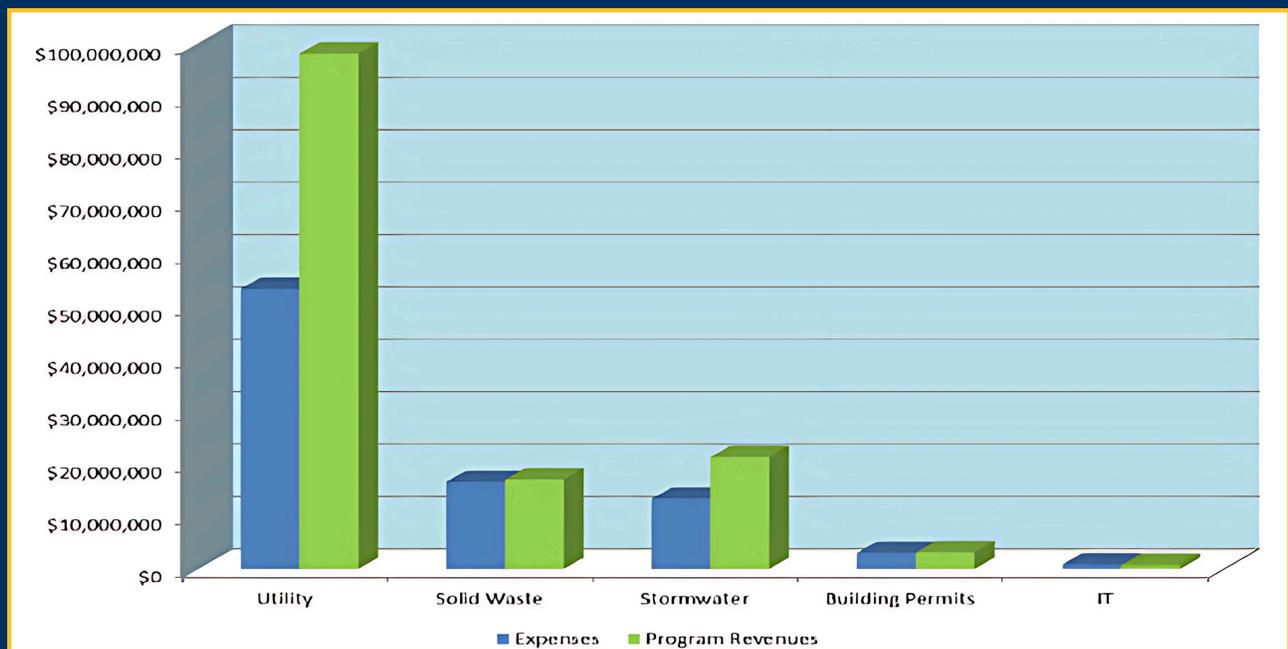
Transportation & Physical Environment - Includes street construction, resurfacing and maintenance.

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 \$61 million. The increase in net position was attributable to an approximately \$48 million increase in the utility fund. The increase was mainly due to capital grants and contributions received, impact fees collected, increase to customer base, and interest earnings. Utility expenses also increased due to the increases in cost.

Stormwater net position increased approximately \$11.5 million for the year due to increase in revenue rates for capacity projects and necessary maintenance pursuant to Council’s focus on improving the Stormwater system as well as ARPA funds used for capital projects. The net results of these activities above were the primary drivers of business-type activities unrestricted net position increasing by approximately \$15 million. The increase of \$9 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.

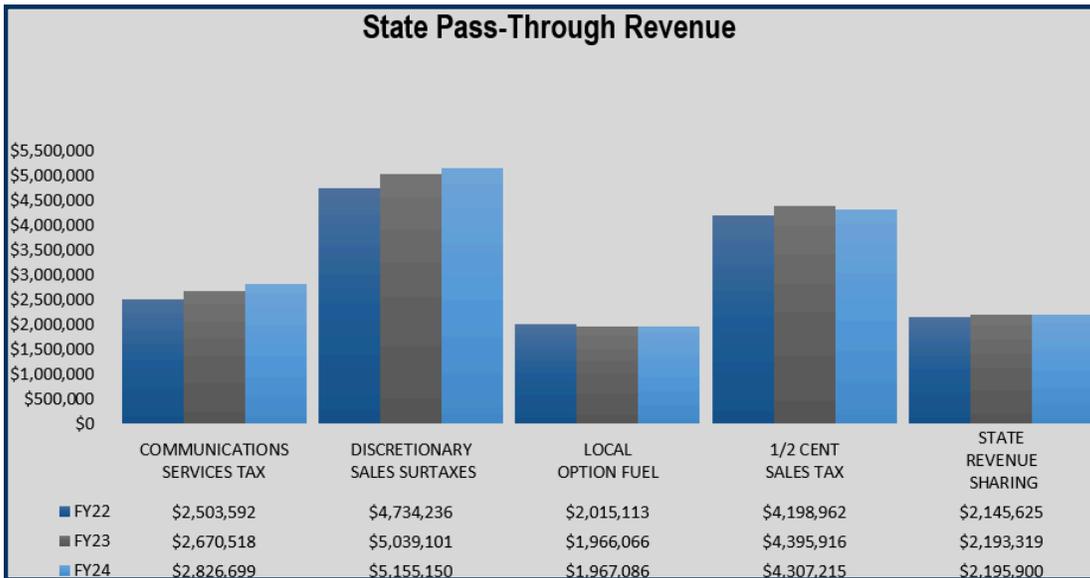
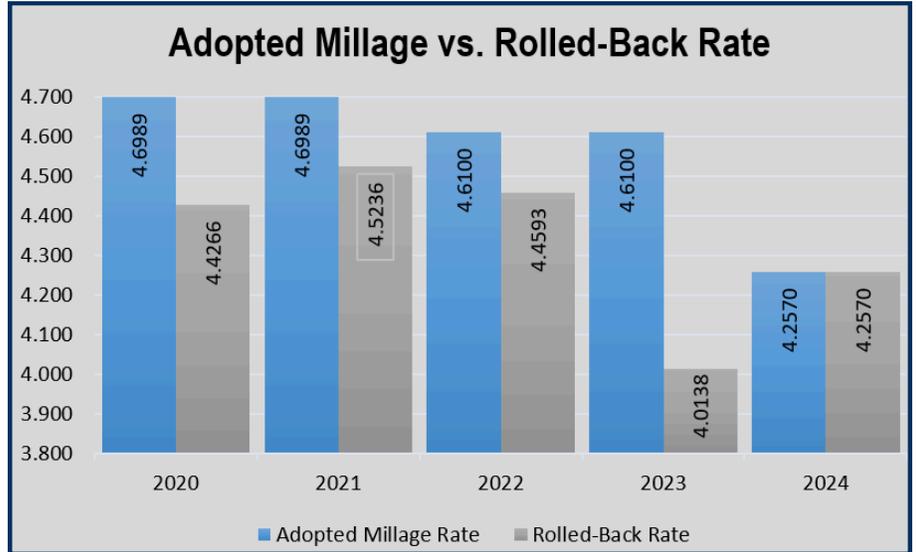
General Fund - The largest fund within the City. This fund accounts for most of the traditional services provided by cities. Revenues include property taxes, licenses, local taxes and service charges.

REVENUES

For fiscal year 2024, City Council adopted a millage rate of 4.2570. Property taxes are approximately 10% of the total City revenue budget, however 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.

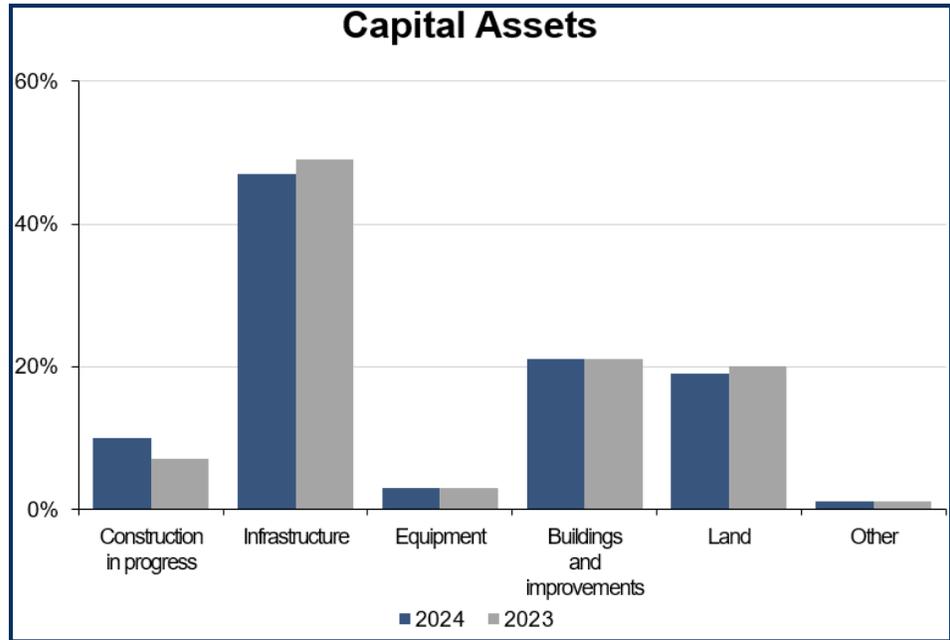
Other major sources of tax revenue for the General Fund include the Communication Services Tax and the Half-Cent Sales Tax. Revenue diversification in the General Fund provides opportunities to mitigate the effect of rising costs, service level enhancements, and infrastructure funding.



- 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, 2024, amounts to \$698.7 million (net of accumulated depreciation). This investment increased by \$58 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	
	2024	2023	2024	2023	2024	2023
Land	\$ 116,570,077	\$ 113,815,824	\$ 14,514,747	\$ 14,514,747	\$ 131,084,824	\$ 128,330,571
Buildings and improvements						
other than buildings	68,026,011	52,518,935	77,183,804	79,842,766	145,209,815	132,361,701
Infrastructure	131,669,927	140,013,840	195,488,659	172,265,458	327,158,586	312,279,298
Equipment	21,731,303	18,078,148	1,738,328	665,730	23,469,631	18,743,878
Construction in progress	23,846,031	17,959,466	47,594,773	30,066,581	71,440,804	48,026,047
Right-to-use leased equipment	-	-	286,370	335,462	286,370	335,462
SBITA	109,292	476,178	-	-	109,292	476,178
Total	\$ 361,952,641	\$ 342,862,391	\$ 336,806,681	\$ 297,690,744	\$ 698,759,322	\$ 640,553,135

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

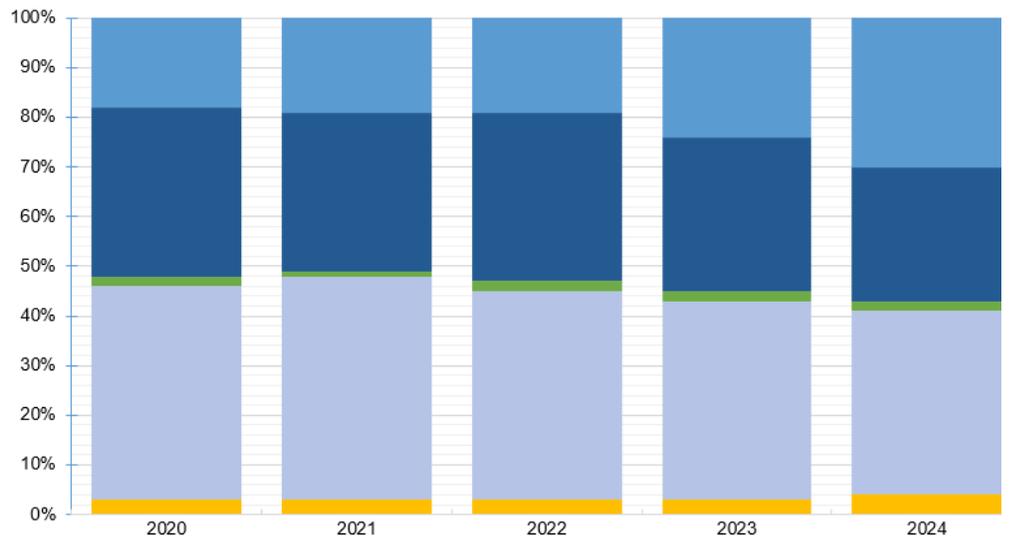
The City of Palm Coast owes \$60 million in revenue bonds, including premiums, used for the purchase and expansion of the utility system. There are State Revolving Fund loans and bank loans totaling \$91 million primarily for utility and stormwater improvements. The City also has a CRA revenue loan for redevelopment costs with a balance of \$3.1 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 \$163.4 million.

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Loans from other governments	\$ -	\$ -	\$ 49,407,584	\$ 38,989,491	\$ 49,407,584	\$ 38,989,491
Loans from financial institutions	3,145,809	3,960,809	41,884,000	46,161,000	45,029,809	50,121,809
Revenue bonds, net	-	-	59,945,000	65,175,000	59,945,000	65,175,000
Net pension liability	1,521,607	1,658,031	-	-	1,521,607	1,658,031
OPEB liability	1,201,029	935,537	3,601	249,646	1,204,630	1,185,183
Compensated absences	3,578,517	3,413,344	2,355,273	2,190,742	5,933,790	5,604,086
Leases payable	-	-	298,393	345,633	298,393	345,633
SBITA	109,106	485,176	-	-	109,106	485,176
TOTAL	\$ 9,556,068	\$ 10,452,897	\$ 153,893,851	\$ 153,111,512	\$ 163,449,919	\$ 163,564,409

FY 2020 - FY 2024

DEBT OUTSTANDING

- Compensated absences
- Other
- Loans from other governments
- Revenue bonds, net
- Loans from financial institutions



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.

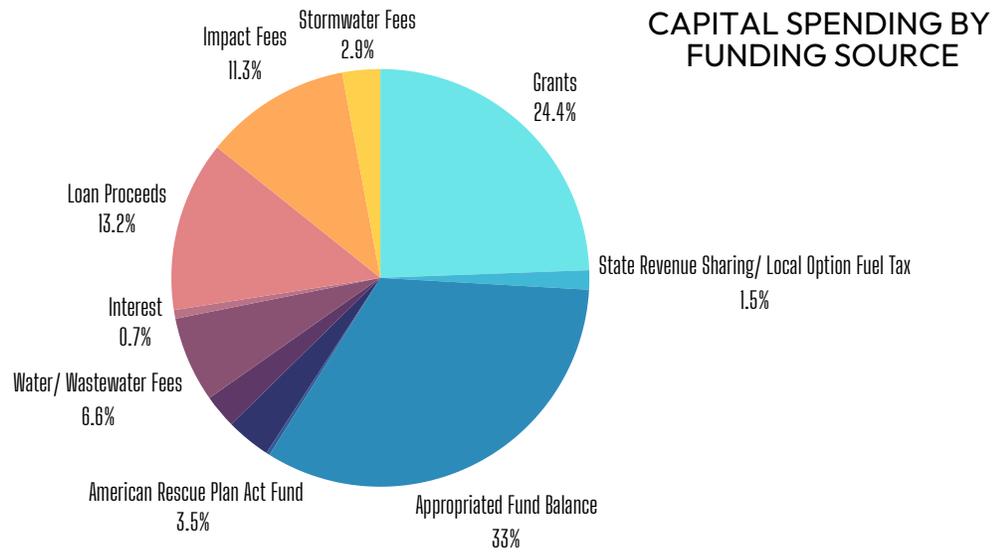
Revenue Bond - A special type of municipal bond distinguished by its guarantee of repayment solely by revenues generated by a specified revenue-generating entity associated with the purpose of the bonds.

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 \$22 million. The available fund balance, as a percentage of next year's budgeted expenditures and transfers out is approximately 37%.



The City Council approved a millage rate of 4.1893 mills for fiscal year 2025. Of the total millage, .0554 mills will be dedicated to the stormwater fund. The balance of 4.1339 mills is assigned to the general fund. Market values of properties have increased for the twelfth consecutive year. The increase in taxable value was approximately 13.66%. New construction added approximately 7.21% to the taxable value, therefore the City had a net 6.45% increase in taxable property value for the year.

The water and sewer rates increased for fiscal year 2025 as a result of a rate study performed in 2018. The water and sewer rates increased by annual C.P.I. adjustment of 3% for all customers effective October 1, 2024. The City is currently undergoing a rate study and results will be presented to Council in 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 as per a rate study completed during the fiscal year. These fees will continue to increase for the next four years.

The fiscal year 2025 budget includes over \$149 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.