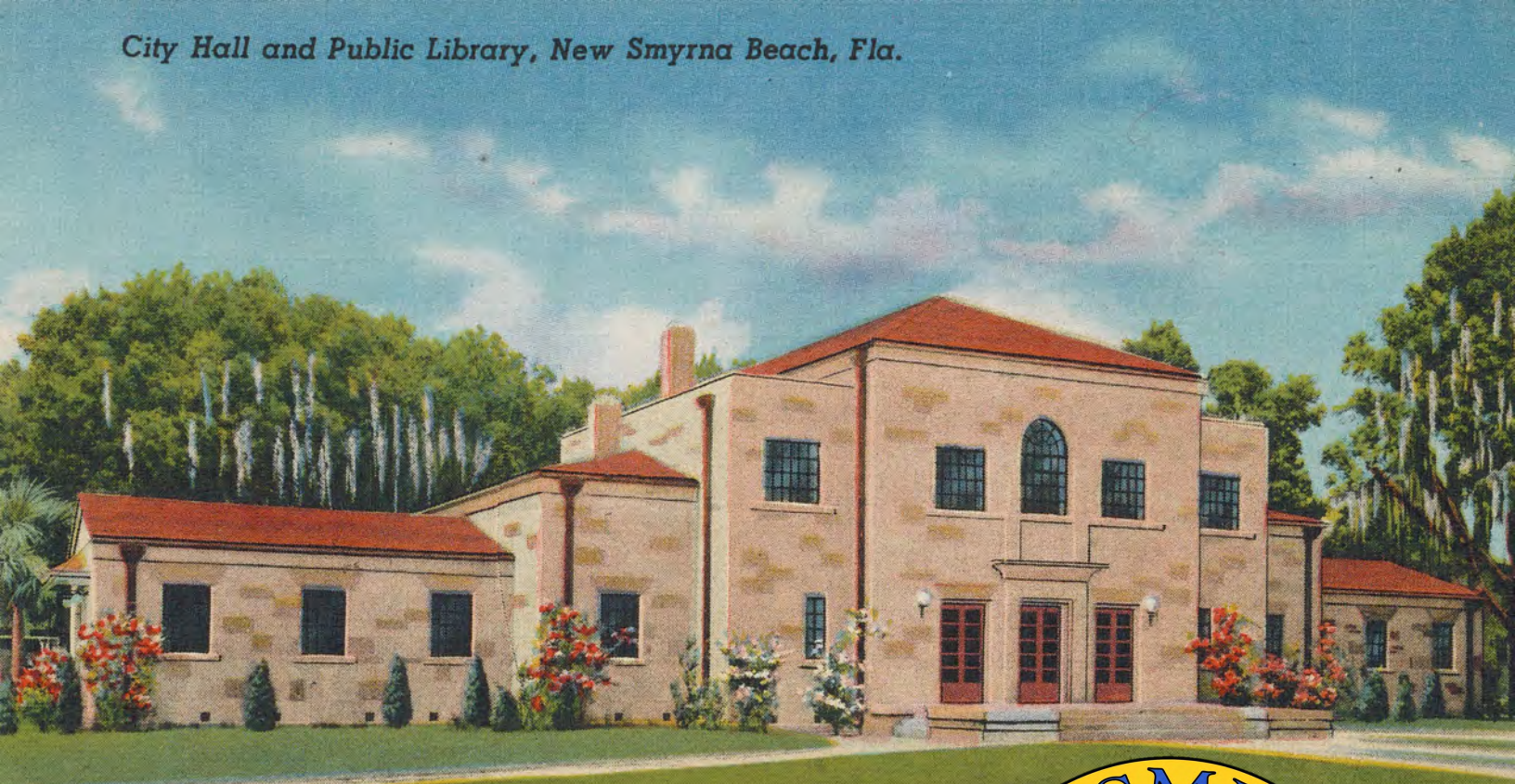
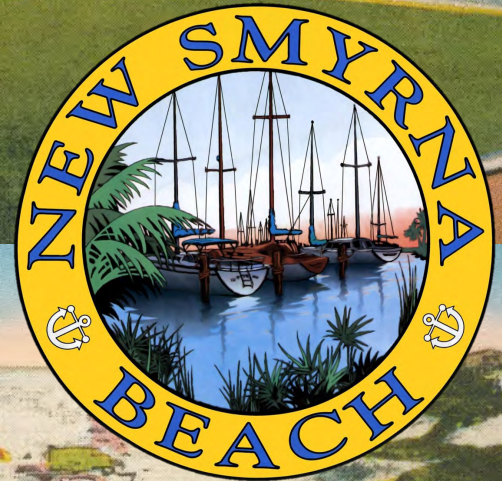


City Hall and Public Library, New Smyrna Beach, Fla.



**Annual Comprehensive Financial Report**  
**Fiscal Year Oct. 1, 2022 - Sept. 30, 2023**

**Looking South on the World's Safest Beach,**  
**New Smyrna Beach, Florida**



NS-3

**CITY OF NEW SMYRNA BEACH, FLORIDA**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2023**

Prepared by:  
The Finance Department

**THIS PAGE LEFT INTENTIONALLY BLANK.**

# Table of Contents

## Introductory Section

City Commission Members and Officials.....	1
Letter of Transmittal .....	2 - 5
Organizational Chart.....	6
Certificate of Achievement for Excellence in Financial Reporting .....	7

## Financial Section

Independent Auditors' Report.....	9 - 11
Management's Discussion and Analysis.....	12 - 27
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position.....	30
Statement of Activities.....	31
Fund Financial Statements	
Balance Sheet—Governmental Funds.....	32
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position.....	33
Statement of Revenues, Expenditures and Changes in Fund Balances—Governmental Funds .....	34
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	35
Statement of Net Position – Proprietary Funds.....	36
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds .....	37
Statement of Cash Flows – Proprietary Funds .....	38
Statement of Fiduciary Net Position – Fiduciary Funds .....	39
Statement of Changes in Fiduciary Net Position – Fiduciary Funds.....	40
Notes to Financial Statements.....	41 - 86
Required Supplementary Information	
Schedule of Changes in Total OPEB Liability and Related Ratios.....	88
Schedule of Changes in Net Pension Liability and Related Ratios – Police Officers' Plan .....	89
Schedule of Changes in Net Pension Liability and Related Ratios – Firefighters' Plan.....	90
Schedule of Contributions – Police Officers' Plan .....	91
Schedule of Contributions – Firefighters' Plan.....	92
Schedule of Proportionate Share of Net Pension Liability – FRS/HIS .....	93
Schedule of Contributions – FRS/HIS .....	94
Notes to Required Supplementary Pension Information.....	95 - 97
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – General Fund .....	98
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – Stormwater Utility Fund .....	99
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – Buildings Inspections Fund .....	100
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – American Rescue Plan Fund.....	101
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – Community Redevelopment Agency, 2015 Fund.....	102
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – Airport Industrial Park Fund.....	103
Notes to Required Supplementary Budget Information.....	104

Combining Nonmajor Governmental Funds Financial Statements and Other Schedules	
Combining Balance Sheet – Nonmajor Governmental Funds .....	106
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds .....	107
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – Special Law Enforcement Trust Fund .....	108
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – Beach Parking Fund.....	109
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – Debt Service Fund .....	110
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – Law Enforcement Capital Fund.....	111
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – Fire and Emergency Services Capital Fund.....	112
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – Parks and Recreation Capital Fund.....	113
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – Transportation Capital Fund.....	114
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – Capital Projects Fund.....	115

**Statistical Section**

Table 1	Net Position by Component – Last Ten Fiscal Years .....	118
Table 2	Changes in Net Position – Last Ten Fiscal Years .....	119 - 120
Table 3	Fund Balances – Governmental Funds – Last Ten Fiscal Years.....	121
Table 4	Changes in Fund Balances – Governmental Funds – Last Ten Fiscal Years .....	122
Table 5	Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years.....	123
Table 6	Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years .....	124
Table 7	Principal Property Taxpayers .....	125
Table 8	Property Tax Levies and Collections – Last Ten Fiscal Years .....	126
Table 9	Ratios of Outstanding Debt by Type – Last Ten Fiscal Years.....	127
Table 10	Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years .....	128
Table 11	Direct and Overlapping Governmental Activities Debt .....	129
Table 12	Legal Debt Margin Information .....	130
Table 13	Pledged Revenue Coverage – Last Ten Fiscal Years.....	131
Table 14	Demographic and Economic Indicators – Last Ten Fiscal Years .....	132
Table 15	Principal Employers .....	133
Table 16	Full-Time Equivalent Government Employees by Function/Program – Last Ten Fiscal Years.....	134
Table 17	Operating Indicators by Function/Program – Last Ten Fiscal Years .....	135
Table 18	Capital Asset Statistics by Function/Program – Last Ten Fiscal Years .....	136

**Other Reports**

Schedule of Expenditures of Federal Awards and State Financial Assistance ..... 137 - 138

Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance ..... 139

Schedule of Findings and Questioned Costs ..... 140 - 141

Independent Auditors’ Report on Compliance for Each Major Federal Program and  
Major State Project and Report on Internal Control over Compliance in Accordance  
with the Uniform Guidance and Chapter 10.550, Rules of the Auditor General ..... 142 - 144

Independent Auditors’ Report on Internal Control over Financial Reporting and On Compliance  
and Other Matters Based on an Audit of Financial Statements in Accordance with  
*Government Auditing Standards* ..... 145 - 146

Independent Auditors’ Management Letter Required by Chapter 10.550,  
Rules of the State of Florida Office of the Auditor General..... 147 - 149

Independent Accountants’ Examination Report ..... 150

Management’s Response to Findings..... 151

Impact Fee Affidavit ..... 152

**THIS PAGE LEFT INTENTIONALLY BLANK.**

**City of New Smyrna Beach, Florida**  
**Annual Comprehensive Financial Report**  
**For the Fiscal Year Ended September 30, 2023**



**City Commission**

Honorable Fred Cleveland, Mayor

Zone 1 – Valli Perrine

Zone 2 – Lisa Martin

Zone 3 – Jason McGuirk

Zone 4 – Randy Hartman, Vice Mayor

**City Manager**

Khalid Resheidat

**City Attorney**

Carrie Avallone

**Finance Director**

Kenneth Abidde



# City of New Smyrna Beach

210 Sams Avenue • New Smyrna Beach, Florida 32168-9985 • 386-410-2600 • Fax 386-424-2109

---

August 13, 2024

Honorable Mayor Cleveland, and  
Members of the City Commission  
City of New Smyrna Beach, Florida

The City Charter and Florida Statutes require that all general-purpose local governments publish a complete set of financial statements presented in accordance with generally accepted accounting principles (GAAP) and be audited in accordance with generally accepted auditing standards (GAAS) by a firm of licensed public accountants. Pursuant to that requirement, we hereby submit the comprehensive annual financial report of the City of New Smyrna Beach, Florida for the fiscal year ended September 30, 2023, as prepared by the City's Finance Department.

## **Management Representations and Internal Controls**

The City's Finance Department is responsible for the content of this financial report and management's representations of the financial activity of the City of New Smyrna Beach. Management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed to both protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with accounting principles generally accepted in the United States of America. Since the cost of implementing these internal controls should not outweigh their benefits, the City's internal controls have been designed to provide reasonable, but not absolute, assurance that the financial statements will be free from material misstatement. To the best of our knowledge we believe that this financial report is complete and, in all respects, free from material misstatement.

## **Independent Audit**

James Moore and Co., P.L., a firm of licensed certified public accountants, has issued an unmodified ("clean") opinion on the financial statements for the fiscal year ended September 30, 2023. Their report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federal- and state-mandated single audit, which is designed to meet the special needs of the federal and stated grantor agencies. The single audit was conducted in accordance with *OMB Compliance Supplement* and Florida Department of Financial Services' *State Projects Compliance Supplement*. There are supplementary reports and a schedule of expenditures of federal awards and state financial assistance relative to a single audit presented in the last section of this report.

This letter of transmittal is designed to complement Management's Discussion and Analysis (MD&A) and should be read in conjunction with it. The City of New Smyrna Beach's MD&A can be found immediately following the report of the independent accountants.

## **Financial Reporting Entity**

The City provides a full range of municipal services including: general government administration, law enforcement, fire protection, community redevelopment, stormwater management, sanitation and solid waste, as well as construction and maintenance of infrastructure, recreational, and other cultural facilities. The City also operates a municipal airport, golf course, and marina.

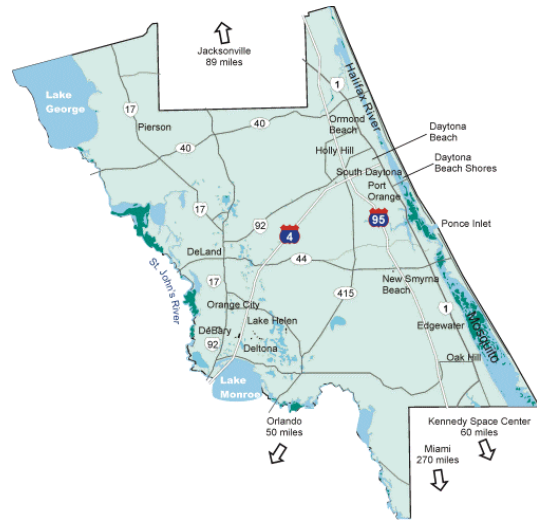
The Utilities Commission, City of New Smyrna Beach, is a legally separate entity and is reported separately as a discretely presented component unit. The financial data of the Housing Authority of New Smyrna Beach is not included in this report as it does not qualify as a component unit. Additional information about these legally separate entities is in Notes (1)(b) and (1)(d) respectively beginning on page 38.

## **City Profile**

New Smyrna Beach is approximately 41.6 square miles in size and serves a population of approximately 31,450. It is located on Florida's east coast, in the County of Volusia, just north of Cape Canaveral with easy access to both Interstate 95 and Interstate 4 and is:

- 15 miles south of Daytona Beach
- 55 miles east of Orlando
- 47 miles north of Kennedy Space Center
- 107 miles south of Jacksonville
- 252 miles north of Miami

The City also boasts an estimated 7 miles of beachfront property and approximately 8 miles of intra-coastal waterway frontage.



The City was created in 1887 by adoption of its first charter, which was replaced through Chapter 224.08, Special Acts of Florida, 1943, and subsequently amended, with the most recent update taking effect January 1, 2021.

The legislative branch of the City is composed of an elected five-member City Commission consisting of the Mayor and four commissioners. The City Commission is governed by the City Charter and by state and local laws and regulations. The City Commission is responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the Commission-appointed City Manager.

## **Economic Condition and Outlook**

New Smyrna Beach prides itself on being a charming historic coastal community with a laid-back attitude. It is recognized as a thriving tourist center and artist community, with many natural preserve areas for fishing and eco-tourism. The white-sand beach area has been internationally recognized for outstanding surfing in magazines including National Geographic and Travel & Leisure, and on websites like SmarterTravel.com. There are also many opportunities to play golf, visit art galleries, and patronize shops and restaurants in two pedestrian friendly historic areas.

The major economic driver for New Smyrna Beach is the tourism/hospitality industry. The City leads the county in retail sales per capita, being both the historic trade center for Southeast Volusia County, as well as being a popular tourist area. Of the top ten employers, the industry sectors represented are:

- Health
- Retail
- Education

- Government
- Utilities

In New Smyrna Beach 83% of the property tax base is residential, one of the highest in the county. Commercial property share is 10% of the property tax base. Volusia County as a whole has seen a decrease in the percentage of residential property on the County-wide tax roll in the last two decades; but as the commercial tax countywide grows, NSB remains dependent on residential growth to fund the annual budget.

For example, \$174 million represents new construction on the FY 2023 NSB tax roll; annexations were \$1.7 million of a total tax roll increase of \$777 million. These changes translate to a 13.9% increase in taxable values. With the lock down of a 10% cap on non-homestead properties, and the 3% permanent cap on homestead properties, new construction and annexations is driving the increases in overall tax roll.

In FY2023 the City continued its partnership with the New Smyrna Beach Housing Authority (NSBHA) to strategically plan and provide more affordable housing units within the city. This program was an initiative into creating innovative housing models that assist NSBHA families in transitioning from poverty to posterity. In FY2022, the City’s Community Redevelopment Agency (CRA) provided local funding support in the amount of \$425,625 toward the construction of a new 80 unit Senior Affordable Housing Development Project called “Greenlawn Manor” in the Historic Westside neighborhood of the CRA district.

Specific economic conditions affecting the City’s financial position are discussed in greater detail in the MD&A in this report.

### **Financial Planning and Budgeting**

The City continued to stress expenditure control in preparing FY2023 budget across all funds. The City’s ad valorem millage rate for FY2023 is 3.9500 mills, which is an increase from last year’s millage rate of 3.7421. The housing market is expected to increase and retain its value. The short to mid-term economic outlook anticipates continued growth focused in residential construction. As homes are built and additional residents move to the City, demand for services will continue to increase.

The City adopts a five-year capital improvement plan that identifies future funding needs to maintain, repair and upgrade capital assets and infrastructure including road resurfacing, water line upgrades and vehicle and technology replacement programs within the funding constraints. It should be noted; however, that the CIP is not a fixed document but a flexible, evolutionary document that may change to reflect changing priorities, opportunities, costs, or different financing approaches.

### **Relevant Financial Policies**

***Budgetary Controls*** The City adopts its annual budget by the end of the previous fiscal year. This annual budget serves as the foundation for the City’s financial planning and control. The budget is prepared by fund, function (i.e., Public safety), and department (i.e., Police). Shifts in appropriations within fund totals may be done administratively on authority of the City manager. Total fund appropriations and use of contingency appropriations must be approved by the City Commission. Original and final budget to actual comparisons are included in this report for each governmental fund.

***Cash Management and Emergency Reserves*** The City administers a cash management and investment program that seeks to maximize, in order of priority, the preservation of funds, liquidity, and interest earnings over its cash and investments. During the fiscal year, the City’s cash resources (excluding pension investments) were primarily held by TD Bank. The City did not invest in any derivatives or similar debt and investment instruments.

For the general fund, the City Commission adopted an emergency reserve policy based upon recommendations of management and Government Finance Officers Association (GFOA) recommended practices. The policy states that general fund unassigned fund balance equal to 25% of the current fiscal year budgeted expenditures less capital outlay and transfers out, will be maintained for emergency purposes and are not otherwise to be appropriated. At the end of fiscal year 2023, unassigned fund balance for the general fund stood at 27.6% of the current year budgeted expenditures.

***Risk Management*** The City contracts for all known risk elements through the purchase of insurance from outside insurance companies. The City maintains commercial insurance coverage in amounts that management feels is adequate to protect and safeguard assets of the City. In the opinion of management and legal counsel, outstanding legal claims are not expected to have a material impact on the financial position of the City.

**Other Information**

***Awards*** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to City of New Smyrna Beach, Florida for its comprehensive annual financial report for the fiscal year ended September 30, 2023. This is the 44<sup>th</sup> consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report meets the requirements for this program and are submitting it to the GFOA to determine its eligibility for another certificate.

***Acknowledgments*** The preparation of the comprehensive annual financial report was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. In closing, we would also like to thank the members of the City Commission for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



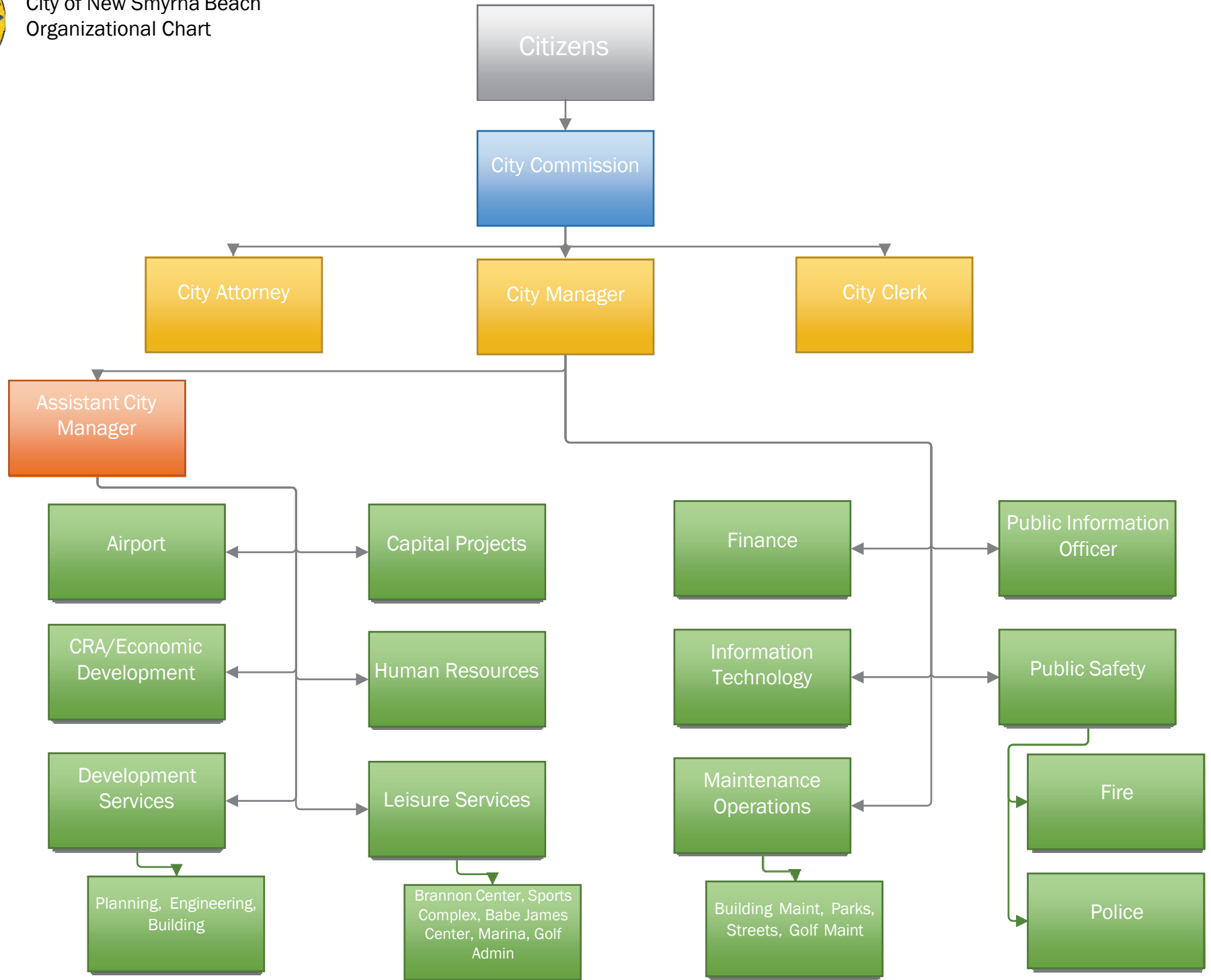
Khalid Resheidat  
City Manager



Ken Abidde  
Finance Director



City of New Smyrna Beach  
Organizational Chart





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of New Smyrna Beach  
Florida**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2022

*Christopher P. Morill*

Executive Director/CEO

**THIS PAGE LEFT INTENTIONALLY BLANK.**

## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor, City Commission, and City Manager,  
City of New Smyrna Beach, 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, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of New Smyrna Beach, Florida (the City), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2023, 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.

We did not audit the financial statements of the Utilities Commission, City of New Smyrna Beach, Florida, which represents 100 percent of the net assets, net position, and revenues of the discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Utilities Commission, City of New Smyrna Beach, Florida, is based solely on the report of the other auditors.

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules and the schedule of expenditures of federal awards and state financial assistance, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and 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.

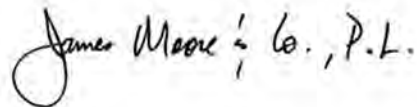
Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 5, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.



Daytona Beach, Florida  
August 5, 2024

## MANAGEMENT'S DISCUSSION AND ANALYSIS

On behalf of the City of New Smyrna Beach, Florida, (hereinafter referred to as the "City"), management presents to the readers of the City's financial statements this narrative overview and analysis of the City's financial activities for the fiscal year ended September 30, 2023. We are providing this discussion and analysis to assist the reader in a better understanding of the City's overall financial position. We encourage readers to weigh this discussion and analysis in conjunction with the additional information in the letter of transmittal beginning page 2, and the City's financial statements beginning on page 30.

### Financial Highlights

- Government-wide the City's assets plus deferred outflows of resources exceeded its liabilities plus deferred inflows of resources at the close of fiscal year 2023 by \$177.5 million, which is an increase in net position of \$9 million, or 5.34%, when compared to September 30, 2022, net position.
- At the close of the current fiscal year, the City's governmental funds reported a combined ending fund balances of \$68.8 million, an increase of \$4.5 million (or 7%) in comparison with the prior year. Approximately 16.8% or \$11.6 million of the total amount is unassigned fund balance and is available for spending at the City's discretion.
- The City's proprietary funds reported a combined ending net position of \$2.5 million, an increase of \$560,470 (or 28.8%) based on current year activities.
- Government-wide capital assets increased in 2023 compared to 2022 by \$6.06 million to a total of \$154.6 million.
- The City's total outstanding long-term debt from bonds, notes, and leases increased by \$1.2 million to a total of \$32.7 million. This is a net result of a new borrowing of \$4.5 million and principal retirement of \$3.3 million.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of New Smyrna's basic financial statements prepared in compliance with the pronouncements of the Governmental Accounting Standards Board. The City's basic financial statements are comprised of three separate components: (1) management's discussion and analysis, (2) the basic financial statements (including government-wide financial statements, fund financial statements, and notes to the financial statements), and (3) required supplementary information, including budgetary comparisons and other selected financial and fiduciary fund data.

*Management's Discussion and Analysis (MD&A)* is intended to serve as an introduction to the basic financial statements and required supplementary information. The MD&A represents management's examination and analysis of the City's financial condition and financial performance as a whole. Summary financial statement data, key financial and operational indicators used in the strategic plan, budget, and other management tools were used for this analysis.

The *basic financial statements* include two types of statements that present different views of the City. The first two statements consist of entity-wide financial statements that provide both the short and long-term financial information about the City's overall financial status, including its governmental activities and its business-type activities. These statements report information about the City using full accrual accounting methods and economic resources focus as utilized by similar business activities in the private sector. Information concerning all of the City's assets and liabilities, both financial and capital, and short-term and

long-term debt are included. Likewise, all revenues and expenses received during the year, regardless of when cash is received or paid, are reported. However, rate-regulated accounting principles applicable to private sector utilities are not used by governmental utilities.

The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide financial statements. The governmental funds' statements tell how general government services like public safety were financed in the short-term as well as what remains for future spending. Proprietary fund statements offer short and long-term financial information about the activities which the government operates like businesses, such as the City's Marina and Solid Waste collection system (sanitation). Fiduciary fund statements provide information about the financial relationships in which the City acts solely as a trustee or agent for the benefit of others (like the retirement plan for the City's employees), to whom the resources in question belong.

### ***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 basic financial statements of the City include a statement of net position and a statement of activities, which are described as follows:

- The *statement of net position* presents information on all of the City's assets, liabilities, and deferred inflows and outflows at the end of its fiscal year, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the City's financial position is improving or deteriorating. Net position increases when revenues exceed expenses. Increases to assets without a corresponding increase to liabilities results in increased net position, which indicates an improved financial condition position.
- The *statement of activities* presents information showing how the government's net position changed during the most recently completed fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes or earned but unused vacation leave).

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*government activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government services, public safety (police, fire and building inspection), highways and streets, airport operations, stormwater management, economic development, and recreation and leisure services. The business-type activities of the City include its sanitation and marina. The government-wide financial statements include not only the City of New Smyrna Beach itself (known as the *primary government*), but also a legally separate electric, water, wastewater, and telecommunications utility (Utilities Commission, City of New Smyrna Beach) for which the City of New Smyrna Beach is financially accountable. Financial information for this *component unit* is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 30 to 31.

### ***Fund Financial Statements***

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

***Governmental funds.*** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. These funds are reported using the modified accrual accounting method, which measures cash and all other financial assets that can be readily converted into cash. Such information is 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 government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations can be found on pages 33 and 35.

The City maintains twelve individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Stormwater Utility Fund (special revenue), the Building Inspection Fund (special revenue), the American Rescue Plan Fund (special revenue), the 2015 Community Redevelopment Agency Fund (special revenue), the Airport Industrial Park Fund (special revenue), and the Capital Projects Fund, all of which are considered to be major funds. Data from other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriations budget for each of its governmental funds in accordance with state statutes. The basic governmental fund financial statements can be found on pages 32 to 35 of this report. Budgetary comparison statements have been provided for each fund to demonstrate compliance with the budget. The General Fund and major special revenue fund budgetary comparison statements are presented as required supplementary information on pages 98 to 104 of this report. Other budgetary comparison schedules are presented as other supplemental information on pages 108 to 115 of this report.

***Proprietary funds.*** The City maintains two types of proprietary funds, Enterprise and Internal Service Fund. Enterprise funds are used to report the same function presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the fiscal activities of the City's Marina and Solid Waste (sanitation) operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for its vehicle fleet maintenance operations.

Based on the fact that services accounted for in the internal service fund are charged back to the appropriate fund/department on services provided, its activities are already included in the financial statements of the governmental and business-type funds. Individual fund data for the internal service fund is provided in the proprietary fund financial statement.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate financial information for both Solid Waste (Sanitation) and Marina operations. Conversely, the internal service fund financial activities are presented separately in the proprietary fund financial statements. The basic proprietary fund financial statements can be found on pages 36 to 38 of this report.

***Fiduciary funds.*** The City is the trustee, or fiduciary, for its public safety employees' pension plans. Fiduciary funds are used to account for resources held for the benefit of parties outside the government and are separately reported in the statements of fiduciary net position and changes in fiduciary net position. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. Rather, the City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The basic fiduciary fund financial statements can be found on pages 39 to 40 of this report.

***Notes to the Financial Statements.*** The financial statements also include notes which provide required disclosures and other information that are essential to a full understanding of material data provided in the statements. The notes present information about the City's significant accounting policies, account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any. The notes to the financial statements can be found on pages 41 to 86 of this report.

***Other Information.*** In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information concerning the City's progress in funding its obligation for other post-employment benefits and to provide certain pension benefits to its employees. Required supplementary information can be found on pages 88 to 94 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 106 to 115.

### **Government-wide Financial Analysis**

Reviewing the changes in assets, liabilities, resources and outlays during the fiscal period allows management to assess the City's current financial position and the results of its operations for FY2023. The following condensed information includes some of the basic data used to measure the City's progress over the last year.

***Assets*** – Government-wide assets increased over the prior year by \$20.2 million for a balance at year-end of \$246.6 million in total assets. This increase was primarily due to a combination of activities that took place in FY2023 which included: an increase in capital assets (less accumulated depreciation) of \$10.5 million, or 20%, and cash and cash equivalents increased by \$6.7 million, or 9.75% as the City drew down on its capital line of credit.

***Liabilities*** – Total government-wide liabilities increased by \$4.2 million, or 6.9%. This change was due to an increase in accounts payable and accrued liabilities.

*Net Position* – As noted previously, net position may serve as a useful indicator of a government's financial position over time. Approximately 73.1% of the City's net position reflects its investment in capital assets (land, equipment, buildings, improvements other than buildings, machinery and equipment and infrastructure), net of related debt. The City uses these capital assets to provide services to its citizens, so consequently 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 be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated to pay for these liabilities.

The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the end of the fiscal year by \$177.5 million. Total net position increased \$9 million from last year. Net position of the City's governmental activities increased by \$8.4 million and totaled \$175 million at the end of the fiscal year. Of this amount, approximately 82.3% is either restricted as to the purpose for which it can be used or is invested in capital assets. Consequently, unrestricted net position, the part of net position that can be used for financial day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, totaled \$31 million at the end of 2023.

In fiscal year 2023, the City's business-type activities experienced an increase in net position of \$560,470 for a total of \$2,503,922 compared to \$1,943,452 total net position in 2022. The increase is the result of improved operating revenues in the Sanitation Fund due to an adopted delta in consumer price index that factored into operating revenue.

Overall, the City of New Smyrna Beach finished its fiscal year 2023 in a good financial position despite various negative factors. During the year, the City faced many challenges along with the rest of our nation such as the aftermath of Hurricanes Ian and Nicole, high inflation, disrupted supply chains, and a shortage of workforce and staying competitive in the job market. Resources were spent very conservatively due to all the above reasons. As a result, the City had to adapt to a new reality and the change in its working conditions very quickly.

Every year Floridians are warned of the dangers of the Hurricane season and are encouraged to have at least 7 days of supplies (such as food, water, medicine) for each member of their household. At the end of fiscal year 2022 and followed into the beginning of fiscal year 2023 the tragedy that was left after Hurricanes' Ian and Nicole were extremely devastating for the residents and the City of New Smyrna Beach. Over one thousand residents reported some level of damage to their homes and businesses. Water levels rose to record breaking heights, and sadly led to the death of one of the City's residents.

In May 2022 the City Commission approved the list of ARPA-funded projects to aid with stormwater issues. Some of the projects include Corbin Park Stormwater master planning, Historic Westside Stormwater master planning, North Beach Stormwater master planning, and an update of citywide stormwater master planning.

However, with the disastrous aftermath of Hurricanes' Ian and Nicole, the City increased funding to new stormwater drainage projects, some of which were grant funded or funded through Stormwater reserves.

Management's Discussion and Analysis  
September 30, 2023  
(Continued)

The following is a summary of net position for the years ended September 30, 2023, and 2022:

<b>The City of New Smyrna Beach, Florida</b>						
<b>Net Position</b>						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	2023	2022	2023	2022	2023	2022
<b>Assets:</b>						
Current and other assets	\$ 88,694,156	\$ 75,143,120	\$ 2,930,727	\$ 2,308,105	\$ 91,624,883	\$ 77,451,225
Capital assets, net	154,633,193	148,571,806	348,668	368,153	154,981,861	148,939,959
<b>Total assets</b>	<b>243,327,349</b>	<b>223,714,926</b>	<b>3,279,395</b>	<b>2,676,258</b>	<b>246,606,744</b>	<b>226,391,184</b>
<b>Deferred Outflows of Resources:</b>						
Deferred outflows related to pension costs	5,943,463	7,321,195	-	-	5,943,463	7,321,195
Deferred outflows- OPEB	199,557	243,513	2,504	3,055	202,061	246,568
Deferred outflows on refunding	200,800	249,684	-	-	200,800	249,684
	<u>6,343,820</u>	<u>7,814,392</u>	<u>2,504</u>	<u>3,055</u>	<u>6,346,324</u>	<u>7,817,447</u>
<b>Total assets and deferred outflow of resources</b>	<b>249,671,169</b>	<b>231,529,318</b>	<b>3,281,899</b>	<b>2,679,313</b>	<b>252,953,068</b>	<b>234,208,631</b>
<b>Liabilities:</b>						
Current liabilities	9,939,654	7,531,547	695,645	650,720	10,635,299	8,182,267
Long-term debt outstanding	32,684,698	31,460,789	36,819	41,563	32,721,517	31,502,352
Other liabilities	21,096,082	20,568,480	36,242	32,451	21,132,324	20,600,931
<b>Total liabilities</b>	<b>63,720,434</b>	<b>59,560,816</b>	<b>768,706</b>	<b>724,734</b>	<b>64,489,140</b>	<b>60,285,550</b>
<b>Deferred Inflows of Resources:</b>						
Deferred inflows related to pension costs	906,021	1,269,903	-	-	906,021	1,269,903
Deferred inflows- OPEB	738,586	886,356	9,271	11,127	747,857	897,483
Deferred inflows- leases	9,278,803	3,182,965	-	-	9,278,803	3,182,965
	<u>10,923,410</u>	<u>5,339,224</u>	<u>9,271</u>	<u>11,127</u>	<u>10,932,681</u>	<u>5,350,351</u>
<b>Net position:</b>						
Net investment in capital assets	130,303,910	124,678,831	311,849	325,788	130,615,759	125,004,619
Restricted	23,856,060	13,165,440	-	-	23,856,060	13,165,440
Unrestricted (deficit)	20,867,355	28,785,007	2,192,073	1,617,664	23,059,428	30,402,671
<b>Total net position</b>	<b><u>\$175,027,325</u></b>	<b><u>\$166,629,278</u></b>	<b><u>\$2,503,922</u></b>	<b><u>\$1,943,452</u></b>	<b><u>\$177,531,247</u></b>	<b><u>\$168,572,730</u></b>

**Changes in Net Position.** While the statement of net position shows a snapshot of the City's financial position at the end of the fiscal year, the statement of changes in net position provides answers as to the nature and source of those changes. During FY2023, the City's combined net position totaled \$177,531,247, which is up \$8.96 million over last year's reported \$168,572,730. The increase is mostly due to the increase in current and other assets and investment in capital assets. City-wide, capital assets increased by \$6.04 million, net of depreciation, when compared to last year's total. Current and other assets increased by \$14.2 million over last year's reported \$77,451,225.

During fiscal year 2023 the City's total revenues decreased by \$1.7 million to a total of \$72,569,661. The decrease is due to a reduction in operating and capital grants since the prior year's ARPA funding was still being used to complete ongoing projects. Approximately 33% of the City's combined activities revenue was derived from property taxes (27% in 2022), and 17% (16% in 2022) of every dollar raised came from another type of tax or franchise fee. Another 34% (30% in 2022) came from fees charged for services and

Management's Discussion and Analysis  
September 30, 2023  
(Continued)

10% (25% in 2022) from grant contributions, while most of the remaining revenue was state and federal financial assistance, and interest and other earnings.

Government-wide operating expenses increased by \$9.5 million or 17.6% during the period.

The following is a summary of changes in net position for the years ended September 30, 2023, and 2022:

<b>The City of New Smyrna Beach, Florida</b>						
<b>Changes in Net Position</b>						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
<b>REVENUES:</b>						
Program revenues:						
Charges for services	\$ 15,310,965	\$ 13,894,659	\$ 9,188,045	\$ 8,036,239	\$ 24,499,010	\$ 21,930,898
Operating grants and contributions	2,583,875	11,535,591	-	32,316	2,583,875	11,567,907
Capital grants and contributions	4,871,145	7,063,723			4,871,145	7,063,723
General revenues:						
Property taxes	23,887,814	20,003,363		-	23,887,814	20,003,363
Other taxes	7,783,789	7,439,916		-	7,783,789	7,439,916
6% payment from the Utilities Commission	4,850,645	4,073,137		-	4,850,645	4,073,137
Intergovernmental revenues	1,797,009	1,510,609		-	1,797,009	1,510,609
Other revenues	2,254,601	380,548	41,773	5,152	2,296,374	385,700
Gain on sale of capital assets	-	316,705		-	-	316,705
<b>Total revenues</b>	<b>63,339,843</b>	<b>66,218,251</b>	<b>9,229,818</b>	<b>8,073,707</b>	<b>72,569,661</b>	<b>73,975,253</b>
<b>EXPENSES:</b>						
General government	9,712,158	7,625,701		-	9,712,158	7,625,701
Public safety	23,538,126	19,947,812		-	23,538,126	19,947,812
Transportation	9,345,438	7,648,292		-	9,345,438	7,648,292
Economic environment	770,466	1,183,635		-	770,466	1,183,635
Physical environment	2,257,802	1,683,751		-	2,257,802	1,683,751
Culture and recreation	7,921,978	6,830,823		-	7,921,978	6,830,823
Buildings & maintenance	490,924	400,849		-	490,924	400,849
Interest on long-term debt	904,904	758,648		-	904,904	758,648
Marina operations	-	-	373,528	333,928	373,528	333,928
Solid waste operations	-	-	8,295,820	7,694,461	8,295,820	7,694,461
<b>Total expenses</b>	<b>54,941,796</b>	<b>46,079,511</b>	<b>8,669,348</b>	<b>8,028,389</b>	<b>63,611,144</b>	<b>54,107,900</b>
Excess (deficiency) before transfers	8,398,047	20,138,740	560,470	45,318	8,958,517	20,184,058
Net transfers - in (out)	-	-	-	-	-	-
<b>Changes in net position</b>	<b>8,398,047</b>	<b>20,138,740</b>	<b>560,470</b>	<b>45,318</b>	<b>8,958,517</b>	<b>20,184,058</b>
<b>NET POSITION:</b>						
Net position-beginning of year	166,629,278	146,490,538	1,943,452	1,898,134	168,572,730	148,388,672
Net position-ending	<u>\$ 175,027,325</u>	<u>\$ 166,629,278</u>	<u>\$ 2,503,922</u>	<u>\$ 1,943,452</u>	<u>\$ 177,531,247</u>	<u>\$ 168,572,730</u>

### Governmental Activities

In 2023, net position for governmental activities improved by \$8,398,047, accounting for 93.7% of the total growth in the City's net position. This is \$11.7 million less than the previous year's total of \$20,138,740. A significant portion of this year's decrease is attributable to the American Rescue Plan Act (ARPA) funding received in prior fiscal year, and the reduction of operating grants and contributions received.

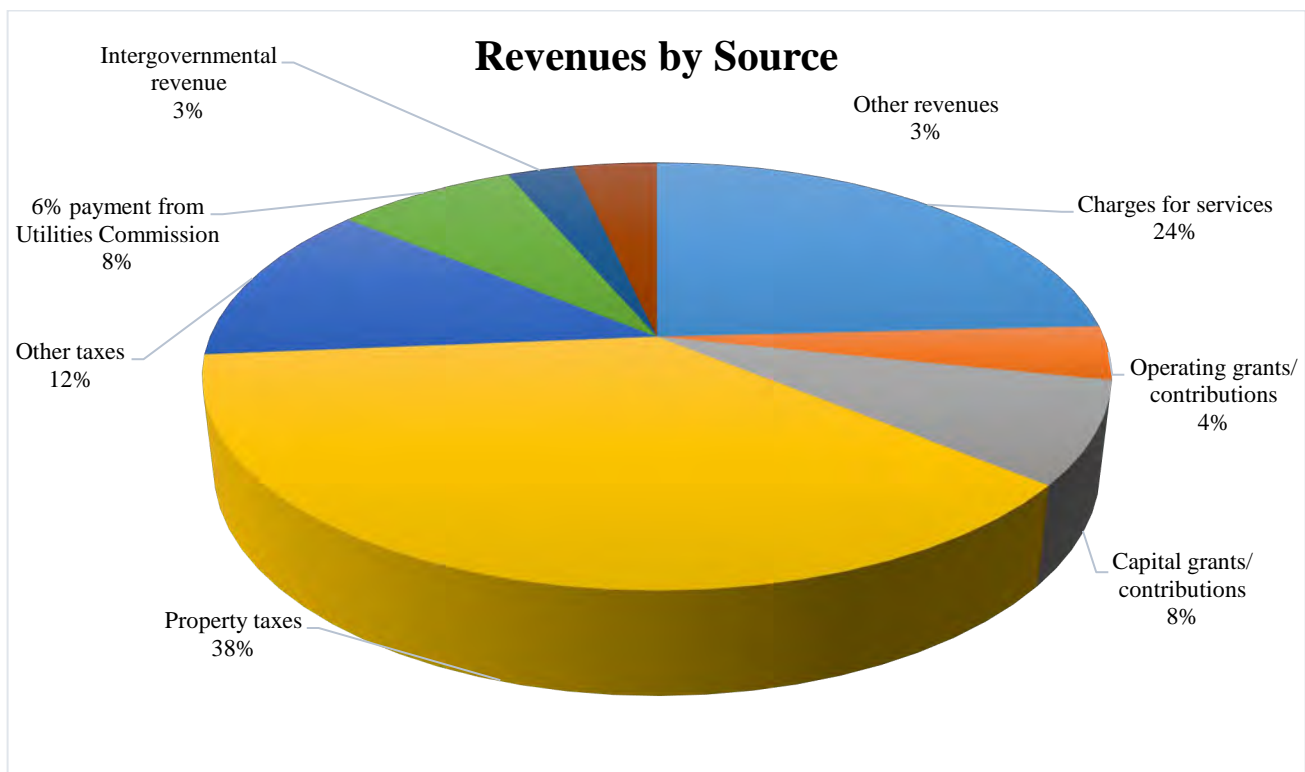
Revenues for governmental activities decreased approximately by \$2.9 million or 4.3% from the previous year. The reason can be attributed to a decrease in capital and operating grants/contribution by \$8.9 and \$2.2 million respectively.

Property tax revenue increased by \$3.9 million or 19.4% from the previous year. This increase in property taxes was primarily due to the increase in property values. The 6% payment from the City's component unit increased by \$777,508 or 19.1%. In comparison to FY2022, sales tax increased by \$145,649 or 7.2%, while public service tax increased by \$133,852 or 2.9%.

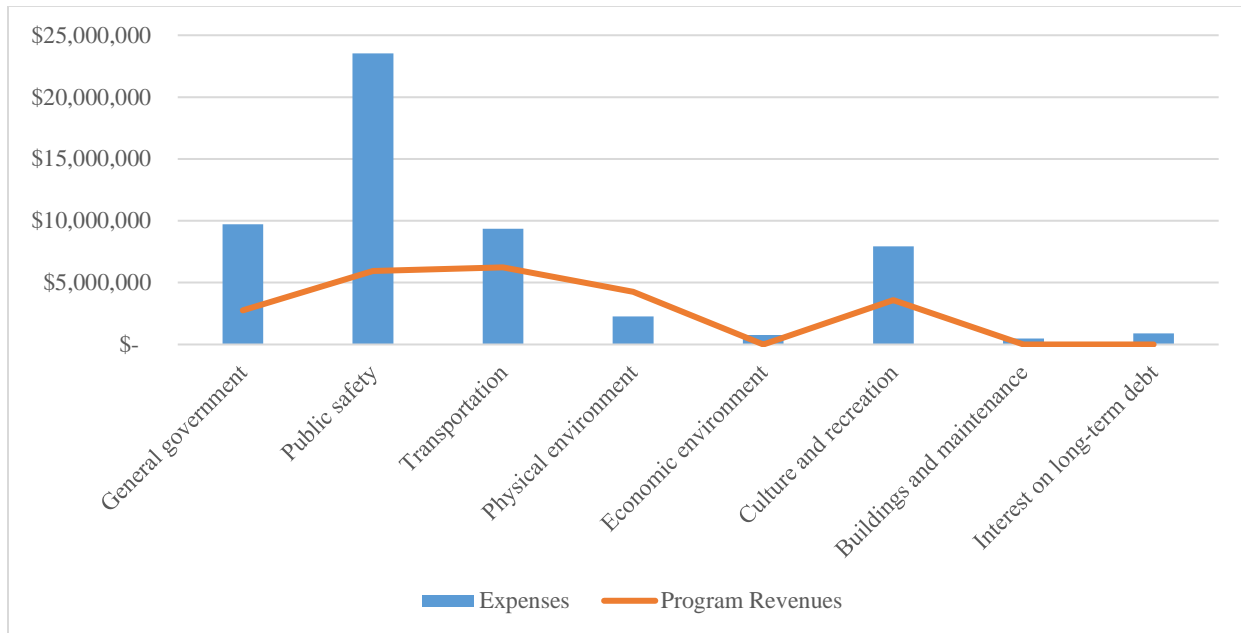
The following is a summary of the City's governmental revenues - by source for fiscal year 2023.

### Revenues by Source - Governmental Activities

An individual comparison of the City's functional program revenues and costs of providing program services to its citizens during fiscal year 2023 is useful in identifying the program, and the extent of which each are dependent on taxes and other non-exchange revenues to subsidize their program operations. They are presented in the following graph:



**Expenses and Program Revenues – Governmental Activities**



Combined governmental activities expenses for fiscal year 2023 totaled \$54,941,796, which represents an increase of \$8.9 million or 19.2% more than last year's expenses of \$46,079,511. The increase in general government (\$2.09 million), public safety (\$3.59 million), transportation (\$1.70 million), culture and recreation (\$1.09M), physical environment (\$574K), building and maintenance (\$90K) and interest on long term debt (\$146K) was supplemented by a decrease in economic environment (\$413K).

An increase in general government is attributable to higher personnel costs as the City implemented the results of the compression study done in 2020. This was the second year of applying these increases to try to maintain competitive salary rates and to abide by the state mandated minimum wage increase.

An increase in public safety can be attributed to an increase in the Police, Fire and Building & Inspection salary, overtime, healthcare, and pension expense. Also, during this year, the City engaged in union negotiations which resulted in higher wages and an agreed to increase in millage for the next two (2) years.

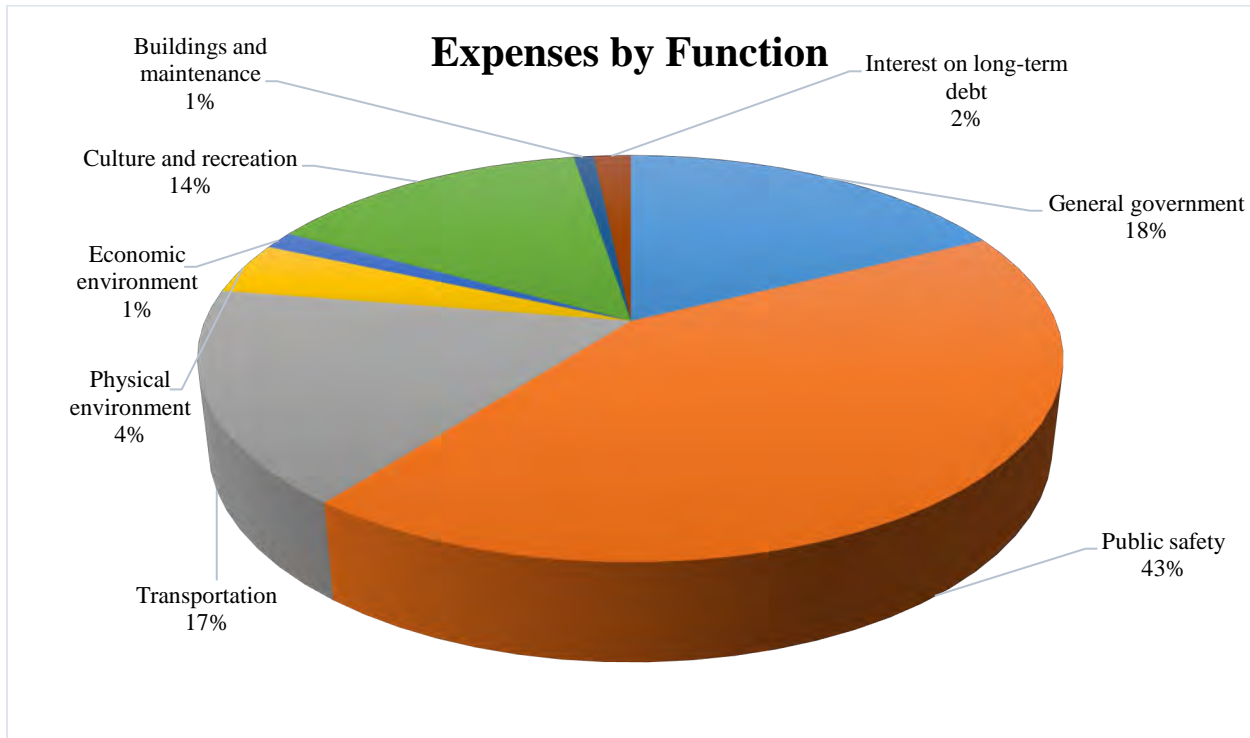
The most notable increases in the transportation program were in the Airport fund aviation fuel and other professional services, Beach Parking overhead operating expense, and the General Fund repair and maintenance of streetlights and sidewalks.

Increase in physical environment was mostly associated with an increase of street maintenance pipelining projects and overhead operating expense.

Increase in culture and recreation is due to higher personnel costs, repair and maintenance of buildings and ballpark fields, and organization of special events in the City.

The following is a summary of the City’s governmental expenses - by function for fiscal year 2023:

**Expenses by Function - Governmental Activities**



**Business-type Activities**

The results of the City’s business-type activities for the current fiscal year were positive in that overall net position increased to an ending balance of \$2,503,922 in FY2023, an increase of \$560,470 when compared to FY2022. Overall, net position from the City’s business-type activities accounts for only 1.41% and 1.15% of the City’s combined total net position on September 30, 2023, and 2022, respectively.

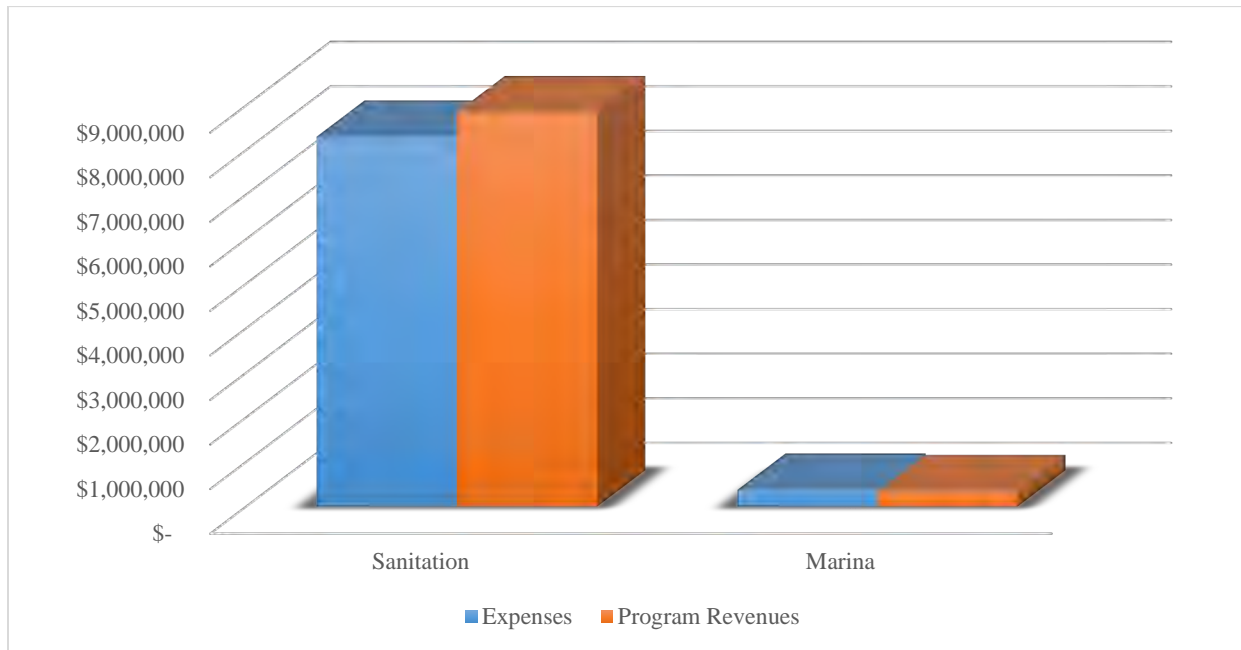
The Sanitation Fund had an operating income of \$551,683; this was an increase of \$555,286 from the prior year’s operating loss of \$3,603. Charges for services increased by \$1.16 million in the Sanitation Fund. While cost of sales and supplies & materials increased by \$544,415 and \$74,478, respectively, personnel services decreased by \$15,676 in comparison to FY2022. Two main categories of cost of sales are contractual services with Waste Pro USA, Inc. (for collection and disposal of residential and commercial solid waste) and landfill charges with Volusia County.

The Marina Fund had an operating loss in the amount of \$32,005, a decrease of \$44,561 from the previous year’s operating income of \$12,556. Charges for services decreased by \$5,164 in the Marina Fund, while personnel services increased by \$27,257 in comparison to FY2022.

The City continues to review the operations of its Enterprise Funds to identify cost savings and revenue-generating opportunities and to continue to increase the strength of its business-type activities operations.

A comparison of the City’s functional program revenues and costs of providing business-type services to its customers in fiscal year 2023 is useful in identifying the capabilities of producing revenues sufficient to operate their programs. They are presented in the following graph:

**Expenses and Program Revenues - Business-type Activities**



Operating expenses of the business-type activities increased in 2023 to \$8,668,367, as compared to \$8,027,286 incurred in 2022.

**Financial Analysis of the City’s Funds**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As the City completed the fiscal year, its governmental funds reported a combined fund balance of \$68,820,103, which was \$4,543,737 or 7.06% more than the \$64,276,366 fund balance from the previous year. Approximately 15.59% of this amount (\$10.73 million) was comprised of unassigned General Fund balance, which is available for spending at the City’s discretion. The remainder of the fund balance at the end of 2023 was restricted, committed, or assigned for specific purposes. Restricted fund balance (totaling \$32.4 million) has legal restrictions from an outside third party and can only legally be spent for the following: community redevelopment (CRA), capital projects, debt service, tree replacement program and public safety.

Committed fund balance is comprised of items which have been pledged for specific purposes by the City Commission. While these amounts are not legally restricted, they have been committed via Resolution or Ordinance by the Commission. Committed fund balance is comprised of items set-aside for stormwater improvements (\$7.1 million), capital projects (\$3.8 million) and parking operations and improvements (\$4.4 million). Assigned fund balance is comprised of items which have been "earmarked" by the City for a particular purpose in the subsequent year's budget.

As of September 30, 2023, the unassigned fund balance in the general fund totaled \$10,726,855, while total fund balance for the General Fund reached \$17,941,227. General fund unassigned fund balance increased \$335,899, or 3.23%, from the 2023 General Fund unassigned fund balance of \$10,390,956.

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. Unassigned and total fund balance at the end of FY2023 represented 23.9% and 40.0%, respectively, of the total General Fund expenditures and transfers out (\$44.9 million).

**Community Redevelopment Agency.** In October 2015, the Volusia County Council approved the 2015 Community Redevelopment Agency (CRA) in the City. The lifespan of this CRA is 20 years and funds can only be spent along the U.S. 1 corridor and in the Historic Westside for the first 10 years. The 2015 CRA is expected to generate \$15 million for capital projects and economic development incentives. Revenues generated in FY2023 include \$1,705,355 in tax revenue and total expenses were \$61,256.

**Stormwater Utility Fund.** The Stormwater Utility Fund is a major special revenue fund that accounts for the maintenance of the City's sewer system. Stormwater utility fees are charged to City residents and collected through the property tax bill as a non-ad-valorem assessment. Each year the fees are adjusted based on the consumer price index, which is not to exceed 3%. In FY2023 the fund balance was \$7,129,325, a decrease of \$415,829 from the prior year. This change was attributable to an increase in capital outlay and operating cost, offset by an increase in intergovernmental revenue.

**Building Inspection Fund.** The Building and Inspection Fund is responsible for processing requests for construction, inspections, and building permits, reviewing, and approving construction plans as well as providing guidance and information to the public regarding contractors and building code requirements. In FY2023, fund balance decreased by \$1,774,814 to a total of \$2,755,206, from \$4,530,020 at the end of FY2022. In January of 2023, during the aftermath of Hurricanes Ian and Nicole, the City Commission voted to impose a six (6) month moratorium on certain residential buildings within flood zones in the City. As a part of this, the City also engaged with an engineering firm to assist the City in re-establishing development regulations that will be able to avoid future calamities.

**Capital Projects Fund.** This fund reflected a total fund balance of \$20,322,174 at the end of FY2023 compared to \$11,235,800 in the prior fiscal year. This was due to \$12,820,561 transfers in made in anticipation of several large-scale projects. The City is in the process of finishing a design phase for some of its projects and starting a constructing phase.

**American Rescue Plan Fund.** This fund was created in FY2021. It was established to provide an additional tracking mechanism for a grant obtained under the American Rescue Plan Act 2021. The City received the total allocated amount of \$13,945,267.

***Airport.*** New Smyrna Beach Municipal Airport's primary objective is to serve the general aviation community with enhanced safety and ensured security. Airport revenues collected through rental and user fees are used to maintain and improve the airport facilities. Major airfield projects are funded in part by the Florida Department of Transportation (FDOT) and the Federal Aviation Administration (FAA). The fund reflected a total fund balance of \$1,879,376 at the end of FY2023 compared to \$1,752,514 in the prior fiscal year. Capital outlay decreased by \$4.0 million in FY2023 compared to FY2022. Airport continues to work on its major projects and the close out of some of those projects.

***Proprietary Funds.*** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Please refer to the government-wide analysis on page 21 for more information on the City's Sanitation and Marina funds.

### **General Fund Budgetary Highlights**

Accurate revenue projection is critical to sound budgeting. The amount of resources available for appropriation is the foundation for any budget and should be the basis for decision-making in the budgeting process. The City Commission would periodically revise the budget throughout the year to recognize projects carried over from the previous year, grant awards received during the year and to adjust budget as it reflected actual circumstances. The General Fund final expenditure budget, including transfers out, increased by approximately \$10.03 million, or 24.58%, from the originally adopted expenditure budget. The most significant amendments made to the budget were as follows: \$5.2 million for costs related to Hurricanes Ian and Nicole, \$2.4 million for the 5th Street Bridge repair project, and transferring funds from the ARPA fund to the various projects that the Commission agreed to use the funding for. Overall, actual General Fund revenues were \$5.1 million more than final budgeted revenues. Some of the major increases include \$961 thousand in franchise fees, \$574 thousand in public service tax, \$1.4 million in FEMA reimbursements for Hurricanes Ian and Nicole, and \$550 thousand in investment income. Actual expenditures were \$5.95 million lower than final budgeted appropriations. Almost all departments' expenditures exhibited positive variances compared to budgeted amounts. In addition, some capital projects were not completed by the end of the fiscal year and will be carried forward for completion in the following fiscal years.

### **Capital Assets and Debt Administration**

***Capital Assets.*** At September 30, 2023, the City's investment in capital assets for its governmental and business-type activities totaled \$154.6 million (net of accumulated depreciation of \$78.2 million). The Capital assets include land, building, improvements other than buildings, machinery and equipment, infrastructure, and right-to-use land. This investment in capital assets, net of depreciation, for all activities is reflected in the following comparative schedule:

Management's Discussion and Analysis  
September 30, 2023  
(Continued)

The City of New Smyrna Beach, Florida  
Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Land and improvements	\$ 42,872,113	\$ 42,722,497	\$ -	\$ -	\$ 42,872,113	\$ 42,722,497
Construction in progress	20,221,726	9,832,267	71,882	65,387	20,293,608	9,897,654
Buildings	54,886,010	54,728,418	-	-	54,886,010	54,728,418
Improvements other than buildings	31,390,830	31,374,435	-	-	31,390,830	31,374,435
Machinery and equipment	22,226,112	19,321,545	65,454	43,382	22,291,566	19,364,927
Infrastructure	61,147,458	61,147,458	288,323	288,323	61,435,781	61,435,781
Right-to-use equipment	136,426	2,135,754	-	-	136,426	2,135,754
Right-to-use land	-	-	47,079	47,079	47,079	47,079
Accumulated depreciation	(78,247,482)	(72,690,568)	(124,070)	(76,018)	(78,371,552)	(72,766,586)
Total capital assets, net of accumulated depreciation	<u>\$ 154,633,193</u>	<u>\$ 148,571,806</u>	<u>\$ 348,668</u>	<u>\$ 368,153</u>	<u>\$ 154,981,861</u>	<u>\$ 148,939,959</u>

This year's major additions to capital assets are as follows:

	<u>Amount</u>
<b>General Government:</b>	
Buena Vista Pier – in progress	\$ 26,014
<b>Culture and Recreation:</b>	
Old Fort Wall	340,107
Women's Club renovations	315,426
Corbin Park – in progress	178,718
Sports Complex Resurfacing	500,000
<b>Physical Environment:</b>	
Historic Westside stormwater master plan – in progress	73,473
<b>Transportation:</b>	
Airport Projects – in progress	553,600
5th Street Bridge – in progress	280,953
US 1 & SR 44 Median Landscaping – in progress	834,019
Traffic signal warrant analysis	239,657
<b>Items completed from construction in progress and placed in service include:</b>	
Nothing significant in FY2023	-
<b>Significant additions</b>	<u>\$ 3,341,967</u>

Additional information on the City's capital assets can be found in Note (7) to the financial statements.

**Leases.** The City is a lessee in two lease agreements. A right-to-use asset was added to the City's capital assets for each of the assets which are included as right-to-use leased equipment in governmental activities and right-to-use leased land in business-type activities. At the end of FY2023, the total net value of the right-to-use assets was \$88,493 in governmental activities and \$36,991 in business-type activities. The City is a lessor in seven lease agreements involving land, buildings, and airport facilities. The total lease receivables and deferred inflows on leases upon implementation on October 1, 2021, were \$115,149 in the General Fund and \$9,163,654 in the Airport Fund. More detailed information about the City's leases is presented in Note (9) to the financial statements.

**Long-term Debt.** At year end, the City had \$32.6 million in notes and financed purchases, all of which are secured solely by specified revenue sources. More detailed information about the City's long-term debt is presented in Note (9) to the financial statements.

The City has an outstanding refunding general obligation note in the amount of \$1.15 million and an outstanding capital improvement refunding revenue note of \$2.98 million. The proceeds of the notes were used to finance the construction of a police station, three fire stations, an emergency operations center, and certain public sidewalks and to provide financing resources for several capital project programs. These notes are payable from all of the City's general revenues with the exception of its ad valorem tax revenue and are payable in varying amounts through 2029.

The City has two promissory note obligations payable to the State of Florida, Department of Environmental Protection State Revolving Fund Loan Program totaling \$126,114 at year-end. The proceeds of these loans were used to finance the construction of needed stormwater drainage improvements. These notes were secured by the City's stormwater utility revenues and are payable in varying amounts through 2028.

In March 2017, the City authorized the issuance of a \$5 million note, to finance the Islesboro Subdivision stormwater improvements. The note was secured by a lien and pledged of stormwater revenues and is payable through 2027.

In May 2018, the City issued a capital improvement revenue and refunding note, Series 2018, in the amount of \$10 million to refund the City's outstanding Capital improvement Note 2013.

In August 2019, the City issued a \$9.5 million general obligation note to finance a Turnbull land purchase, an environmentally sensitive land.

In May 2021, the City authorized a \$14 million capital improvement loan in the form of a non-revolving draw-down loan to provide financing to certain transportation and other capital improvement projects of the City.

In September 2016, the City financed the purchase of one fire truck and two fire engines in the amount of \$2 million.

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

Many factors are considered each year by the City Commission in its efforts to establish an operating budget, to evaluate its personnel needs, and to develop uniform user fees that are reasonable, and more importantly, capable of cost recovery. Some of the major factors considered in this process are the local economy, civilian labor force, unemployment rates, and inflation rates.

- Local Governments (cities, counties, and school boards) primarily rely on property and a limited array of other permitted taxes (sales, gas, utilities services, etc.) and fees (franchise, business taxes, etc.) for their governmental activities. There are a limited number of state-shared revenues and recurring and non-recurring (one-time) grants from both the state and federal governments. For the business-type and certain governmental activities (permitting, recreational programs, etc.) the user pays a related fee associated with the services.

- The most recent estimates available for unemployment data in Volusia County, Florida are compiled by the Florida Agency for Workforce Innovation on the Florida Research and Economic Database (FRED). This agency estimates a countywide unemployment rate of 3.3% at the end of September 2023, which is a slight increase above the 2.8% rate experienced one year earlier.
- Total taxable assessed property values for 2023 (revenues to be collected during fiscal year 2024) saw an increase of 13.9%. Total property tax values increased to \$6.4 billion, up from \$5.6 billion. For the budget year fiscal year 2024, the City Commission voted to adopt an operating millage rate of 4.4150. This is an increase from operating millage rate of 3.9500.

### **Requests for Information**

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Questions concerning any of the information provided in this report, or requests for additional information should be addressed to the Office of the Finance Director, City of New Smyrna Beach, 210 Sams Avenue, New Smyrna Beach, Florida 32168-9985.

**THIS PAGE LEFT INTENTIONALLY BLANK.**

**BASIC FINANCIAL STATEMENTS**

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2023**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Utilities Commission
<b>ASSETS</b>				
Equity in pooled cash and investments	\$ 73,995,958	\$ 1,454,728	\$ 75,450,686	\$ 21,976,384
Receivables, net	958,611	1,340	959,951	11,901,354
Leases receivable	9,429,710	-	9,429,710	646,273
Due from other governments	2,812,719	-	2,812,719	501,109
Due from primary government	-	-	-	419,276
Due from component unit	825,369	1,472,042	2,297,411	-
Inventories	239,142	-	239,142	3,975,122
Prepays	432,647	2,617	435,264	618,933
Restricted assets:				
Equity in pooled cash and investments	-	-	-	38,168,764
Capital assets:				
Capital assets, not being depreciated	63,093,839	71,882	63,165,721	82,875,328
Other capital assets, net of depreciation	91,539,354	276,786	91,816,140	159,860,352
Total assets	<u>243,327,349</u>	<u>3,279,395</u>	<u>246,606,744</u>	<u>320,942,895</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pensions	5,943,463	-	5,943,463	249,998
Deferred outflows related to OPEB	199,557	2,504	202,061	71,062
Deferred amounts on bond refunding	200,800	-	200,800	53,531
Total deferred outflows	<u>6,343,820</u>	<u>2,504</u>	<u>6,346,324</u>	<u>374,591</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	4,005,268	674,016	4,679,284	9,086,857
Due to primary government	-	-	-	2,297,411
Due to component unit	419,276	-	419,276	-
Unearned revenue	3,913,487	-	3,913,487	-
Deposits	728,285	20,919	749,204	3,768,015
Payable from restricted assets:				
Accounts payable	474,444	-	474,444	-
Accrued interest payable	398,894	710	399,604	1,291,062
Noncurrent liabilities:				
Due within one year:				
Bonds and notes payable	12,559,981	-	12,559,981	1,600,000
Financed purchases	207,090	-	207,090	-
Leases liability	45,131	4,867	49,998	27,642
Subscription arrangements liability	-	-	-	175,456
Compensated absences	357,913	3,135	361,048	628,778
Due in more than one year:				
Bonds and notes payable	19,400,490	-	19,400,490	72,148,236
Financed purchases	424,940	-	424,940	-
Leases liability	47,066	31,952	79,018	54,925
Subscription arrangements liability	-	-	-	127,755
Compensated absences	1,703,528	10,892	1,714,420	628,778
Total OPEB liability	1,769,825	22,215	1,792,040	715,262
Net pension liability	17,264,816	-	17,264,816	1,352,874
Total liabilities	<u>63,720,434</u>	<u>768,706</u>	<u>64,489,140</u>	<u>93,903,051</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to pensions	906,021	-	906,021	804,772
Deferred inflows related to OPEB	738,586	9,271	747,857	124,579
Deferred inflows related to leases	9,278,803	-	9,278,803	631,239
Total deferred inflows of resources	<u>10,923,410</u>	<u>9,271</u>	<u>10,932,681</u>	<u>1,560,590</u>
<b>NET POSITION</b>				
Net investment in capital assets	130,303,910	311,849	130,615,759	182,814,709
Restricted for:				
Public safety	2,921,930	-	2,921,930	-
Community redevelopment	4,090,128	-	4,090,128	-
Tree replacement	120,304	-	120,304	-
Debt service	3,073,088	-	3,073,088	1,600,000
Capital projects	13,650,610	-	13,650,610	-
Renewal and replacement	-	-	-	17,350,520
Other purposes	-	-	-	-
Unrestricted	20,867,355	2,192,073	23,059,428	24,088,616
Total net position	<u>\$ 175,027,325</u>	<u>\$ 2,503,922</u>	<u>\$ 177,531,247</u>	<u>\$ 225,853,845</u>

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

**CITY OF NEW SMYRNA BEACH, FLORIDA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Functions/Programs	Expenses	Program Revenues			Primary Government Net (Expense) Revenue and Changes in Net Position			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Utilities
								Commission
<b>Primary Government:</b>								
Governmental activities:								
General government	\$ 9,712,158	\$ 927,755	\$ 30,011	\$ 1,789,605	\$ (6,964,787)	\$ -	\$ (6,964,787)	\$ -
Public safety	23,538,126	5,439,372	146,216	355,253	(17,597,285)	-	(17,597,285)	-
Transportation	9,345,438	3,722,801	1,318,958	1,192,788	(3,110,891)	-	(3,110,891)	-
Physical environment	2,257,802	2,703,060	1,088,690	465,496	1,999,444	-	1,999,444	-
Economic environment	770,466	-	-	-	(770,466)	-	(770,466)	-
Culture and recreation	7,921,978	2,517,977	-	1,068,003	(4,335,998)	-	(4,335,998)	-
Buildings and maintenance	490,924	-	-	-	(490,924)	-	(490,924)	-
Interest on long-term debt	904,904	-	-	-	(904,904)	-	(904,904)	-
Total governmental activities	<u>54,941,796</u>	<u>15,310,965</u>	<u>2,583,875</u>	<u>4,871,145</u>	<u>(32,175,811)</u>	<u>-</u>	<u>(32,175,811)</u>	<u>-</u>
Business-type activities:								
Sanitation	8,295,820	8,847,503	-	-	-	551,683	551,683	-
City Marina	373,528	340,542	-	-	-	(32,986)	(32,986)	-
Total business-type activities	<u>8,669,348</u>	<u>9,188,045</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>518,697</u>	<u>518,697</u>	<u>-</u>
Total primary government	<u>\$ 63,611,144</u>	<u>\$ 24,499,010</u>	<u>\$ 2,583,875</u>	<u>\$ 4,871,145</u>	<u>(32,175,811)</u>	<u>518,697</u>	<u>(31,657,114)</u>	<u>-</u>
<b>Component Unit:</b>								
Utilities Commission	<u>\$ 75,950,031</u>	<u>\$ 75,291,043</u>	<u>\$ -</u>	<u>\$ 6,491,387</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,832,399</u>
General revenues:								
Property taxes					23,887,814	-	23,887,814	-
Sales taxes					2,162,931	-	2,162,931	-
Public service taxes					4,704,224	-	4,704,224	-
Intergovernmental revenues not restricted to specific programs					1,797,009	-	1,797,009	-
Franchise fees					916,634	-	916,634	-
Required payment from component unit					4,850,645	-	4,850,645	-
Investment earnings					2,190,683	41,773	2,232,456	1,726,066
Miscellaneous revenues					63,918	-	63,918	1,403,045
Total general revenues					<u>40,573,858</u>	<u>41,773</u>	<u>40,615,631</u>	<u>3,129,111</u>
Change in net position					8,398,047	560,470	8,958,517	8,961,510
Net position - beginning of year					166,629,278	1,943,452	168,572,730	216,892,335
Net position - ending of year					<u>\$ 175,027,325</u>	<u>\$ 2,503,922</u>	<u>\$ 177,531,247</u>	<u>\$ 225,853,845</u>

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

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2023**

	General Fund	Stormwater Utility	Buildings Inspection	American Rescue Plan	Community Redevelopment Agency, 2015	Airport Industrial Park	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>									
Equity in pooled cash	\$ 17,251,445	\$ 7,276,417	\$ 2,814,970	\$ 1,087,686	\$ 4,140,128	\$ 1,745,397	\$ 21,569,555	\$ 17,319,790	\$ 73,205,388
Receivables, net	766,978	223	62,139	-	-	66,446	-	37,010	932,796
Leases receivable	119,720	-	-	-	-	9,309,990	-	-	9,429,710
Due from component unit	825,369	-	-	-	-	-	-	-	825,369
Due from other governments	1,148,749	613,778	-	-	-	99,972	949,188	1,032	2,812,719
Inventories	64,831	-	-	-	-	77,089	-	-	141,920
Prepaid items	399,684	-	22,468	-	-	10,495	-	-	432,647
Total assets	<u>\$ 20,576,776</u>	<u>\$ 7,890,418</u>	<u>\$ 2,899,577</u>	<u>\$ 1,087,686</u>	<u>\$ 4,140,128</u>	<u>\$ 11,309,389</u>	<u>\$ 22,518,743</u>	<u>\$ 17,357,832</u>	<u>\$ 87,780,549</u>
<b>LIABILITIES</b>									
Accounts payable and accrued liabilities	\$ 1,254,432	\$ 374,753	\$ 144,371	\$ -	\$ 50,000	\$ 187,685	\$ 2,196,569	\$ 183,990	\$ 4,391,800
Customer deposits	263,271	386,340	-	-	-	78,674	-	-	728,285
Unearned revenue	355,658	-	-	3,557,829	-	-	-	-	3,913,487
Due to other funds	1,747	-	-	-	-	-	-	-	1,747
Due to component unit	419,276	-	-	-	-	-	-	-	419,276
Total liabilities	<u>2,294,384</u>	<u>761,093</u>	<u>144,371</u>	<u>3,557,829</u>	<u>50,000</u>	<u>266,359</u>	<u>2,196,569</u>	<u>183,990</u>	<u>9,454,595</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Unavailable revenue - taxes	11,735	-	-	-	-	-	-	1,032	12,767
Unavailable revenue - special assessments	214,281	-	-	-	-	-	-	-	214,281
Deferred inflows related to leases	115,149	-	-	-	-	9,163,654	-	-	9,278,803
Total deferred inflows of resources	<u>341,165</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,163,654</u>	<u>-</u>	<u>1,032</u>	<u>9,505,851</u>
<b>FUND BALANCES</b>									
Nonspendable:									
Inventories and prepaid items	464,515	-	22,468	-	-	87,584	-	-	574,567
Restricted for:									
Public safety	3,436	-	2,732,738	-	-	-	-	163,288	2,899,462
Debt service	-	-	-	-	-	-	-	3,967,042	3,967,042
Capital projects	-	-	-	-	-	-	12,673,025	8,637,140	21,310,165
Community redevelopment	-	-	-	-	4,090,128	-	-	-	4,090,128
Tree replacement	120,304	-	-	-	-	-	-	-	120,304
Committed to:									
Capital projects	-	-	-	-	-	-	3,775,163	-	3,775,163
Systems maintenance and improvements	-	7,129,325	-	-	-	-	-	-	7,129,325
Parking	-	-	-	-	-	-	-	4,405,340	4,405,340
Assigned to:									
General government	1,250,320	-	-	-	-	-	-	-	1,250,320
Capital projects	-	-	-	-	-	-	3,873,986	-	3,873,986
Airport park maintenance and improvements	-	-	-	-	-	1,791,792	-	-	1,791,792
Litigation	150,000	-	-	-	-	-	-	-	150,000
Culture and recreation	87,814	-	-	-	-	-	-	-	87,814
Subsequent year's budget	5,137,983	-	-	-	-	-	-	-	5,137,983
Unassigned	10,726,855	-	-	(2,470,143)	-	-	-	-	8,256,712
Total fund balances (deficit)	<u>17,941,227</u>	<u>7,129,325</u>	<u>2,755,206</u>	<u>(2,470,143)</u>	<u>4,090,128</u>	<u>1,879,376</u>	<u>20,322,174</u>	<u>17,172,810</u>	<u>68,820,103</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 20,576,776</u>	<u>\$ 7,890,418</u>	<u>\$ 2,899,577</u>	<u>\$ 1,087,686</u>	<u>\$ 4,140,128</u>	<u>\$ 11,309,389</u>	<u>\$ 22,518,743</u>	<u>\$ 17,357,832</u>	<u>\$ 87,780,549</u>

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

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2023**

**Fund balances - total governmental funds** \$ 68,820,103

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Total governmental capital assets	232,130,418	
Less: accumulated depreciation	<u>(77,685,120)</u>	154,445,298

On the governmental fund statements, a net pension liability is not recorded until an amount is due and payable and the pension plan's fiduciary net position is not sufficient for payment of those benefits (no such liability exists at the end of the current fiscal year). On the statement of net position, the City's net pension liability of the defined benefit pension plans is reported as a noncurrent liability. Additionally, deferred outflows and deferred inflows related to pensions are also reported.

Net pension liability	(17,264,816)	
Deferred outflows related to pensions	5,943,463	
Deferred inflows related to pensions	<u>(906,021)</u>	(12,227,374)

On the governmental fund statements, a total OPEB liability is not recorded unless an amount is due and payable (no such liability exists at the end of the current fiscal year). On the statement of net position, the City's total OPEB liability is reported as a noncurrent liability. Additionally, deferred outflows and deferred inflows related to OPEB are also reported.

Total OPEB liability	(1,740,205)	
Deferred outflows related to OPEB	196,217	
Deferred inflows related to OPEB	<u>(726,225)</u>	(2,270,213)

Internal service funds are used by management to charge the costs of data processing, insurance, fleet lease and maintenance, building maintenance, and internal loans to individual funds. These assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.

955,372

Because some property taxes and special assessments revenues will not be collected for several months after the close of the City's fiscal year end, they are not considered as "available" revenues in the governmental funds, and therefore, reported as deferred inflows of unavailable revenues. In the statement of net position, which is presented on an accrual basis, no deferral is reported since the revenue is fully recognized in the statement of activities.

Unavailable revenue - taxes	12,767	
Unavailable revenue - special assessments	<u>214,281</u>	227,048

Long-term liabilities, including bonds and notes payable and leases, are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities, deferred outflows, and other debt-related deferred charges consist of the following:

Bonds and notes payable	(31,960,471)	
Financed purchases	(632,030)	
Leases payable	(92,197)	
Accrued interest payable	(398,894)	
Deferred amounts on refunding	200,800	
Compensated absences	<u>(2,040,117)</u>	(34,922,909)

**Net position of governmental activities** \$ 175,027,325

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

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	General Fund	Stormwater Utility	Building Inspections	American Rescue Plan	Community Redevelopment Agency, 2015	Airport Industrial Park	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>									
Taxes	\$ 26,469,170	\$ -	\$ -	\$ -	\$ 1,705,355	\$ -	\$ 359,480	\$ 1,785,649	\$ 30,319,654
Licenses and fees	6,134,948	-	2,556,153	-	-	-	-	1,283,726	9,974,827
Intergovernmental	5,669,963	1,088,690	-	252,191	92,234	478,367	914,740	-	8,496,185
Charges for services	6,437,838	2,701,830	-	-	-	3,717,833	-	1,383,965	14,241,466
Fines and forfeitures	589,900	-	-	-	-	-	-	12,709	602,609
Investment income (loss)	549,881	224,479	106,006	157,257	89,707	164,640	491,801	395,954	2,179,725
Miscellaneous	498,073	-	(250)	-	-	7,776	-	-	505,599
<b>Total revenues</b>	<b>46,349,773</b>	<b>4,014,999</b>	<b>2,661,909</b>	<b>409,448</b>	<b>1,887,296</b>	<b>4,368,616</b>	<b>1,766,021</b>	<b>4,862,003</b>	<b>66,320,065</b>
<b>Expenditures</b>									
Current:									
General government	12,085,946	-	-	-	-	-	-	-	12,085,946
Public safety	16,436,110	-	4,283,576	-	-	-	-	37,284	20,756,970
Transportation	1,678,590	-	-	-	-	3,565,805	1,513,742	842,978	7,601,115
Physical environment	-	1,471,585	-	-	-	-	-	-	1,471,585
Economic environment	-	-	-	-	61,256	-	-	-	61,256
Culture and recreation	6,834,591	-	-	-	-	-	-	-	6,834,591
Buildings and maintenance	468,724	-	-	-	-	-	-	-	468,724
Capital outlay	4,265,783	2,763,579	67,526	-	-	678,229	3,986,466	662,297	12,423,880
Debt service:									
Principal	247,814	-	-	-	-	-	-	3,028,277	3,276,091
Interest and fiscal charges	17,540	-	-	-	-	-	-	722,592	740,132
<b>Total expenditures</b>	<b>42,035,098</b>	<b>4,235,164</b>	<b>4,351,102</b>	<b>-</b>	<b>61,256</b>	<b>4,244,034</b>	<b>5,500,208</b>	<b>5,293,428</b>	<b>65,720,290</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>4,314,675</b>	<b>(220,165)</b>	<b>(1,689,193)</b>	<b>409,448</b>	<b>1,826,040</b>	<b>124,582</b>	<b>(3,734,187)</b>	<b>(431,425)</b>	<b>599,775</b>
<b>Other financing sources (uses)</b>									
Transfers in	-	500,000	-	-	-	-	12,820,561	1,916,077	15,236,638
Transfers out	(2,864,844)	(696,894)	(85,621)	(10,727,879)	-	-	-	(1,611,400)	(15,986,638)
Insurance recoveries	190,452	1,230	-	-	-	2,280	-	-	193,962
Line of credit issued	-	-	-	-	-	-	-	4,500,000	4,500,000
<b>Total other financing sources (uses)</b>	<b>(2,674,392)</b>	<b>(195,664)</b>	<b>(85,621)</b>	<b>(10,727,879)</b>	<b>-</b>	<b>2,280</b>	<b>12,820,561</b>	<b>4,804,677</b>	<b>3,943,962</b>
<b>Net change in fund balances</b>	<b>1,640,283</b>	<b>(415,829)</b>	<b>(1,774,814)</b>	<b>(10,318,431)</b>	<b>1,826,040</b>	<b>126,862</b>	<b>9,086,374</b>	<b>4,373,252</b>	<b>4,543,737</b>
Fund balances, beginning of year	16,300,944	7,545,154	4,530,020	7,848,288	2,264,088	1,752,514	11,235,800	12,799,558	64,276,366
<b>Fund balances (deficits), end of year</b>	<b>\$ 17,941,227</b>	<b>\$ 7,129,325</b>	<b>\$ 2,755,206</b>	<b>\$ (2,470,143)</b>	<b>\$ 4,090,128</b>	<b>\$ 1,879,376</b>	<b>\$ 20,322,174</b>	<b>\$ 17,172,810</b>	<b>\$ 68,820,103</b>

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

**CITY OF NEW SMYRNA BEACH, FLORIDA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**Net change in fund balances - total governmental funds** \$ 4,543,737

Differences in amounts reported for governmental activities in the statement of activities are:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.

Capital outlay expenditures	12,440,576
Depreciation expense	(6,341,934)

Bond, loan, and lease proceeds are reported as financing sources in the governmental funds. However, the issuance of debt is reported as long-term debt payable in the statement of net position. Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment of debt principal reduces long-term liabilities in the statement of net position.

These amounts are as follows:

Principal repayment of general long-term debt	3,276,091
Issuance of governmental long-term debt	(4,500,000)

In the statement of activities, only the gain or loss on the disposition of capital assets are reported, whereas in the governmental funds, the proceeds from the sale increase financial resources.

Thus, the change in net position differs from the change in fund balance by the cost of the capital assets disposed.	(29,508)
--	----------

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds (special assessments and property taxes).

(53,389)

Governmental funds report contributions to defined benefit pension plans as expenditures. However, in the statement of activities, the amount contributed to defined benefit pension/OPEB plans reduces future net pension/total OPEB liability. Also included in pension/OPEB expense in the statement of activities are amounts required to be amortized.

Change in net pension liability and deferred inflows/outflows related to pensions	(1,379,086)
Change in total OPEB liability and deferred inflows/outflows related to OPEB	207,508

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available.

In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. These adjustments are as follows:

Amortization of deferred amounts on refunding	(48,884)
Change in accrued interest on long-term debt	(119,970)
Change in compensated absences liability	(271,023)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The portion of net revenue/expense of internal service funds reported within governmental activities for the year.

673,929

<b>Change in net position of governmental activities</b>	<b>\$ 8,398,047</b>
--	---------------------

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

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2023**

	<u>Sanitation</u>	<u>Nonmajor City Marina</u>	<u>Total</u>	<u>Governmental Activities Internal Service Fund - Garage</u>
<b>ASSETS</b>				
Equity in pooled cash	\$ 913,343	\$ 541,385	\$ 1,454,728	\$ 790,570
Accounts receivable, net	37	1,303	1,340	25,815
Due from component unit	1,472,042	-	1,472,042	-
Inventories	-	-	-	97,222
Prepaid items	-	2,617	2,617	-
Due from other funds	-	-	-	1,747
Total current assets	<u>2,385,422</u>	<u>545,305</u>	<u>2,930,727</u>	<u>915,354</u>
Noncurrent assets:				
Capital assets:				
Construction in progress	-	71,882	71,882	-
Infrastructure	-	288,323	288,323	-
Building and improvements	-	-	-	249,477
Improvements other than buildings	-	-	-	216,823
Machinery and equipment	25,928	39,526	65,454	283,957
Right to use lease asset	-	47,079	47,079	-
Accumulated depreciation	(3,889)	(120,181)	(124,070)	(562,362)
Total capital assets, net	<u>22,039</u>	<u>326,629</u>	<u>348,668</u>	<u>187,895</u>
Total noncurrent assets	<u>22,039</u>	<u>326,629</u>	<u>348,668</u>	<u>187,895</u>
Total assets	<u>2,407,461</u>	<u>871,934</u>	<u>3,279,395</u>	<u>1,103,249</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to OPEB	1,669	835	2,504	3,340
Total deferred outflows of resources	<u>1,669</u>	<u>835</u>	<u>2,504</u>	<u>3,340</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	666,382	7,634	674,016	87,912
Deposits	-	20,919	20,919	-
Leases payable	-	4,867	4,867	-
Compensated absences	1,609	1,526	3,135	4,791
Accrued interest payable	-	710	710	-
Total current liabilities	<u>667,991</u>	<u>35,656</u>	<u>703,647</u>	<u>92,703</u>
Noncurrent liabilities:				
Leases payable	-	31,952	31,952	-
Compensated absences	2,933	7,959	10,892	16,533
Total OPEB liability	<u>14,810</u>	<u>7,405</u>	<u>22,215</u>	<u>29,620</u>
Total noncurrent liabilities	<u>17,743</u>	<u>47,316</u>	<u>65,059</u>	<u>46,153</u>
Total liabilities	<u>685,734</u>	<u>82,972</u>	<u>768,706</u>	<u>138,856</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to OPEB	6,180	3,091	9,271	12,361
Total deferred inflows of resources	<u>6,180</u>	<u>3,091</u>	<u>9,271</u>	<u>12,361</u>
<b>NET POSITION</b>				
Net investment in capital assets	22,039	289,100	311,139	187,895
Unrestricted	1,695,177	497,606	2,192,783	767,477
Total net position	<u>\$ 1,717,216</u>	<u>\$ 786,706</u>	<u>\$ 2,503,922</u>	<u>\$ 955,372</u>

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

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Sanitation</u>	<u>Nonmajor City Marina</u>	<u>Total</u>	<u>Governmental Activities Internal Service Fund - Garage</u>
<b>Operating revenues</b>				
Charges for services	\$ 8,806,585	\$ 340,217	\$ 9,146,802	\$ 1,434,244
Miscellaneous revenues	40,918	325	41,243	6,936
Total operating revenues	<u>8,847,503</u>	<u>340,542</u>	<u>9,188,045</u>	<u>1,441,180</u>
<b>Operating expenses</b>				
Personnel services	124,705	165,798	290,503	286,503
Contractual services	-	-	-	4,258
Utilities	1,265	35,412	36,677	10,136
Cost of sales	7,954,210	-	7,954,210	1,138,541
Buildings and maintenance	979	18,439	19,418	30,998
Supplies and materials	147,922	10,015	157,937	13,673
Other services and charges	64,146	119,496	183,642	12,898
Depreciation	2,593	23,387	25,980	31,202
Total operating expenses	<u>8,295,820</u>	<u>372,547</u>	<u>8,668,367</u>	<u>1,528,209</u>
<b>Operating income (loss)</b>	<u>551,683</u>	<u>(32,005)</u>	<u>519,678</u>	<u>(87,029)</u>
<b>Nonoperating revenues (expenses)</b>				
Interest earnings	26,607	15,166	41,773	10,958
Interest and amortization expense	-	(981)	(981)	-
Total nonoperating revenues (expenses)	<u>26,607</u>	<u>14,185</u>	<u>40,792</u>	<u>10,958</u>
<b>Income (loss) before contributions and transfers</b>	<u>578,290</u>	<u>(17,820)</u>	<u>560,470</u>	<u>(76,071)</u>
Transfers in	-	-	-	750,000
<b>Change in net position</b>	<u>578,290</u>	<u>(17,820)</u>	<u>560,470</u>	<u>673,929</u>
<b>Net position, beginning of year</b>	1,138,926	804,526	1,943,452	281,443
<b>Net position, end of year</b>	<u>\$ 1,717,216</u>	<u>\$ 786,706</u>	<u>\$ 2,503,922</u>	<u>\$ 955,372</u>

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

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Sanitation</u>	<u>Nonmajor City Marina</u>	<u>Total</u>	<u>Governmental Activities Internal Service Fund - Garage</u>
<b>Cash flows from operating activities</b>				
Cash received from customers	\$ 8,022,373	\$ 346,099	\$ 8,368,472	\$ 1,476,684
Cash paid to employees	(126,344)	(161,673)	(288,017)	(291,466)
Cash paid to suppliers	(8,118,835)	(196,142)	(8,314,977)	(1,193,016)
Net cash provided by (used in) operating activities	<u>(222,806)</u>	<u>(11,716)</u>	<u>(234,522)</u>	<u>(7,798)</u>
<b>Cash flows from noncapital financing activities</b>				
Transfers from other funds	-	-	-	750,000
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>750,000</u>
<b>Cash flows from capital and related financing activities</b>				
Acquisition and construction of capital assets	-	(6,495)	(6,495)	(23,455)
Principal payments of long-term debt	-	(4,744)	(4,744)	-
Interest paid	-	(1,073)	(1,073)	-
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>(12,312)</u>	<u>(12,312)</u>	<u>(23,455)</u>
<b>Cash flows from investing activities</b>				
Interest received	26,607	15,166	41,773	10,958
Net cash provided by (used in) investing activities	<u>26,607</u>	<u>15,166</u>	<u>41,773</u>	<u>10,958</u>
<b>Net change in cash and cash equivalents</b>	<u>(196,199)</u>	<u>(8,862)</u>	<u>(205,061)</u>	<u>729,705</u>
<b>Cash and cash equivalents, beginning of year</b>	1,109,542	550,247	1,659,789	60,865
<b>Cash and cash equivalents, end of year</b>	<u>\$ 913,343</u>	<u>\$ 541,385</u>	<u>\$ 1,454,728</u>	<u>\$ 790,570</u>
<b>Cash and cash equivalents classified as:</b>				
Unrestricted	\$ 913,343	\$ 541,385	\$ 1,454,728	\$ 790,570
Total cash and cash equivalents	<u>\$ 913,343</u>	<u>\$ 541,385</u>	<u>\$ 1,454,728</u>	<u>\$ 790,570</u>
<b>Reconciliation of operating income to net cash provided by (used in) operating activities:</b>				
Operating income (loss)	\$ 551,683	\$ (32,005)	\$ 519,678	\$ (87,029)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	2,593	23,387	25,980	31,202
Changes in assets and liabilities:				
Accounts receivable	(37)	64	27	35,504
Due from component unit	(825,093)	-	(825,093)	-
Inventories	-	-	-	(9,871)
Prepaid items	-	(2,617)	(2,617)	-
Accounts payable and accrued liabilities	49,687	(10,163)	39,524	27,359
Deposits	-	5,493	5,493	-
Compensated absences	130	5,008	5,138	(1,431)
Total OPEB liability	(1,769)	(883)	(2,652)	(3,532)
Net cash provided by (used in) operating activities	<u>\$ (222,806)</u>	<u>\$ (11,716)</u>	<u>\$ (234,522)</u>	<u>\$ (7,798)</u>

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

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2023**

	<b>Pension Trust Funds</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,274,529
Prepaid benefit payments	170,222
Receivables:	
Employer contributions receivable	34,922
State premium taxes	102,253
Other receivables	75,221
Interest and dividends receivable	75,962
Total receivables	288,358
Investments, at fair value:	
Money market funds	105,386
Common stock	14,652,900
Government agency obligations	4,242,499
Corporate bond securities	2,180,936
Mutual funds	15,668,845
Real estate funds	4,279,010
Annuity contracts	2,121,553
Total investments	43,251,129
Total assets	44,984,238
<b>LIABILITIES</b>	
Accounts payable	43,530
Total liabilities	43,530
<b>NET POSITION</b>	
Restricted for pensions	\$ 44,940,708

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

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<b>Pension Trust Funds</b>
<b>Additions</b>	
Contributions:	
Employer	\$ 1,603,097
Employees	674,620
State - insurance premium taxes	815,347
Total contributions	3,093,064
Investment earnings	
Net appreciation (depreciation) in fair value of investments	3,116,702
Interest and dividends	876,974
Total investment earnings	3,993,676
Less: investment expense	(183,941)
Net investment income (loss)	3,809,735
Total additions	6,902,799
<b>Deductions</b>	
Benefit payments and refunds	4,202,625
Administrative expenses	130,229
Total deductions	4,332,854
<b>Change in net position</b>	2,569,945
<b>Net position restricted for pensions, beginning of year</b>	42,370,763
<b>Net position restricted for pensions, end of year</b>	\$ 44,940,708

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

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

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

The City of New Smyrna Beach, Florida, was created in 1887 by adoption of its first charter, which was eventually replaced by the present charter through Chapter 224.08, Special Acts of Florida, 1943. The legislative branch of the City is composed of an elected five-member City Commission consisting of the Mayor and four commissioners. The City Commission is governed by the City Charter and by state and local laws and regulations. The City Commission is responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the Commission-appointed City Manager. The Utilities Commission, City of New Smyrna Beach, Florida (a discretely presented component unit) was created by a Special Act of the Legislature through Chapter 67-1754 in 1967 and is governed by a five-member board of Commissioners who are appointed by the City Commission.

The financial statements of the City of New Smyrna Beach, Florida, have been prepared in conformance with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted body for promulgating governmental accounting and financial reporting principles. The following is a summary of the more significant policies.

(a) **Reporting entity**—The accompanying financial statements present the financial position, results of operations and cash flows of the applicable fund types controlled by or dependent on the City. In evaluating the City as a reporting entity, management has addressed all potential component units for which the entity may or may not be financially accountable and, as such, be included within the City's financial statements.

(b) **Discretely presented component unit**—The component unit column in the basic financial statements includes the financial data of the Utilities Commission, City of New Smyrna Beach (the "Utilities Commission"). The financial statements of the Utilities Commission are discretely reported in separate columns to emphasize that it is legally separate from the City (primary government). The Utilities Commission provides electric, water, wastewater and telecommunications utility services to the City, its citizens, and surrounding service areas located outside of the City limits. It is included as a component unit because the City Commission appoints the Commissioners, as well as approves the operating budget and issuance of debt. Therefore, its exclusion from the financial reporting entity would render the City's financial statements misleading.

Complete financial statements of the component unit can be obtained directly from the Utilities Commission's administrative offices, which is as follows:

**Administrative Office:**  
Utilities Commission  
City of New Smyrna Beach  
P.O. Box 100  
New Smyrna Beach, FL 32170

(c) **Blended component units**—The following component unit is blended with the primary government for financial statement purposes. A blended component unit, is in substance, part of the primary government's operations, even though it is a legally separate entity. Thus, the blended component unit is appropriately presented as a fund of the primary government in the City's Annual Comprehensive Financial Report for the year ended September 30, 2023. The blended component unit also issues separate financial statements.

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

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

The Community Redevelopment Agency (2015) of the City of New Smyrna Beach was organized under Section 163 of the Florida Statutes and formally came into existence February 24, 2015. Although legally separate from the City, the CRA is governed by a board of directors which is comprised of the City Commission, the City manages their operations, and the component unit exclusively serves the City. The Community Redevelopment Agency (2015) of the City of New Smyrna Beach uses property tax incremental revenues derived from taxable real property within the geographic boundaries of the community redevelopment area to finance development within that area.

(d) **Related organizations**—The City Commission is also responsible for appointing the members of the board of directors for the Housing Authority of New Smyrna Beach. The City's accountability for this organization does not extend beyond making the appointments. The board members do not serve at the discretion of the Commission and can only be removed for cause. The City cannot impose its will on the House Authority and does not derive any financial benefit or burden from the relationship.

(e) **Government-wide and fund financial statements**—The government-wide financial statements, comprised of the statement of net position and the statement of activities, report aggregated information for the overall government for all of the activities of the primary government and the discretely presented component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange revenues are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties for goods or services for support. Likewise, the primary government is reported separately from the legally separate component unit, for which the primary government is financially accountable

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

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

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

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

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

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

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

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

Proprietary fund and pension trust fund financial statements are reported using the accrual basis of accounting. Under this method, revenue is recorded when earned and expenses are recorded at the time liabilities are incurred.

The City reports the following major governmental funds:

**General Fund**—The General Fund is the principal fund of the City which accounts for all financial transactions not accounted for in other funds. The golf course balances and activity were moved into the General Fund during the year ended September 30, 2023.

**Stormwater Utility Fund**—The Stormwater Utility Fund is a special revenue fund used to maintain, repair, and improve the stormwater systems in the City. The fees are added to properly tax bills as non-ad valorem fees.

**Building Inspections Fund**—The Building Inspections Fund accounts for revenues generated from licenses and permits charged by the City to enforce State and City building codes.

**American Rescue Plan**—The American Rescue Plan fund is a special revenue fund used to account for revenues and expenditures funded by the American Rescue Plan Act of 2021.

**Community Redevelopment Agency Trust Fund, 2015 (CRA 2015)**—The CRA 2015 Fund is a blended component unit reported as a special revenue fund established by the City as authorized under Chapter 163, Part III, Florida Statutes, for the economic development of designated areas of the City. This fund receives special incremental ad valorem tax levies to pay for rehabilitation and redevelopment of the specified area in need of improvement to sustain the tax base.

**Airport Industrial Park Fund**—The Airport Industrial Park Fund is a special revenue fund used to account for user charges for those using the airport facilities and to account for user charges assessed for the use of industrial park area facilities. Federal awards and state financial assistance is also often a major source of revenue to assist with the maintenance and improvements of these facilities.

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

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

**Capital Projects Fund**—The Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities (other than those finance by proprietary and trust funds).

The City reports the following major proprietary fund:

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

Additionally, the City reports the following nonmajor funds and fund types:

**Special Revenue Funds**—These funds account for the proceeds of specific revenue sources (other than special assessments or capital projects) which are legally restricted to finance particular functions or activities of the City.

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

**Capital Projects Funds**—These funds are used to account for financial resources that are restricted for capital projects and expansion.

**Enterprise Fund**—The City's only nonmajor enterprise fund accounts for the financial activities of the City-owned and operated Marina. Revenues are derived from fees charged to customers.

**Internal Service Fund**—The City's only Internal Service Fund accounts for the financial activities of the Municipal Garage that provides fleet management services to other departments and agencies of the City, or to other governments, on a cost-reimbursement basis.

**Pension Trust Funds**—Pension trust funds are accounted for by the City to provide data on the accumulation of financial resources to pay pension benefits to qualified participants in the City's Police and Fire pension trust funds.

Amounts reported in the funds as interfund receivables and payables have been eliminated in the governmental and business-type activities columns, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances due to and due from these different types of activities within the primary government.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. For the City, operating revenues come from refuse and recycling collection fees for sanitation services, which are the principal ongoing operations of the city's Sanitation fund. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

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

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

- i. On or before July 1st, the City Manager submits a preliminary budget to the City Commission for the ensuing fiscal year.
- ii. Budget workshop sessions are scheduled by the City Manager, as needed.
- iii. A general summary of the budget and notice of public hearing is published in a local newspaper.
- iv. Prior to October 1, the budget is legally enacted through passage of an ordinance.
- v. The City Commission, by resolution, may make supplemental appropriations in excess of those estimated for the year up to the amount of available revenue in accordance with Sections 54 to 57 of the City Charter. Prior to the end of the fiscal year, supplemental appropriations are made for unanticipated spending requirements by the Commission.
- vi. The City Commission must approve all inter-departmental budget amendments and/or appropriations transfers. Budgetary control is exercised at the department level.
- vii. Every appropriation lapses at the close of the fiscal year.

For the year ended September 30, 2023, expenditures exceeded appropriations as approved by the City Commission within the Debt Service Funds. Debt service expenditures exceeded the budgeted amount by \$50,337.

(h) **Cash and cash equivalents**—Cash and cash equivalents include amounts in demand deposits as well as investments that are readily convertible to known amounts of cash. Investments with original maturities of three months or less are considered to be cash equivalents.

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

Within the pension trust fund, the City of New Smyrna Beach's Police Officers' and Firefighters' Retirement System is authorized within certain limitations by its governing board to invest in time, savings and money market deposits, obligations of the U.S. government and government agencies, stocks, commingled funds administered by national or state banks, mutual funds, bonds and foreign securities.

Pension trust fund investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair value. The average cost method is used for computing realized gains and losses on marketable equity securities in the pension funds. The difference between the excess of fair value over cost represents unrealized gains.

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

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

(j) **Receivables and payables**—Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Accounts receivable have been reported net of an allowance for doubtful accounts. Accounts receivable in excess of 120 days are subject to being considered as uncollectible.

(k) **Inventories and prepaid items**—The cost of inventory is accounted for on the consumption method wherein inventories are charged as expenditures when used rather than when purchased. Inventories such as the golf course pro shop are valued on a moving average cost basis. All inventories, including fleet management and fuel, are valued at cost on the first-in, first-out valuation method.

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

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

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

Property, plant, and equipment and right-to-use leased equipment and land are depreciated or amortized using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	10 – 40 years
Infrastructure	10 – 50 years
Improvements other than buildings	6 – 40 years
Machinery and equipment	1 – 30 years
Right-to-use leased equipment and land	4 – 10 years

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

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

(m) **Restricted assets**—Certain proceeds of the City’s revenue note obligations, as well as certain resources set aside for their repayment, are classified as restricted assets in the government-wide financial statements because their use is limited by applicable bond covenants or laws/regulations imposed by other governmental agencies. The restricted assets are used to report resources set aside to (1) provide a reserve for debt service, (2) provide a reserve for maintenance and replacement costs, and (3) acquire capital assets.

(n) **Unearned revenues**—Cash received but for which the revenue recognition criteria have not been met are reported as unearned revenue in the government-wide, governmental, enterprise, and fiduciary fund financial statements. Unearned revenues recorded on the government-wide statement of net position and governmental funds balance sheet primarily consisted of business service taxes collected in advance and memberships and rentals paid in advance and gift cards outstanding as of year-end.

(o) **Compensated absences**—It is the City’s policy to permit employees to accumulate earned but unused compensatory time, vacation, and sick pay benefits, subject to limits based on date of hire. Compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements.

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

(q) **Leases**—*Lessor:* The City is the lessor of land, buildings, and airport facilities and determines if an arrangement is a lease at inception. The City recognizes lease receivables and corresponding deferred inflows for all leases that are not considered short-term. Lease receivables represent the City’s right to receive lease payments arising from the lease. Deferred inflows represent resources recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods. Subsequently, the lease receivable is reduced by the principal portion of lease payments received, and deferred inflow of resources are recognized as revenue over the life of the lease term. The City’s lessor agreements do not contain any material residual value guarantees or material restrictive covenants.

*Lessee:* The City is a lessee of various vehicles and land at the City Marina. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

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

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term obligations on the statement of net position.

*Basis of lease classification* – Leases that meet the following requirements will not be considered short term: (1) the maximum possible lease term(s) is non-cancelable by both lessee and lessor, and is more than 12 months, and (2) the present value of lease payments for the lease is more than \$5,000.

*Discount rate* – Unless explicitly stated in the lease agreement, known by the City, or the City is able to determine the rate implicit within the lease, the discount rate used to calculate the lease receivable will be the City's incremental borrowing rate (IBR), which will be the rate utilized for the subsequent fiscal year. The City's IBR was calculated at 2.55%, at September 30, 2021, and was the discount rate utilized for applicable leases beginning October 1, 2021, and applicable lease conversions.

(r) **Deferred outflows/inflows of resources**—In addition to assets, the statement of net position and balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The City presents a deferred amount on refunding which is reported in the proprietary funds and government-wide statement of net position and results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The City also has deferred outflows related to pensions as discussed further in Note (15) and deferred outflows related to OPEB as discussed further in Note (14).

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

The City has four items, unavailable revenues and deferred inflows related to leases in the governmental fund balance sheets and deferred inflows related to pensions and other post-employment benefits (OPEB) in the proprietary funds and government-wide statement of net position, which qualify for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet and is from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows related to pensions are discussed further in Note (15), deferred inflows related to OPEB are discussed further in Note (14), and deferred inflows related to leases are discussed further in Note (9).

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

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

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

*Nonspendable* – The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash such as inventories and prepaid amounts.

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

*Committed* – Fund balance amounts that can only be used for specific purposes pursuant to constraints imposed by the City itself, using its highest level of decision-making authority through formal action. The City Commission is the highest level of decision-making authority that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Those committed amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

*Assigned* – Fund balance amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as assigned fund balance. The City Commission has, by resolution, authorized the City Manager to assign funds for particular purposes.

*Unassigned* – Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

Disbursements of fund equity will first be made from restricted amounts when both restricted and unrestricted fund balance is available. Additionally, in the governmental funds the City will first use committed fund balance, followed by assigned fund balance, and then unassigned fund balance when expenditures are incurred for purposes which amounts in any of the unrestricted fund balance classifications could be used.

The City has a policy establishing minimum levels of fund balance/net position for the General, Stormwater, Airport Industrial Park, Building Inspections, Sanitation, and Marina funds which is fund balance equal to 25%, 20%, 15%, 20%, 10%, and 15%, respectively, of the current fiscal year budgeted expenditures less capital outlay and transfers out not related to debt, using the adopted budget figures.

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

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

At September 30, 2023, the American Rescue Plan Fund, a major fund, has a deficit fund balance of \$2,470,143. The deficit is due to \$3,000,000 of project-specific funds received in advance under the Coronavirus State and Local Fiscal Recovery Funds grant that were transferred during the year to capital projects funds in anticipation of the project expenditures occurring in the recipient funds. However, since the expenditures have not yet been incurred the revenue has not yet been recognized, resulting in the fund deficit. As project expenditures are incurred, grant revenue will be recognized and the deficit will be eliminated.

(t) **Pensions**—For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City’s Police Officers’ and Firefighters’ pension trust funds and the Florida Retirement System Pension Plan and Health Insurance Subsidy Program and additions to and deductions from the plans’ fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

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

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

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

(3) **Property Tax Calendar:**

Under Florida law, the assessment of all properties and the collection of all county, municipal, and school district property taxes are consolidated in the offices of the County Property Appraiser and Chief Financial Officer. The laws of the state regulating tax assessment are also designed to assure a consistent property valuation method statewide. State Statutes permit municipalities to levy property taxes at a rate of up to 10 mills. For the year ended September 30, 2023, the operating and combined debt service millage rates (2022 levy) assessed by the City were 3.9500 and 0.3306 mills, respectively.

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**(3) Property Tax Calendar:** (Continued)

The property tax calendar is as follows:

Valuation Date	January 1														
Property Appraiser prepares the assessment roll with values as of January 1, submits this preliminary roll for approval by the State and notifies each taxing authority of their respective valuations.	July 1														
City Commission holds two required public hearings and adopts a budget and ad valorem tax millage rate for the coming fiscal year.	September														
Property Appraiser certifies the assessment roll and all real and tangible personal property taxes are due and payable (Levy date).	November 1														
A Notice of Taxes is mailed to each property owner on the assessment roll.	November 1														
Taxes may be paid November through March, with the following applicable discounts:	November 1														
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;"><u>Month Paid</u></th> <th style="text-align: left; border-bottom: 1px solid black;"><u>Discount Percent</u></th> <th style="width: 30%;"></th> </tr> </thead> <tbody> <tr> <td>November</td> <td style="text-align: center;">4%</td> <td rowspan="5" style="vertical-align: middle; text-align: right;">November 1, 2022 through March 31, 2023</td> </tr> <tr> <td>December</td> <td style="text-align: center;">3%</td> </tr> <tr> <td>January</td> <td style="text-align: center;">2%</td> </tr> <tr> <td>February</td> <td style="text-align: center;">1%</td> </tr> <tr> <td>March</td> <td style="text-align: center;">0%</td> </tr> </tbody> </table>	<u>Month Paid</u>	<u>Discount Percent</u>		November	4%	November 1, 2022 through March 31, 2023	December	3%	January	2%	February	1%	March	0%	
<u>Month Paid</u>	<u>Discount Percent</u>														
November	4%	November 1, 2022 through March 31, 2023													
December	3%														
January	2%														
February	1%														
March	0%														
All unpaid taxes on real and tangible personal property become delinquent.	April 1														
A list of unpaid tangible personal property taxes and a list of unpaid real property taxes are advertised.	April and May														
Tax certificates are sold on all real estate parcels with unpaid real property taxes (Lien date).	June 1														
A court order is obtained authorizing the seizure and sale of personal property if the taxpayer fails to pay the delinquent personal property taxes.	June 1														

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

The City maintains a cash pool that is used by all funds. This pool consists of an interest-bearing checking account and a zero-balance checking account.

*Deposits:* All bank balance deposit amounts are covered by federal depository insurance or collateral with the State of Florida under the Florida Security for Public Deposits Act.

The Florida Security for Public Deposits Act, establishes guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements, and characteristics of eligible collateral. Under the Act, City deposits in qualified public depositories are fully insured. The qualified public depository must pledge 50% of the average daily balance for each month of all public deposits in excess of any applicable depository insurance. Additional collateral, up to a maximum of 125% may be required if deemed necessary under the conditions set forth in the Act. Obligations pledged to secure deposits must be delivered to the State Treasurer, or with the approval of the State Treasurer, to a bank, savings association, or trust company provided a power of attorney is delivered to the Treasurer.

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

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

*Investments:* The City's investment policy, established by Resolution No. 19-19, authorizes the City to invest excess funds in non-negotiable interest-bearing time certificates of deposit, money market mutual funds, obligations of or obligations the principal and interest of which are unconditionally guaranteed by the United States Government, federal instrumentalities, repurchase agreements, commercial paper, corporate notes, bankers acceptances, state and/or local government taxable and/or tax-exempt debt, intergovernmental investment pools, and/or the State Board of Administration (SBA) Local Government Surplus Trust Fund Investment Pool (Florida PRIME).

Investments administered by the trustees of the City's Municipal Firefighters' Pension Trust Fund Board and Municipal Police Officers' Pension Trust Fund Board are restricted to investments as defined under state statutes; specifically, Section 175.071(a) and (b), Florida Statutes, and Section 185.06(a) and (b), Florida Statutes, respectively. The City created a policy for the Firefighters' Pension Trust Board on May 8, 2014, and a policy for the Municipal Police Officers' Pension Trust Fund on February 13, 2014. The provision under both statutes limit investments to: investment in annuity and life insurance contracts of life insurance companies; time or savings accounts of a national bank, a state bank insured by the Bank Insurance Fund, or savings, building and loan association insured by the Savings Association Insurance Fund which is administered by the Federal Deposit Insurance Corporation or a state or federal chartered credit union with share accounts insured by the National Credit Union Share Insurance Fund; obligations of the United States or obligations guaranteed as to principal and interest by the government of the United States; bonds issued by the State of Israel; and bonds, stocks, or other evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia, provided that the corporation is listed on any one or more of the recognized national stock exchanges or on the National Market System of the NASDAQ Stock Market and, in case of bonds only, holds a rating in of the three highest classifications by a major rating service. Also, the board of trustees shall not invest more than five percent of its assets in the common stock or capital stock of any one issuing company, nor shall the aggregate investment in any one issuing company exceed 12 percent of the outstanding capital stock of that company.

At the close of the fiscal year, the City's pension trust funds held investments in United States government bonds, notes, money funds, corporate stocks and bonds, real estate investment trusts, a private investment fund, and an annuity contract.

*Interest Rate Risk:* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of investments. In accordance with the provisions of the state statutes governing allowable investments, the City manages its exposure to declines in fair values by limiting the maturity of specific investments to provide sufficient liquidity to pay obligations as they come due.

*Credit Risk:* Credit risk is the risk of losses due to the failure of the security issue or backer. This is mitigated by investing in the assets allowed under state statutes and by diversifying the portfolio so that potential losses on individual securities will be minimized.

*Custodial Credit Risk:* In the case of investments, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of September 30, 2023, the City's investment in the guaranteed annuity contract is not subject to custodial credit risk. The City's investments are held in street name in the form of stock, corporate bonds, and U.S. Government bonds through a financial brokerage firm segregated out from the assets and investments held by other clients of the investment firm and their own assets.

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

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

*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 has no investments in foreign currencies.

*Concentration of Credit Risk:* The provisions under Resolution No. 19-19, 185.06(b), and 175.071(b), Florida Statutes, for general investments, and investments held by the trustees for the Municipal Police Officers' and Municipal Firefighters' Pension Trust Funds, respectively, generally limit the City's investment to securities that by their nature are either guaranteed by a life insurance company or the United States, or have the highest credit rating. With respect to investments in common or capital stock the City is restricted to investing not more than 5 percent of its total assets held in the pension trust funds in any one issuing company. These provisions exist to limit the concentration of credit risk that can arise from the failure to adequately diversify investments.

*Fair Value:* The City measures and records its investments, assets whose use is limited, and restricted assets using fair value measurement guidelines. These guidelines recognize a three-tiered fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are as follows:

*Level 1:* Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

*Level 2:* Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

*Level 3:* Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2023.

*Debt and equity securities* – Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using quoted market prices for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique based on the price or yield of similar debt securities.

*Mutual funds* – Mutual funds classified in Level 1 of the fair value hierarchy are valued using quoted market prices for those investments.

*Fixed income annuity contracts* – Fixed income annuity contracts are valued using quoted prices in active markets in Level 1 of the fair value hierarchy.

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

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

*Real estate investment trusts* – Real estate investment trusts are valued using quoted prices in active markets in Level 1 of the fair value hierarchy.

*Real estate funds and private investment fund* – Real estate funds and the private investment fund are valued at net asset value (NAV), which approximates fair value.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the City believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. As of September 30, 2023, the City had the following deposits and investments:

Investment Type	Carrying Value	Weighted Average Investment Maturities (in Years)				Fair Value Hierarchy Classification
		Less Than 1	1 – 5	6-10	More Than 10	
Common stock	\$ 14,652,900	\$ 14,652,900	\$ -	\$ -	\$ -	Level 1
Money market funds	105,386	105,386	-	-	-	Level 1
Government bonds	4,242,499	734,806	1,801,151	1,129,223	577,319	Level 2
Corporate bonds	2,180,936	213,002	1,211,355	664,946	91,633	Level 2
Mutual funds	14,905,626	14,905,626	-	-	-	Level 1
Mutual funds	763,219	763,219	-	-	-	Level 2
Fixed income annuity contracts	2,121,553	2,121,553	-	-	-	Level 2
Real estate investments	4,279,010	4,279,010	-	-	-	NAV
Total fiduciary fund investments	<u>43,251,129</u>	<u>37,775,502</u>	<u>3,012,506</u>	<u>1,794,169</u>	<u>668,952</u>	
City cash & cash equivalents	75,450,686	N/A	N/A	N/A	N/A	N/A
Pension cash & cash equivalents	1,274,529	N/A	N/A	N/A	N/A	N/A
Total carrying value of cash & cash equivalents and investments	<u>\$ 119,976,344</u>	<u>\$ 37,775,502</u>	<u>\$ 3,012,506</u>	<u>\$ 1,794,169</u>	<u>\$ 668,952</u>	

Credit quality ratings were AAA for government bonds and ranged from BBB+ to AAA for corporate bonds.

*Private investment fund* – The fund primarily invests in units of alternative funds that specialize in a variety of investment strategies and types of investments. The fund was formed as closed-end management investment company and will have perpetual existence unless terminated by the ownership. Because the fund offers shares of beneficial interest at net asset value per share, the fair value of the investment has been determined using the NAV per share (or its equivalent) of the City’s ownership interest in the fund.

*Real estate funds* – The real estate funds invest primarily in U.S. commercial and multi-family residential real estate. Distributions from each fund will be received as the underlying investments of the funds are liquidated. The funds were formed as open-ended investments and will have perpetual existence unless terminated by the ownership (partners). Because it is not probable that any individual investment will be sold, the fair value of each individual investment has been determined using the NAV per share (or its equivalent) of the City’s ownership interest in partners’ capital.

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

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

The following table summarizes investments measured at fair value based on NAV per share as of September 30, 2023:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if currently eligible)</u>	<u>Redemption Notice Period</u>
Real estate fund	1,657,107	None	Quarterly	60 days prior to the end of the quarter
Real estate fund	2,621,903	None	Quarterly	Last day of the calendar quarter during which the Fund receives the notice
Total	<u>\$ 4,279,010</u>			

**(5) Accounts Receivable:**

The City's receivables consisted of the following at September 30, 2023:

	<u>Special Assessments Receivable</u>	<u>Other Receivables</u>	<u>Gross Accounts Receivable</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Receivables</u>
<b>Governmental Activities:</b>					
General Fund	\$ 550,285	\$ 555	\$ 540,699	\$ (324,561)	\$ 766,978
Special Revenue Funds:					
Building Inspections	-	-	143,919	(81,780)	62,139
Stormwater Utility Fund	-	-	223	-	223
Airport Industrial Park	-	19,783	369,742	(323,079)	66,446
Beach Parking	-	-	24,301	-	24,301
Capital Projects Funds:					
Special Law Enforcement Trust	-	-	12,709	-	12,709
Internal Service Fund	-	-	25,815	-	25,815
Total – Governmental Activities	<u>550,285</u>	<u>20,338</u>	<u>1,117,408</u>	<u>(729,420)</u>	<u>958,611</u>
<b>Business-Type Activities:</b>					
Sanitation	-	-	148	(111)	37
Municipal Marina	-	-	1,423	(120)	1,303
Totals – Business-Type Activities	<u>-</u>	<u>-</u>	<u>1,571</u>	<u>(231)</u>	<u>1,340</u>
Totals	<u>\$ 550,285</u>	<u>\$ 20,338</u>	<u>\$ 1,118,979</u>	<u>\$ (729,651)</u>	<u>\$ 959,951</u>
<b>Component Unit</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,953,256</u>	<u>\$ (51,902)</u>	<u>\$ 11,901,354</u>

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

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

The outstanding balances between funds are short-term loans to cover short-term cash flow needs and expected to be repaid in full over the course of the next fiscal year. Individual interfund receivables and payables for the primary government at September 30, 2023, are comprised of the following:

	<b>Due From Other Funds</b>	<b>Due to Other Funds</b>
Governmental Activities:		
General Fund	\$ -	\$ 1,747
Garage – Internal Service Fund	1,747	-
Total	\$ 1,747	\$ 1,747

At September 30, 2023, there were no individual fund advances or amount due to and from other funds for the primary government. Amounts due from component units were comprised of the following:

	<b>Due From Component Unit</b>	<b>Due to Primary Government</b>
Primary Government:		
General Fund	\$ 825,369	\$ -
Sanitation Fund	1,472,042	-
Component Unit:		
Utilities Commission, City of New Smyrna Beach	-	2,297,411
Total	\$ 2,297,411	\$ 2,297,411

Amounts due to the City from the City’s component unit arose from franchise fees, utility taxes, and user fees collected by the Utilities Commission on behalf of the City.

In fiscal year 2018, pursuant to Ordinance No. 31-18, the City levied a special assessment for certain benefiting property owners to fund sanitary sewer improvements along State Road 44. The sanitary sewer improvements will be constructed by the Utilities Commission and the Utilities Commission will retain ownership of the improvements. Related to the special assessment, the City entered into an agreement with the Utilities Commission under which the City, with the exception of \$20,000 to reimburse the City for initial costs incurred, will remit all funds collected from this special assessment to the Utilities Commission to fund these improvements. At September 30, 2023, \$419,276 of the principal portion of the special assessment is reported as due to component unit.

Transfers are used to move monies from various funds to debt service funds as debt service principal and interest payments become due and move funds to finance various programs, provide grant matching funds, or to subsidize operations that the City must account for in other funds in accordance with budgetary authorizations.

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

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

During the year ended September 30, 2023, individual fund transfers to and from other funds for the primary government were comprised of the following:

	<b>Governmental Activities</b>					
	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>Debt Service Fund</b>	<b>Stormwater Fund</b>	<b>Garage Fund</b>	<b>Total Transfers Out</b>
Governmental Activities:						
General Fund	\$ -	\$ 1,645,661	\$ 1,219,183	\$ -	\$ -	\$ 2,864,844
Stormwater Utility Fund	-	-	696,894	-	-	696,894
Building Inspections Fund	-	85,621	-	-	-	85,621
American Rescue Plan Fund	-	9,477,879	-	500,000	750,000	10,727,879
Nonmajor Governmental Funds:						
Beach Parking Fund	-	90,000	-	-	-	90,000
Transportation Capital Fund	-	21,400	-	-	-	21,400
Debt Service Fund	-	1,500,000	-	-	-	1,500,000
Total Transfers In	\$ -	\$ 12,820,561	\$ 1,916,077	\$ 500,000	\$ 750,000	\$ 15,986,638

The general fund and stormwater utility fund transferred funds to the debt service fund for debt service payments. The general fund transferred funds to the capital projects fund to transfer Hazard Mitigation grant funds. The nonmajor debt service fund transferred funds to the capital projects fund which represented cash from unspent bond proceeds of the 2019 General Obligation Note and from the issuance of the 2021 Capital Improvement Revenue Note. The American Rescue Plan (ARPA) fund transferred funds to the capital projects, stormwater, and garage funds to distribute funds received from the revenue loss standard allowance and specific project awards under the Coronavirus State and Local Fiscal Recovery Funds grant. The building inspections fund and the nonmajor transportation capital and beach parking funds transferred funds to the capital projects fund for capital assets and professional services.

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**(7) Capital Assets:**

Capital asset activity for the fiscal year ended September 30, 2023, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 42,481,550	\$ 149,616	\$ -	\$ 42,631,166
Easements	240,947	-	-	240,947
Construction in progress	9,832,267	10,554,911	(165,452)	20,221,726
Total capital assets, not being depreciated	<u>52,554,764</u>	<u>10,704,527</u>	<u>(165,452)</u>	<u>63,093,839</u>
Capital assets, being depreciated:				
Buildings and improvements	54,728,418	157,592	-	54,886,010
Improvements other than buildings	31,374,435	16,395	-	31,390,830
Infrastructure	61,147,458	-	-	61,147,458
Machinery and equipment	21,320,873	1,736,646	(831,407)	22,226,112
Right-to-use equipment	136,426	-	-	136,426
Total capital assets, being depreciated	<u>168,707,610</u>	<u>1,910,633</u>	<u>(831,407)</u>	<u>169,786,836</u>
Less accumulated depreciation for:				
Buildings and improvements	(17,977,425)	(1,181,923)	-	(19,159,348)
Improvements other than buildings	(20,411,645)	(946,420)	-	(21,358,065)
Infrastructure	(22,141,564)	(2,570,325)	-	(24,711,889)
Machinery and equipment	(12,156,247)	(1,625,530)	811,530	(12,970,247)
Right-to-use equipment	(3,687)	(44,246)	-	(47,933)
Total accumulated depreciation	<u>(72,690,568)</u>	<u>(6,368,444)</u>	<u>811,530</u>	<u>(78,247,482)</u>
Total capital assets, being depreciated, net	<u>96,017,042</u>	<u>(4,457,811)</u>	<u>(19,877)</u>	<u>91,539,354</u>
Governmental activities capital assets, net	<u>\$ 148,571,806</u>	<u>\$ 6,246,716</u>	<u>\$ (185,329)</u>	<u>\$ 154,633,193</u>
Business-type activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ 65,387	\$ 6,495	\$ -	\$ 71,882
Total capital assets, not being depreciated	<u>65,387</u>	<u>6,495</u>	<u>-</u>	<u>71,882</u>
Capital assets, being depreciated:				
Right-to-use land	47,079	-	-	47,079
Infrastructure	288,323	-	-	288,323
Machinery and equipment	43,382	22,072	-	65,454
Total capital assets, being depreciated	<u>378,784</u>	<u>22,072</u>	<u>-</u>	<u>400,856</u>
Less accumulated depreciation for:				
Right-to-use land	(5,044)	(5,044)	-	(10,088)
Infrastructure	(69,678)	(14,416)	-	(84,094)
Machinery and equipment	(1,296)	(28,592)	-	(29,888)
Total accumulated depreciation	<u>(76,018)</u>	<u>(48,052)</u>	<u>-</u>	<u>(124,070)</u>
Total capital assets, being depreciated, net	<u>302,766</u>	<u>(25,980)</u>	<u>-</u>	<u>276,786</u>
Business-type activities capital assets, net	<u>\$ 368,153</u>	<u>\$ (19,485)</u>	<u>\$ -</u>	<u>\$ 348,668</u>

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

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

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General governmental	\$ 731,264
Public safety	1,300,877
Transportation	1,741,712
Economic environment	704,356
Physical environment	781,940
Culture and recreation	1,081,785
Garage – Internal service fund	<u>31,202</u>
Total depreciation expense - governmental activities	<u>\$ 6,373,136</u>
Business-type activities:	
Sanitation	\$ 2,593
City Marina	<u>23,387</u>
Total depreciation expense - business-type activities	<u>\$ 25,980</u>

(8) **Commitments and Contingencies:**

The City uses an encumbrance system as an extension of normal budgetary accounting for governmental funds. Under this system, purchase orders, contracts, and other commitments are recorded in order to reserve the portion of appropriates necessary to liquidate the commitment. Non-capital related encumbrances outstanding are cancelled and are not re-appropriated. These amounts are recorded as part of restricted, committed, or assigned fund balances, depending on the classification of the resources that will be used to liquidate the encumbrance in a subsequent fiscal year.

The City had active construction projects encumbered as of September 30, 2023. At year-end the City's encumbered commitments with contractors were as follows:

	<b><u>Outstanding Encumbrances</u></b>
General fund	\$ 1,338,133
Stormwater utility fund	662,863
Building inspections fund	30,549
Airport industrial park fund	1,217,797
Capital projects fund	9,104,816
Beach parking fund	55,504
Law enforcement capital fund	192,896
City marina fund	<u>29,989</u>
Total outstanding commitments	<u>\$ 12,632,547</u>

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund(s). The amount, if any, of expenditures from current or prior years which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts not recorded, if any, to be immaterial.

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**(8) Commitments and Contingencies:** (Continued)

Airport improvements are mainly funded by federal and state matching grants. Stormwater utility improvement projects are primarily funded by debt and stormwater utility tax revenue. Capital projects, general, and other fund commitments are funded by general tax revenue.

The City is engaged in various liability claims incidental to the conduct of its general government operations at September 30, 2023. The outcomes of established claims are included in these financial statements. In the opinion of the City’s legal counsel, no legal proceedings are pending or threatened against the City which are not covered by applicable insurance which would inhibit its ability to perform its operations or materially affect its financial condition.

**(9) Leases**

**A. Lessee:**

The City is a lessee in three lease agreements. A right-to-use asset was added to the City’s capital assets for each of the assets which are included as right-to-use leased equipment in governmental activities and right-to-use leased land in business-type activities.

In September 2022, the City entered into a lease agreement with Yamaha Motor Finance Corporation as lessee for 55 golf carts and one golf cart picker. The general fund is responsible for all payments on the lease, which are due in quarterly installments of \$12,078, including interest of 4.20%. The right-to-use assets, which have a 4-year useful life, and associated lease liability are included in governmental activities. As of September 30, 2023, the right-to-use leased equipment was recorded with a cost of \$136,426 and accumulated amortization of \$47,933, resulting in a net book value of \$88,493. The present value of the future minimum lease payments is \$92,197 at September 30, 2023.

In January 2021, the City entered into a lease agreement with the Florida Bureau of Public Land Administration as lessee for a 43-slip commercial docking facility and upland municipal marina. The marina fund is responsible for all payments on the lease, which are due in annual installments of \$5,817, including interest at an effective interest rate of 2.55%. The right-to-use land, which has a 10-year useful life, and the associated lease liability are included in business-type activities. As of September 30, 2023, the right-to-use leased land was recorded with a cost of \$47,079 and accumulated amortization of \$10,088, resulting in a net book value of \$36,991. The present value of the future minimum lease payments is \$36,819 at September 30, 2023.

The future lease payments under lease agreements are as follows:

Year Ending September 30,	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 45,131	\$ 3,179	\$ 48,310	\$ 4,867	\$ 950	\$ 5,817
2025	47,066	1,246	48,312	4,992	824	5,816
2026	-	-	-	5,121	696	5,817
2027	-	-	-	5,253	563	5,816
2028	-	-	-	5,388	428	5,816
2029-2031	-	-	-	11,198	435	11,633
Total	<u>\$ 92,197</u>	<u>\$ 4,425</u>	<u>\$ 96,622</u>	<u>\$ 36,819</u>	<u>\$ 3,896</u>	<u>\$ 40,715</u>

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

(9) **Leases** (Continued)

**B. Lessor:**

The City is a lessor in seven lease agreements involving land, buildings, and airport facilities within the general and airport funds ending between 2026 and 2048. As of and for the year ended September 30, 2023, the City recognized the following amounts of inflows of resources, including lease revenue, interest revenue, and other lease-related inflows that include variable and other payments not previously included in the measurement of the lease receivable:

	<b>General Fund</b>	<b>Airport Fund</b>	<b>Total Governmental Activities</b>
Lease revenue:			
Land	\$ 6,266	\$ 343,706	\$ 349,972
Building	19,851	33,601	53,452
Total lease revenue	26,117	377,307	403,424
Interest revenue	3,904	117,142	121,046
Total lease-related revenues	\$ 29,421	\$ 229,346	\$ 258,767
Lease receivable	\$ 119,720	\$ 9,309,990	\$ 9,429,710
Deferred inflows – leases	\$ 115,149	\$ 9,163,654	\$ 9,278,803

The future minimum lease payments receivable under lease agreements are as follows:

<b>Year Ending September 30,</b>	<b>General Fund</b>			<b>Airport Fund</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 25,273	\$ 2,798	\$ 28,071	\$ 283,645	\$ 234,524	\$ 518,169
2025	26,565	2,139	28,704	326,576	226,791	553,367
2026	27,910	1,446	29,356	314,706	218,183	532,889
2027	29,308	718	30,026	313,500	209,902	523,402
2028	3,367	233	3,600	204,470	203,446	407,913
2029-2033	7,297	203	7,500	1,304,235	926,415	2,230,650
2034-2038	-	-	-	1,859,323	726,613	2,585,936
2039-2043	-	-	-	2,348,078	451,614	2,799,692
2044-2048	-	-	-	2,355,457	146,571	2,502,028
<b>Total</b>	\$ 119,720	\$ 7,537	\$ 127,257	\$ 9,309,990	\$ 3,344,059	\$ 12,654,049

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**(10) Long-Term Liabilities:**

**A. Notes and Loans Payable**

**Governmental activities:**

The City has entered into several long-term debt obligations where it pledges specific income streams or income derived from the acquired or constructed assets to pay debt service. Notes and loans payable in the City’s governmental activities at September 30, 2023, were comprised of the following obligations:

<p>\$5,000,000 Stormwater Revenue Note, Series 2017 was issued March 15, 2017, at an interest rate of 2.24% to fund construction of stormwater management improvements related to the Islesboro subdivision stormwater project. Principal and interest payments of \$280,436 are due semi-annually on November 1 and May 1 of each year until final maturity on March 1, 2027. The note is secured by a lien and pledge of the City’s stormwater utility fees.</p>	<p>\$ 2,150,356</p>
<p>\$10,595,000 General Obligation Refunding Note, Series 2014 was issued at an interest rate of 1.95% on September 16, 2014, to refund the City’s outstanding General Obligation Bonds, Series 2005. Principal and interest payments are due on July 1 of each year until final maturity on July 1, 2024. The general obligation note is secured by full faith, credit, and taxing power as pledged by the City.</p>	<p>1,150,000</p>
<p>\$9,500,000 General Obligation Note, Series 2019 was issued August 29, 2019, at an interest rate of 2.45% to finance the costs of the acquisition of lands along the Turnbull Creek Watershed. Principal and interest payments are due annually on July 1 of each year until final maturity on July 1, 2039. The general obligation note is secured by full faith, credit, and taxing power as pledged by the City.</p>	<p>7,999,000</p>
<p>\$6,140,000 Capital Improvement Refunding Revenue Note, Series 2014 was issued September 16, 2014, at an interest rate of 2.74% to refund the City’s outstanding Capital Improvement Refunding Revenue Bonds, Series 2005. Interest payments are payable semi-annually on April 1 and October 1. Principal payments are due annually on October 1 of each year until final maturity on October 1, 2029. The note is secured by a lien and pledge of the non-ad valorem tax revenues and any other revenue appropriated by the City.</p>	<p>2,985,000</p>
<p>\$10,000,000 Capital Improvement Revenue and Refunding Note, Series 2018 was issued May 10, 2018, at an interest rate of 2.17% to finance capital projects and to refund the City’s outstanding Capital Improvement Revenue Note, Series 2013. Interest payments are payable semi-annually on April 1 and October 1. Principal payments are due annually on October 1 of each year until final maturity on October 1, 2033. The note is secured by a pledge of non-ad valorem and other revenue appropriated by the City.</p>	<p>8,000,000</p>

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

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

<p>\$14,000,000 Capital Improvement Revenue Note, Series 2021 was issued May 13, 2021, at a variable interest rate of 79% of LIBOR plus 58 basis points (2.61% at September 30, 2023) to finance transportation and other capital improvement projects. The note is a non-revolving draw-down loan facility. The City drew down \$50,001 on May 13, 2021, \$300,000 on September 21, 2021, \$1,200,000 on December 3, 2021, \$1,500,000 on May 18, 2022, and \$2,000,000 on August 18, 2022. Interest payments are payable semi-annually on April 1 and October 1. Principal payments are due at final maturity on April 1, 2024. The note is secured by a pledge of non-ad valorem and other revenue appropriated by the City.</p>	\$ 9,550,001
<p>\$519,326 State Revolving Fund Loan Agreement executed with FDEP on December 31, 2003, at an interest rate of 2.96% to provide State Revolving Fund assistance for the construction of additional stormwater system improvements. Principal and interest payments of \$16,655 are due semi-annually on May 15 and November 15 of each year until final maturity on May 15, 2024. The loan is secured by a pledge of the City's stormwater utility fees.</p>	32,586
<p>\$457,257 State Revolving Fund Loan Agreement executed with FDEP on September 19, 2006, at an interest rate of 2.47% to finance costs related to the Central Beach Phase 2 Flood Mitigation Improvements Project. Principal and interest payments of \$10,000 are due semi-annually on January 15 and July 15 of each year until final maturity on July 15, 2028. The loan is secured by a pledge of the City's stormwater utility fees.</p>	93,528
<p>\$1,999,328 financed purchase executed with TD Equipment Finance, Inc. on September 14, 2016, at an interest rate of 1.709% to finance the purchase of one fire truck and two fire engines. Principal and interest payments of \$108,522 are due semi-annually on May 1 and November 1 of each year until final maturity on May 1, 2026.</p>	632,030
Total governmental activities	<u>32,592,501</u>
Less: current maturities	<u>(12,767,071)</u>
Total governmental activities long-term debt	<u><u>\$ 19,825,430</u></u>

**Business-type activities:**

The City had no outstanding notes or loans payable in its business-type activities.

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

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

**B. Changes in Long-Term Debt and Liabilities**

Long-term liability activity for the year ended September 30, 2023, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Notes and loans payable:					
General obligation notes	\$ 10,683,000	\$ -	\$ (1,534,000)	\$ 9,149,000	\$ 1,564,000
Capital improvement notes	11,845,000	-	(860,000)	10,985,000	880,000
Stormwater notes	2,715,728	-	(565,372)	2,150,356	515,595
State Revolving Fund loans	195,019	-	(68,905)	126,114	50,385
Line of credit	5,050,001	4,500,000	-	9,550,001	9,550,001
Financed purchases	835,615	-	(203,585)	632,030	207,090
Total notes and loans payable	<u>31,324,363</u>	<u>4,500,000</u>	<u>(3,231,862)</u>	<u>32,592,501</u>	<u>12,767,071</u>
Leases payable	136,426	-	(44,229)	92,197	45,131
Compensated absences	<u>1,791,849</u>	<u>1,646,608</u>	<u>(1,377,016)</u>	<u>2,061,441</u>	<u>357,913</u>
Governmental activities – Total long-term liabilities	<u>\$ 33,252,638</u>	<u>\$ 6,146,608</u>	<u>\$ (4,653,107)</u>	<u>\$ 34,746,139</u>	<u>\$ 13,170,115</u>
<b>Business-type activities:</b>					
Leases payable	\$ 41,563	\$ -	\$ (4,744)	\$ 36,819	\$ 4,867
Compensated absences	<u>8,889</u>	<u>12,130</u>	<u>(6,992)</u>	<u>14,027</u>	<u>3,135</u>
Business-type activities – Total long-term liabilities	<u>\$ 50,452</u>	<u>\$ 12,130</u>	<u>\$ (11,736)</u>	<u>\$ 50,846</u>	<u>\$ 8,002</u>
<b>Utilities Commission:</b>					
Utilities revenue certificates	\$ 76,080,305	\$ -	\$ (2,332,070)	\$ 73,748,235	\$ 1,600,000
Leases payable	-	99,444	(16,877)	82,567	27,642
Subscription arrangements	-	453,592	(150,381)	303,211	175,456
Compensated absences	1,268,534	1,042,270	(1,053,248)	1,257,556	628,778
Component unit – Total bonds payable	<u>\$ 77,348,839</u>	<u>\$ 1,595,306</u>	<u>\$ (3,552,576)</u>	<u>\$ 75,391,569</u>	<u>\$ 2,431,876</u>

Internal service funds predominately serve the governmental funds. Accordingly, \$21,324 of internal service fund compensated absences are included in the above amounts. Also, for the governmental activities, compensated absences are generally liquidated by the general fund. The above Utilities Commission long-term debt presentation contains highly summarized select data. A more detailed debt presentation is available in the Utilities Commission's separately issued financial report, which may be obtained by contacting the administrative office, as discussed in Note (1)(b).

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

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

Annual debt service requirements to maturity for the City’s governmental activities notes and loans payable are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 12,767,071	\$ 835,934	\$ 13,603,005
2025	2,080,087	450,812	2,530,899
2026	2,132,043	402,330	2,534,373
2027	1,983,666	349,577	2,333,243
2028	1,450,634	308,969	1,759,603
2029-2033	7,691,000	1,012,363	8,703,363
2034-2038	3,892,000	292,161	4,184,161
2039	596,000	14,602	610,602
Total	<u>\$ 32,592,501</u>	<u>\$ 3,666,748</u>	<u>\$ 36,259,249</u>

(11) **Tax Abatements:**

The City has adopted a tax abatement program in accordance with Florida Statute 196.1995. The abatement program was approved by the City Commission via Ordinance No. 73-14 and approved by the voters during a November 2014 referendum. The program allows a qualifying business to apply for tax reductions of up to 100% of the City’s assessed millage for up to ten years for meeting certain requirements. Each tax abatement application is considered on a case-by-case basis by the City Commission. The City entered into an abatement agreement with a company effective March 31, 2018. For the year ended September 30, 2023, the City had no property tax amounts abated.

(12) **Risk Management:**

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

The City has identified specific locations which may require site remediation due to various soil and groundwater pollutants. An assessment has been performed at two locations on the City’s airport property as well as at the City garage. As of September 30, 2023, no costs of cleanup have been determined with regards to the airport sites, rather the possible contaminated portions of the property have been roped off so as not to be disturbed. The garage property is undergoing additional assessments to determine the extent of the pollution. If it is determined the City is liable for clean-up, the maximum exposure to the City will be the pollution remediation insurance deductible of \$25,000. All estimates of liability are subject to change over time due to changes in the costs of goods and services, changes in remediation technology, or changes in laws and regulations governing remediation efforts.

The City leases three different properties to Airgate Aviation, Inc. Airgate has defaulted on the terms of the lease agreement based upon unpaid rent in the approximate amount of \$170,000 and is currently holding over in those spaces. These amounts receivable have been fully allowed for as of September 30, 2022. The City is seeking to evict Airgate and recover overdue rent by entering litigation subsequent to year-end. Through the litigation, the City may be subject to various claims by Airgate, including the overcharging of sales tax by 0.5% on certain properties during a certain period of time. However, the City does not believe those claims will constitute a material adverse effect on the financial condition of the City.

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**(13) Deferred Employee Benefits:**

The City provides its employees with a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The assets of these plans are administered by the International City Managers Association Retirement Corporation. The plans have been amended to include provisions changed by the Economic Growth and Tax Relief Reconciliation Act of 2001. Annual contributions, determined by the participant, may not exceed the lesser of \$18,500 or 100% of gross annual compensation for plan years beginning in 2018. Deferred compensation withheld from a participating employee's pay is taxable as current income. Such compensation is not available to the employees until employment termination, retirement, or death. All assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries.

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

**Plan Description**—City of New Smyrna Beach, Florida, Post-Retirement Benefits Plan (the Plan) is a single-employer defined benefit healthcare plan administered by the City. Pursuant to Section 112.0801, Florida Statutes, the City is required to permit participation in the Plan to retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. Eligible individuals include all regular employees of the City who retire from active service either under disability or after attaining age 62 or at least 30 years of service for general employees, or after attaining age 55 or at least 25 years of service for sworn employees. Under certain conditions, eligible individuals also include spouses and dependent children. The Plan does not issue a publicly available financial report.

**Funding Policy**—The contribution requirements of plan members and the City are established by state statutes and may be amended by the state legislature. The required contribution is based on projected pay-as-you-go financing requirements and is subject to constant revision. The City has opted to not fund the total OPEB obligation or the resulting unfunded actuarial accrued liability on an annual basis. The City utilizes the General Fund to liquidate the liability for the OPEB obligation from previous years.

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

**Plan Membership**—At October 1, 2021, the date of the latest actuarial valuation, plan participation consisted of the following:

Active Employees	262
Inactive Employees	58
	320

**Total OPEB Liability**—The City’s total OPEB liability of \$1,792,040 was measured as of September 30, 2023.

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

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

**Actuarial Assumptions and Other Inputs**—The total OPEB liability in the September 30, 2023, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

Discount rate	4.75%
Salary increases	3.00%
Healthcare cost trend rate	7.00% graded down by 0.25% per year to 4.50% in FY2032
Retirees' share of benefit-related costs	100.00%

*Discount rate:* The selected discount rate is based on the prescribed discount interest rate methodology under GASB No. 74/75 using an average of three 20-year bond indices as of September 30, 2023.

*Mortality rates:* Society of Actuaries Pub-2010 Public Retirement Plans Healthy Male and Female Total Dataset Headcount-Weighted Mortality tables based on Employee and Healthy Annuitant Tables for both pre- and post-retirement projected with mortality improvements using the most current Society of Actuaries Mortality Improvement Scale MP-2019.

*Actuarial Cost Method:* Entry Age Normal as a Level Percentage of Payroll.

*Implicit subsidy:* This reflects the difference between the premium rate or cost charged to a retiree for a particular benefit as compared to the estimated rate of cost to the retiree, if those benefits were calculated reflecting retirees as a separate group (rather than their costs bundled with the active population). The results in this valuation reflect an implicit subsidy in the cost projections. This valuation solely reflected an implicit subsidy, since no explicit subsidy was provided for health benefits.

*Retirement eligibility:* Eligibility for early retirement is based on meeting a criterion of minimum age and/or years of service (YOS) requirements based on class of employees. Eligibility was provided for normal and early retirement. For conservatism, the actuary assumed eligibility at early retirement. Criteria for normal and early retirement are summarized as follows. For general employees, retirement is assumed to occur at age 62 with 10 years of service or at any age with 30 years of service; for firefighters, retirement is assumed to occur at age 55 with 10 years of service or at any age with 25 years of service; for police officers, retirement is assumed to occur at age 55 with 10 years of service, or at any age with 20 years of service.

*Disability Assumptions:* This reflects disability assumptions from the active plan and is based on age. This is the assumption used for the FRS.

*Retirement Assumptions:* This reflects rate of retirement from the active plan and is based on age and gender. This is the assumption used for the FRS.

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

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

*Spouses and dependents:* Spouses are valued for benefits similar to retired employees. Employees with spouses are assumed to be married to those spouses at and throughout retirement. Employees that are without spouses (or not covering a spouse) are assumed to be single at and throughout retirement. Based on the contribution rates for future retirees, it is assumed that actives with dependent coverage will elect dependent coverage in retirement 80% of the time. This assumption is based on judgement and review of the reported census information. It is assumed that female spouses are three years younger than male employees and male spouses are three years older than female employees unless actual spouse date of birth information was provided. Spousal dates of birth were not provided in the census, so this assumption since individuals with family coverage had no spouse date of birth information.

For the fiscal year ended September 30, 2023, changes in the total OPEB liability were as follows:

Balance at September 30, 2022	\$ 1,900,613
Changes for a year:	
Service cost	8,760
Interest	86,074
Changes of assumptions	(26,343)
Benefit payments – implicit rate subsidy	(177,064)
Net changes	<u>(108,573)</u>
Balance at September 30, 2023	<u>\$ 1,792,040</u>

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

The following presents the total OPEB liability of the City calculated using the discount rate of 4.75%, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1% lower (3.75%) or 1% higher (5.75%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 1,951,786	\$ 1,792,040	\$ 1,657,345

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

The following presents the total OPEB liability of the City calculated using healthcare cost trend rate of 7.0% graded down to 4.50%, as well as what the City’s total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1% lower (6.0%) or 1% higher (8.0%) than the current healthcare cost trend rates (7.0%):

	<u>1% Decrease</u>	<u>Current Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 1,617,854	\$ 1,792,040	\$ 1,998,387

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

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

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

For the year ended September 30, 2023; the City recognized OPEB expense of (\$8,736). At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Demographic changes	\$ -	\$ -
Changes of assumptions	202,061	747,857
Subsequent benefit payments	154,014	-
Total	\$ 356,075	\$ 747,857

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

<b>Year ended September 30,</b>	
2024	\$ (131,462)
2025	(131,462)
2026	(53,158)
2027	(14,590)
2028	(35,064)
Thereafter	(180,060)
Total	\$ (545,796)

(15) **Employee Retirement Systems and Pension Funds:**

**A. Florida Retirement System**

**Plan Description and Administration**

The entity participates in the Florida Retirement System (FRS), a multiple-employer, cost-sharing defined public employee retirement system which covers all general employees hired before January 1, 1996, and all firefighters, regardless of date of hire. The System is administered by the State of Florida, Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

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

In addition, all regular employees of the entity are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$7.50. The minimum payment is \$45 and the maximum payment is \$225 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

**Benefits Provided and Employees Covered**

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Members of both Plans may include up to four years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 96 months after electing to participate, except that certain instructional personnel may participate for up to 120 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

Employees may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The Investment Plan is funded by employer and employee contributions that are based on salary and membership class (Regular, DROP, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Employees in the Investment Plan vest at one year of service.

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

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

**Financial Statements**

Financial statements and other supplementary information of the FRS are included in the State's Annual Comprehensive Financial Report, which is available from the Florida Department of Financial Services, Bureau of Financial Reporting Statewide Financial Reporting Section by mail at 200 E. Gaines Street, Tallahassee, Florida 32399-0364; by telephone at (850) 413-5511; or at the Department's Web site ([www.myfloridacfo.com](http://www.myfloridacfo.com)). An annual report on the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from:

Florida Department of Management Services  
 Division of Retirement, Research and Education Services  
 P.O. Box 9000  
 Tallahassee, FL 32315-9000  
 850-488-5706 or toll free at 877-377-1737

**Contributions**

The entity participates in certain classes of FRS membership. Each class has descriptions and contribution rates in effect during the year ended September 30, 2023, as follows (contribution rates are in agreement with the actuarially determined rates):

FRS Membership Plan & Class	Through June 30, 2023	After June 30, 2023
Regular Class	11.91%	13.57%
Senior Management	31.57%	34.52%
Special Risk	27.83%	32.67%

Current-year employer HIS contributions were made at a rate of 1.66% of covered payroll through June 30, 2023, and 2.00% thereafter, which are included in the above rates.

For the plan year ended June 30, 2023, actual contributions made for employees participating in FRS and HIS were as follows:

Entity Contributions – FRS	\$	75,705
Entity Contributions – HIS		6,324
Employee Contributions – FRS		11,428

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

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

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

At September 30, 2023, the entity reported a liability related to FRS and HIS as follows:

<u>Plan</u>	<u>Net Pension Liability</u>
FRS	\$ 627,066
HIS	152,671
Total	<u>\$ 779,737</u>

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The entity's proportion of the net pension liability was based on a projection of the long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, as actuarially determined. At June 30, 2023 and June 30, 2022, the entity's proportionate share of the FRS and HIS net pension liabilities were as follows:

<u>Plan</u>	<u>2023</u>	<u>2022</u>
FRS	0.001573692%	0.002043552%
HIS	0.000961324%	0.001180504%

For the year ended June 30, 2023, pension expense was recognized related to the FRS and HIS plans as follows:

<u>Plan</u>	<u>Pension Expense</u>
FRS	\$ 38,013
HIS	32,459
Total	<u>\$ 70,472</u>

*Deferred outflows/inflows related to pensions:*

At September 30, 2023, the entity reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>FRS</u>		<u>HIS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 58,876	\$ -	\$ 2,235	\$ (358)
Changes of assumptions	40,877	-	4,014	(13,229)
Net difference between projected and actual investment earnings	26,188	-	79	-
Change in proportionate share	-	(291,019)	1,933	(79,184)
Contributions subsequent to measurement date	54,554	-	3,618	-
Total	<u>\$ 180,495</u>	<u>\$ (291,019)</u>	<u>\$ 11,879</u>	<u>\$ (92,771)</u>

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

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

The above amounts for deferred outflows of resources for contributions related to pensions resulting from entity contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended September 30, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions being amortized for a period of greater than one year will be recognized in pension expense in succeeding years as follows:

	<b>FRS</b>	<b>HIS</b>	<b>Total</b>
2024	\$ (71,514)	\$ (21,420)	\$ (92,934)
2025	(91,228)	(19,068)	(110,296)
2026	33,073	(16,906)	16,167
2027	(30,656)	(16,740)	(47,396)
2028	(4,753)	(9,090)	(13,843)
Thereafter	-	(1,286)	(1,286)
Total	\$ (165,078)	\$ (84,510)	\$ (249,588)

*Actuarial assumptions:*

The actuarial assumptions for both defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS was completed in 2019 for the period July 1, 2013, through June 30, 2018. Because HIS is funded on a pay-as-you-go basis, no experience study has been completed.

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation, using the entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth, including inflation, for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS investments is 6.70%. This rate is consistent with the prior year rate of 6.70%. The 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 calculating the total pension liability is equal to the long-term expected rate of return. Because HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.65% was used to determine the total pension for the program. This rate increased from the prior year rate, which was 3.54%. Mortality assumptions for both plans were based on the PUB-2010 base table varies by member category and sex, projected generationally with Scale MP-2018.

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

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

*Long-term expected rate of return:*

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2023, the FRS Actuarial Assumptions Conference reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and by a capital market assumptions team from Aon Hewitt Investment Consulting, which consults to the Florida State Board of Administration. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. 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. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	Annual Arithmetic Expected Rate of Return
Cash	1.0%	2.9%
Fixed income	19.8%	4.5%
Global equities	54.0%	8.7%
Real estate	10.3%	7.6%
Private equity	11.1%	11.9%
Strategic investments	3.8%	6.3%
Total	100.0%	

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

The following presents the proportionate shares of the FRS and HIS net pension liability of the entity calculated using the current discount rates, as well as what the entity’s net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

Plan	Current Discount Rate	NPL with 1% Decrease	NPL at Current Discount Rate	NPL with 1% Increase
FRS	6.70%	\$ 1,071,157	\$ 627,066	\$ 255,531
HIS	3.65%	174,174	152,671	134,847

**B. General Employees – Defined Contribution Plan**

The City contributes to a defined contribution plan which is administered by the ICMA-RC, PO Box 96220, Washington, DC 20090-6220. The City established the plan for all regular full-time and regular part-time employees hired on or after January 1, 1996 by revoking its participation in the FRS, with respect to such employees. All qualifying employees at least 18 years of age participate in the plan on the date of employment. Normal retirement and disability benefits are available after 5 years of service and attaining age 62.

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

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

Early retirement and disability benefits are available after 5 years of service and attaining age 55. Employer contributions to the plan are 8% of the employee gross wages. Employees may make supplemental contributions to the extent permitted by law. The City Commission has the authority to amend the Plan's provisions including any amendments to the contribution rate.

Employer contributions to the defined contribution plan for the years ended September 30, 2023, 2022, and 2021, were \$960,778, \$638,058, and \$600,803, respectively. Employee contributions to the defined contribution plan for the years ended September 30, 2023, 2022, and 2021, were \$25,676, \$27,861, and \$26,316, respectively.

**C. Municipal Police Officers' and Firefighters' Defined Benefit Pension Plans**

The City maintains and administers separate single-employer pension plans for all eligible police officers and firefighters, which assets are included in the Municipal Police Officers' Retirement Trust Fund (the "Police Plan") and the Municipal Firefighters' Pension Trust Fund (the "Fire Plan"). The plans do not issue stand-alone financial reports and are not included in any other retirement systems or entities financial report.

**Plan Description and Administration**

All certified police officers and firefighters are eligible to participate in the respective plans after a six-month probationary period. Benefits vest with eligible employees after ten years of participation. The funding methods and the determination of benefits payable are provided in the various acts of the Florida Legislature, which created the funds, including subsequent amendments thereto. These statutes provide, in general, that funds are to be accumulated from employee contributions, City contributions, State appropriations and income from investments from accumulated funds. The statutes also provide that should the accumulated funds at any time be insufficient to meet and pay the benefits due, the City shall supplement the funds by an appropriation from current funds or from any revenues which may be lawfully used for said purposes in an amount sufficient to make up the deficiency. The investments of the two funds are administered, managed, and operated by their respective boards of trustees using the services of the City staff and local financial institutions.

The Plans are administered by a Board of Trustees comprised of the following:

*Police Plan*—Two legal residents of the City, appointed by the City Commission; two members of the Plan elected by a majority of the police officers who are members of the Plan; and a fifth trustee who is chosen by a majority of the first four trustees.

*Fire Plan*—Two legal residents of the City, appointed by the City Commission; two members of the Plan elected by a majority of the firefighters who are members of the Plan; and a fifth trustee who is chosen by a majority of the first four trustees.

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

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

**Benefits Provided and Employees Covered**

Each Plan provides retirement, termination, disability, and death benefits to plan participants and beneficiaries. Current membership in the employee retirement plans was composed of the following at October 1, 2022:

	<b>Police Plan</b>	<b>Fire Plan</b>
Inactive plan members or beneficiaries currently receiving benefits	55	47
Inactive plan members entitled to but not yet receiving benefits	34	10
Active plan members	46	45
Total plan membership	135	102

**Financial Statements**

The financial statements of the plans are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. The City's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. All plan investments are reported at fair value and are managed by an independent third-party money manager.

Investments that do not have an established market are reported at estimated fair value. Performance reporting, administrative expenses, and the City's asset valuation are based on the custodians' determination of value. Administrative costs of the Plan are financed through investment earnings or, at the exclusive option of the City, from expense reimbursements made by the City.

**Contributions**

The State of Florida has established guidelines for state and local pension plan funding and requires submission to and approval of the local government's actuarial reports by a State Bureau at least every third year. Authority to establish and amend benefits rests with the City Commission. The employer contribution requirements are actuarially determined.

The City participates under Chapters 175 and 185, Florida Statutes, in establishing its own Municipal Police Officers' and Firefighters' Retirement Trust Funds. As a participating city, the City receives annual distributions of fire insurance premium tax and casualty insurance premium tax on property and casualty insurance policies written within the City's legal limits. The tax monies are collected by the Florida Department of Revenue and disbursed by the Florida Division of Retirement to each participating city or district. Amounts received by the City are legally restricted to be deposited directly into the respective retirement trust funds. These contributions are recorded and recognized in the General Fund as intergovernmental revenue with a corresponding expenditure reported in Public Safety personal service costs.

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

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

The City uses the Entry Age Normal Actuarial Cost Method for both Plans to determine required contribution under its retirement systems because it provides for the systematic funding of the normal cost and any unfunded actuarial accrued liabilities. These are acceptable methods to the State of Florida.

**Police Officers' Pension Plan**

*Normal retirement:* Normal retirement occurs at the earlier of: 1) age 55 and the completion of 10 years of credited service, or 2) the completion of 20 years of credited service, regardless of age. Pension benefits are paid at 3.0% of Average Final Compensation (AFC) times credited service.

*Early retirement:* A member is eligible for early retirement upon attaining age 50 and 10 years of credited service. Pension benefits under early retirement are determined as for normal retirement and reduced 3.0% for each year that early retirement precedes normal retirement.

*Disability:* Eligibility for a service incurred disability is covered from date of employment. Eligibility for a non-service incurred disability vests after 10 years of credited service. Benefits are accrued to date of disability. The minimum benefit for service incurred is 42% of AFC and 25% of AFC for non-service incurred.

*Pre-retirement death benefits:* For vested or eligible-to-retire members, a monthly benefit equal to 50% of the member's AFC is payable for the life of the spouse or date there is no longer a surviving dependent. For non-vested members, the Plan provides a refund of the required contribution account.

*Termination of employment:* If a member terminates employment with the City in less than 10 years, the member receives a refund of accumulated contributions without interest. If a member terminates employment with the City after 10 years or more of credited service, the member receives a refund of contributions with an actuarially discounted benefit payable upon reaching retirement age or the accrued benefit payable at retirement age.

*Contributions:* Effective October 1, 2020, all members will contribute 8.0% of their salary. For City and State contributions, it is the remaining amount required in order to pay current costs and amortize unfunded past service costs, if any, as provided in Part VII, Chapter 112, Florida Statutes.

*Concentrations:* The Plan did not hold investments in any one organization that represents 5 percent or more of the Pension Plan's fiduciary net position.

**Firefighters' Pension Plan**

*Normal retirement:* Normal retirement occurs at the earlier of: 1) age 55 and the completion of 10 years of credited service, or 2) the completion of 25 years of credited service, regardless of age. Pension benefits are paid at 3.0% of average final compensation times credited service.

*Early retirement:* A member is eligible for early retirement upon attaining age 50 and 10 years of credited service. Pension benefits under early retirement are determined as for normal retirement and reduced 3.0% for each year that early retirement precedes normal retirement.

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

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

*Disability:* Eligibility for a service incurred disability is covered from date of employment. Eligibility for a non-service incurred disability vests after 5 years of credited service. Benefits are accrued to date of disability. The minimum benefit for service incurred is 42% of AFC and 25% of average monthly earnings for non-service incurred.

*Vesting:* A member is fully vested (100%) after 10 years of credited service. A member will receive the vested portion of their accrued benefit payable at the otherwise normal retirement date.

*Pre-retirement death benefits:* For pre-retirement death in the line of duty, 50% of AFC is payable for the life of the spouse. For the pre-retirement death of a member (not in the line of duty) with less than 10 years of credited service, the Plan provides a refund of accumulated contributions. In the event of the pre-retirement death of a member (not in the line of duty) with more than 10 years of credited service, the Plan provides a monthly spouse benefit assuming the member retired and selected 50% Joint and Survivor Annuity.

*Contributions:* Effective October 1, 2014, all members will contribute 10% of their base compensation. City and State contributions make up the remaining amount required in order to pay current costs and amortize unfunded past service costs, if any, as provided in Part VII, Chapter 112, Florida Statutes.

*Concentrations:* The Plan did not hold investments in any one organization that represents 5 percent or more of the Pension Plan's fiduciary net position.

**Investment Policy**

See Note (4) for additional discussion of the investment policies for each of the Plans. The following was the asset allocation policy for each of the plans at September 30, 2023:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	
	<u>Police Plan</u>	<u>Fire Plan</u>
Domestic equity	45.0%	50.0%
International equity	15.0%	10.0%
Bonds/US Corps Bonds-Core	25.0%	27.5%
Hedge Funds	n/a	5.0%
Real estate	10.0%	7.5%
Cash	5.0%	n/a

*Rate of return:* The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the year ended September 30, 2023, the annual money-weighted rate of return on the Police and Fire Pension Plan investments, net of pension plan investment expense, was 9.33%, and 9.13%, respectively.

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

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

**Net Pension Liability**

*Deferred Retirement Option Program (DROP):* The provisions for DROP for both Plans are as follows:

	<u>Police Officers' Pension Plan</u>	<u>Firefighters' Pension Plan</u>
Eligibility	Eligibility for Normal Retirement. Members hired on or after January 23, 2013, are not eligible.	Satisfaction of Normal Retirement requirements and hired prior to July 1, 2012.
Participation	Not to exceed 60 months.	Not to exceed 60 months.
Rate of Return	Interest is credited after each month at a fixed rate of 6.5% for members who entered prior to October 1, 2012. Other members receive the actual plan earnings, subject to a maximum of 6.5% and a minimum of 0.0% per year.	At participant's election (prior to October 1, 2012): a) 6.5% interest or b) actual net rate of investment return credited each fiscal quarter.  May change election once during the DROP period.  For those members that entered DROP on or after October 1, 2012, actual rate of investment return up to a maximum of 6.5% per annum and a minimum of 0.0% per annum credited quarterly.
DROP Balance as of September 30, 2023	\$ -	\$ 206,325

The components of the net pension liability of the pension plans at September 30, 2023, were as follows:

	<u>Police Plan</u>	<u>Fire Plan</u>	<u>Total</u>
Total pension liability	\$ 27,236,935	\$ 34,188,852	\$ 61,425,787
Plan fiduciary net position	(19,948,602)	(24,992,106)	(44,940,708)
Net pension liability	<u>\$ 7,288,333</u>	<u>\$ 9,196,746</u>	<u>\$ 16,485,079</u>
Plan fiduciary net position as percentage of total pension liability	73.24%	73.10%	73.16%

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

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

The total pension liability was determined by an actuarial valuation as of October 1, 2021, and measurement date of September 30, 2023, using the following actuarial assumptions to all measurement periods.

	<b>Police Plan</b>	<b>Fire Plan</b>
Inflation	2.70%	2.30%
Salary increases	Service based	Service based
Discount rate	7.65%	7.70%
Investment rate of return	7.65%	7.70%

**Mortality rate:**

*Healthy Active Lives:*

Female: PubS.H-2010 (Below Median) for Employees, set forward one year.

Male: PubS.H-2010 (Below Median) for Employees, set forward one year.

*Mortality Rate Disabled Lives:*

80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.

*Mortality Rate Healthy Retiree Lives:*

Female: PubS.H-2010 for Healthy Retirees, set forward one year.

Male: PubS.H-2010 for Healthy Retirees, set forward one year.

*Mortality Rate Beneficiary Lives:*

Female: PubG.H-2010 for Healthy Retirees.

Male: PubG.H-2010 for Healthy Retirees, set back one year.

All rates are projected generationally with Mortality Improvement Scale MP-2018. 75% (Police) and 90% (Fire) of active deaths are assumed to be service-incurred.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates. Best estimates of arithmetic real rates of return for each major class included in the pension plan's target asset allocation as of September 30, 2023, are summarized in the following table:

<b>Asset Class</b>	<b>Long-Term Expected Real Rate of Return</b>	
	<b>Police Plan</b>	<b>Fire Plan</b>
Domestic equity	7.2%	5.6%
International equity	2.9%	4.46%
Bonds/fixed income	1.7%	1.23%
Private investment fund	n/a	3.73%
Real estate	5.9%	4.26%
Cash	(0.1%)	n/a

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

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

*Discount rate:*

The discount rate used to measure the total pension liability for the Police and Fire Plan investments was 7.75% and 7.80%, respectively. The projection of cash flows used to determine the discount rate assumed the plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plans' 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.

*Changes in net pension liability:*

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

	<b>Police Plan</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a – b)</b>
Beginning Balance	\$ 25,589,698	\$ 18,648,460	\$ 6,941,238
Changes for year:			
Service cost	556,225	-	556,225
Interest	1,922,211	-	1,922,211
Share plan allocation	83,268	-	83,268
Differences between expected/actual experience	(3,512)	-	(3,512)
Changes of assumptions	1,012,044	-	1,012,044
Changes of benefit terms	-	-	-
Contributions – employer	-	924,510	(924,510)
Contributions – state	-	366,537	(366,537)
Contributions – employee	-	277,007	(277,007)
Net investment income	-	1,706,779	(1,706,779)
Benefit payments, including refunds	(1,923,000)	(1,923,000)	-
Administrative expenses	-	(51,691)	51,691
Net changes	<u>1,647,236</u>	<u>1,300,142</u>	<u>347,094</u>
Ending Balance	<u>\$ 27,236,935</u>	<u>\$ 19,948,602</u>	<u>\$ 7,288,333</u>

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

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

	<b>Fire Plan</b>		
	<b>Total Pension</b>	<b>Plan</b>	<b>Net Pension</b>
	<b>Liability</b>	<b>Fiduciary Net</b>	<b>Liability</b>
	<b>(a)</b>	<b>Position (b)</b>	<b>(a – b)</b>
Beginning Balance	\$ 32,795,245	\$ 23,722,303	\$ 9,072,942
Changes for year:			
Service cost	509,898	-	509,898
Interest	2,508,896	-	2,508,896
Share plan allocation	83,512	-	83,512
Differences between expected/actual experience	149,702	-	149,702
Changes of assumptions	359,548	-	359,548
Changes of benefit terms	-	-	-
Contributions – employer	-	678,587	(678,587)
Contributions – state	-	448,810	(448,810)
Contributions – employee	-	335,937	(335,937)
Contributions – buy back	61,676	61,676	-
Net investment income	-	2,102,956	(2,102,956)
Benefit payments, including refunds	(2,279,625)	(2,279,625)	-
Administrative expenses	-	(78,538)	78,538
Net changes	<u>1,393,607</u>	<u>1,269,803</u>	<u>123,804</u>
Ending Balance	<u>\$ 34,188,852</u>	<u>\$ 24,992,106</u>	<u>\$ 9,196,746</u>

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

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

<u>Plan</u>	<u>Current Discount Rate</u>	<u>NPL with 1% Decrease</u>	<u>NPL at Current Discount Rate</u>	<u>NPL with 1% Increase</u>
Police	7.65%	\$ 10,542,359	\$ 7,288,333	\$ 4,604,447
Fire	7.70%	13,193,529	9,196,746	5,880,338
Total		<u>\$ 23,735,888</u>	<u>\$ 16,485,079</u>	<u>\$ 10,484,785</u>

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

For the year ended September 30, 2023, the City recognized pension expense of \$2,135,048 and \$1,494,720 in the Police and Fire pension plans, respectively, for a total of \$3,629,768.

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

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

At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Police Plan		Fire Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 180,949	\$ 171,425	\$ 112,278	\$ 350,806
Changes of assumptions	674,696	-	278,409	-
Net difference between projected and actual investment earnings	1,612,003	-	2,892,754	-
	\$ 2,467,648	\$ 171,425	\$ 3,283,441	\$ 350,806

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

	Police Plan	Fire Plan
2024	\$ 712,953	\$ 769,463
2025	750,793	817,195
2026	887,933	1,402,904
2027	(55,456)	(57,022)
2028	-	-
Thereafter	-	-

**C. Pension Fund Financial Statements**

The City does not issue separate financial statements for the Police or Fire Plans. The basic financial statements of the City include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position that presents a single column presented by fund type for all pension trust funds.

For the year ended September 30, 2023, pension expense was recognized as follows:

Plan	Pension Expense
FRS	\$ 38,013
HIS	32,459
Police	1,803,578
Fire	2,039,301
Total	\$ 3,913,351

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

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

Presented below are the financial statements for each pension trust fund as of and for the year ended September 30, 2023:

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

	<b>Police Pension</b>	<b>Fire Pension</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents with trustee	\$ 367,614	\$ 906,915	\$ 1,274,529
Prepaid benefit payments	-	170,222	170,222
Receivables:			
Employer contributions receivable	34,922	-	34,922
State premium taxes	-	102,253	102,253
Other receivables	-	75,221	75,221
Interest and dividends receivable	19,965	55,997	75,962
Total receivables	54,887	233,471	288,358
Investments, at fair value:			
Money market funds	-	105,386	105,386
Common stock	-	14,652,900	14,652,900
Government agency obligations	-	4,242,499	4,242,499
Corporate equity securities	-	2,180,936	2,180,936
Mutual funds	14,817,903	850,942	15,668,845
Real estate funds	2,621,903	1,657,107	4,279,010
Annuity contracts	2,121,553	-	2,121,553
Total investments	19,561,359	23,689,770	43,251,129
Total assets	19,983,860	25,000,378	44,984,238
<b>LIABILITIES</b>			
Accounts payable	35,258	8,272	43,530
Total liabilities	35,258	8,272	43,530
<b>NET POSITION</b>			
Restricted for pensions	\$ 19,948,602	\$ 24,992,106	\$ 44,940,708

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

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

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

	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Total</u>
<b>Additions</b>			
Contributions:			
Employer	\$ 924,510	\$ 678,587	\$ 1,603,097
Plan members	277,007	397,613	674,620
State - insurance premium taxes	366,537	448,810	815,347
Total contributions	<u>1,568,054</u>	<u>1,525,010</u>	<u>3,093,064</u>
Investment earnings			
Net appreciation (depreciation) in fair value of investments	1,381,140	1,735,562	3,116,702
Interest and dividends	359,748	517,226	876,974
Total investment earnings	<u>1,740,888</u>	<u>2,252,788</u>	<u>3,993,676</u>
Less: investment expense	<u>(34,109)</u>	<u>(149,832)</u>	<u>(183,941)</u>
Net investment income (loss)	1,706,779	2,102,956	3,809,735
Total additions	<u>3,274,833</u>	<u>3,627,966</u>	<u>6,902,799</u>
<b>Deductions</b>			
Benefit payments and refunds	1,923,000	2,279,625	4,202,625
Administrative expenses	51,691	78,538	130,229
Total deductions	<u>1,974,691</u>	<u>2,358,163</u>	<u>4,332,854</u>
<b>Change in net position</b>	<u>1,300,142</u>	<u>1,269,803</u>	<u>2,569,945</u>
<b>Net position restricted for pensions</b> , beginning of year	18,648,460	23,722,303	42,370,763
<b>Net position restricted for pensions</b> , end of year	<u>\$ 19,948,602</u>	<u>\$ 24,992,106</u>	<u>\$ 44,940,708</u>

(16) **Recent Accounting Pronouncements:**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates effective for fiscal years subsequent to September 30, 2023, that have not yet been implemented. Management has not currently determined what, if any, impact implementation of the following will have on the City's financial statements:

- (a) GASB issued Statement No. 101, *Compensated Absences*, in June 2022. GASB 101 amends various provisions regarding the calculation methodology and required disclosures related to the liability for compensated absences. The provisions for GASB 101 are effective for fiscal years beginning after December 15, 2023.
- (b) GASB issued Statement No. 102, *Certain Risk Disclosures*, in December 2023. The objective of GASB 102 is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The effective date for implementation is fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

(16) **Recent Accounting Pronouncements:** (Continued)

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

(17) **Subsequent Events:**

Subsequent to year end on March 26, 2024, the City Commission approved the refinancing of the Capital Improvement Revenue Note, Series 2021. The Capital Improvement Revenue Note, Series 2024 was issued on April 1, 2024, for \$18,000,000 at a variable interest rate of 79% of one-month term SOFR plus 79 basis points. The note is a non-revolving draw-down loan facility to finance transportation and other capital improvement projects. Interest payments are payable semi-annually on April 1 and October 1. Principal payments are due at final maturity on April 1, 2027. The note is secured by a pledge of non-ad valorem and other revenue appropriated by the City.

On April 9, 2024, the City Commission approved the sale of the historic Women's Club property for \$225,000 to a trust for continued historic renovation.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY**  
**AND RELATED RATIOS**  
**LAST 10 FISCAL YEARS**  
**(UNAUDITED)**

Fiscal Year Ended September 30,	2023	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>						
Service cost	\$ 8,760	\$ 8,753	\$ 28,293	\$ 27,492	\$ 86,745	\$ 123,075
Interest	86,074	111,354	57,714	50,282	111,471	111,004
Difference between expected and actual experience	-	-	-	-	(242,684)	-
Changes of assumptions	(26,343)	(554,625)	(11,498)	380,089	(613,988)	-
Benefit payments - implicit rate subsidy	(177,064)	(181,784)	(155,723)	(169,206)	(117,052)	(149,844)
Net change in total OPEB liability	(108,573)	(616,302)	(81,214)	288,657	(775,508)	84,235
Total OPEB liability - beginning of year	1,900,613	2,516,915	2,598,129	2,309,472	3,084,980	3,000,745
<b>Total OPEB liability - end of year</b>	<b>\$ 1,792,040</b>	<b>\$ 1,900,613</b>	<b>\$ 2,516,915</b>	<b>\$ 2,598,129</b>	<b>\$ 2,309,472</b>	<b>\$ 3,084,980</b>
Covered-employee payroll	\$ 16,895,820	\$ 16,895,820	\$ 11,841,332	\$ 11,841,332	\$ 8,567,107	\$ 9,760,283
Total OPEB liability as a percentage of covered-employee payroll	10.61%	11.25%	21.26%	21.94%	26.96%	31.61%

**Notes to Schedule:**

There are no assets accumulated in a trust that pay for related benefits.

Valuation date:	10/1/2021	10/1/2021	10/1/2019	10/1/2019	10/1/2018	10/1/2017
-----------------	-----------	-----------	-----------	-----------	-----------	-----------

Changes of assumptions. Changes of assumptions and other changes reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

Discount rates:	4.75%	4.59%	2.29%	2.26%	3.58%	3.64%
-----------------	-------	-------	-------	-------	-------	-------

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

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**POLICE OFFICERS' PENSION PLAN**  
**SEPTEMBER 30, 2023**  
**(UNAUDITED)**

Fiscal Year Ended September 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>										
Service cost	\$ 556,225	\$ 556,886	\$ 468,507	\$ 442,060	\$ 392,733	\$ 411,234	\$ 386,508	\$ 334,447	\$ 320,867	\$ 307,413
Interest	1,922,211	1,904,528	1,735,115	1,672,869	1,637,490	1,610,755	1,590,095	1,558,438	1,570,033	1,556,015
Share plan allocation	83,268	73,460	78,366	144,371	139,003	118,915	85,276	70,816	54,834	51,740
Change in funding standard account	-	-	-	-	-	-	-	-	-	(229,824)
Difference between actual and expected experience	(3,512)	(507,248)	723,796	513,348	(35,443)	441,756	95,140	(143,908)	(583,632)	-
Changes of assumptions	1,012,044	-	-	(200,434)	-	317,507	-	385,882	-	-
Changes of benefit terms	-	843,427	-	(2,341)	-	-	-	-	-	-
Contributions - buy back	-	-	-	-	-	-	10,011	-	-	-
Benefit payments, including refunds of contributions	(1,923,000)	(1,730,563)	(1,818,514)	(1,673,162)	(1,650,024)	(1,984,538)	(1,882,484)	(1,340,827)	(1,700,396)	(1,346,754)
Net change in total pension liability	1,647,236	1,140,490	1,187,270	896,711	483,759	915,629	284,546	864,848	(338,294)	338,590
Total pension liability - beginning	25,589,698	24,449,208	23,261,938	22,365,227	21,881,468	20,965,839	20,681,293	19,816,445	20,154,739	19,816,149
<b>Total pension liability - ending (a)</b>	<u>\$ 27,236,934</u>	<u>\$ 25,589,698</u>	<u>\$ 24,449,208</u>	<u>\$ 23,261,938</u>	<u>\$ 22,365,227</u>	<u>\$ 21,881,468</u>	<u>\$ 20,965,839</u>	<u>\$ 20,681,293</u>	<u>\$ 19,816,445</u>	<u>\$ 20,154,739</u>
<b>Total Fiduciary Net Position</b>										
Contributions - employer	\$ 924,510	\$ 800,974	\$ 698,765	\$ 436,035	\$ 761,530	\$ 649,833	\$ 420,771	\$ 580,632	\$ 557,661	\$ 470,733
Contributions - state	366,537	313,314	279,195	266,833	261,466	241,378	207,739	193,279	177,297	174,203
Contributions - employee	277,007	256,490	231,017	268,671	251,882	226,774	220,334	198,424	184,836	137,166
Contributions - buy back	-	-	-	-	-	-	10,011	-	-	-
Net investment income	1,706,779	(3,021,657)	3,808,068	1,619,063	824,708	1,100,357	1,556,057	1,217,573	337,826	1,640,698
Benefit payments, including refunds of contributions	(1,923,000)	(1,730,563)	(1,818,514)	(1,673,162)	(1,650,024)	(1,984,538)	(1,882,484)	(1,340,827)	(1,700,396)	(1,346,754)
Administrative expense	(51,691)	(49,263)	(47,798)	(48,209)	(52,505)	(38,075)	(38,227)	(42,439)	(37,482)	(29,248)
Net change in plan fiduciary net position	1,300,142	(3,430,705)	3,150,733	869,231	397,057	195,729	494,201	806,642	(480,258)	1,046,798
Plan fiduciary net position - beginning	18,648,460	22,079,165	18,928,432	18,059,201	17,662,144	17,466,415	16,972,214	16,165,572	16,645,830	15,599,032
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 19,948,602</u>	<u>\$ 18,648,460</u>	<u>\$ 22,079,165</u>	<u>\$ 18,928,432</u>	<u>\$ 18,059,201</u>	<u>\$ 17,662,144</u>	<u>\$ 17,466,415</u>	<u>\$ 16,972,214</u>	<u>\$ 16,165,572</u>	<u>\$ 16,645,830</u>
<b>Net pension liability - ending (a) - (b)</b>	<u>\$ 7,288,332</u>	<u>\$ 6,941,238</u>	<u>\$ 2,370,043</u>	<u>\$ 4,333,506</u>	<u>\$ 4,306,026</u>	<u>\$ 4,219,324</u>	<u>\$ 3,499,424</u>	<u>\$ 3,709,079</u>	<u>\$ 3,650,873</u>	<u>\$ 3,508,909</u>
Plan fiduciary net position as a percentage of the total pension liability	73.24%	72.87%	90.31%	81.37%	80.75%	80.72%	83.31%	82.07%	81.58%	82.59%
Covered payroll	\$ 3,462,582	\$ 3,206,121	\$ 2,816,440	\$ 2,686,705	\$ 2,518,818	\$ 2,267,739	\$ 2,203,342	\$ 1,984,243	\$ 2,206,819	\$ 1,658,351
Net pension liability as a percentage of covered payroll	210.49%	216.50%	84.15%	161.29%	170.95%	186.06%	158.82%	186.93%	165.44%	211.59%
Annual Money-Weighted Rate of Return	9.33%	-13.89%	20.58%	9.21%	4.81%	6.63%	9.43%	7.73%	2.11%	10.88%

See accompanying notes to required supplementary information.

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**FIREFIGHTERS' PENSION PLAN**  
**SEPTEMBER 30, 2023**  
**(UNAUDITED)**

Fiscal Year Ended September 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>										
Service cost	\$ 509,897	\$ 400,384	\$ 422,326	\$ 366,299	\$ 290,009	\$ 254,240	\$ 269,679	\$ 230,789	\$ 213,595	\$ 203,023
Interest	2,508,896	2,491,711	2,416,158	2,220,502	2,117,944	2,072,778	2,027,851	1,913,573	1,933,796	1,944,483
Share plan allocation	83,512	32,161	33,980	40,941	32,041	-	-	-	-	-
Changes of benefit terms	-	-	1,203,605	-	249,625	-	-	-	-	-
Difference between actual and expected experience	149,702	(701,611)	(18,882)	479,912	554,436	(214,976)	76,802	332,637	3,756	-
Changes of assumptions	359,548	17,494	-	(200,574)	-	285,346	-	772,171	-	-
Contributions - buy back	61,676	52,575	13,667	-	-	-	-	-	-	-
Benefit payments, including refunds of contributions	(2,279,625)	(2,084,196)	(1,669,155)	(1,647,463)	(1,871,467)	(1,656,042)	(1,924,346)	(1,758,674)	(3,089,977)	(1,496,734)
Net change in total pension liability	1,393,606	208,518	2,401,699	1,259,617	1,372,588	741,346	449,986	1,490,496	(938,830)	650,772
Total pension liability - beginning	32,795,245	32,586,727	30,185,028	28,925,411	27,552,823	26,811,477	26,361,491	24,870,995	25,809,825	25,159,053
<b>Total pension liability - ending (a)</b>	<u>\$ 34,188,851</u>	<u>\$ 32,795,245</u>	<u>\$ 32,586,727</u>	<u>\$ 30,185,028</u>	<u>\$ 28,925,411</u>	<u>\$ 27,552,823</u>	<u>\$ 26,811,477</u>	<u>\$ 26,361,491</u>	<u>\$ 24,870,995</u>	<u>\$ 25,809,825</u>
<b>Total Fiduciary Net Position</b>										
Contributions - employer	\$ 678,586	\$ 568,221	\$ 597,547	\$ 714,681	\$ 1,524,584	\$ 1,275,075	\$ 1,298,978	\$ 1,406,792	\$ 1,361,079	\$ 1,014,458
Contributions - state	448,810	303,669	305,035	319,219	301,157	277,107	288,780	276,578	277,167	295,516
Contributions - employee	335,934	296,669	283,908	279,875	256,832	227,693	217,961	208,955	189,832	131,769
Contributions - buy back	61,676	52,575	13,667	-	-	-	-	-	-	-
Net investment income	2,102,958	(4,430,488)	4,048,870	2,086,502	566,506	1,801,890	2,020,439	1,160,830	178,352	1,341,294
Benefit payments, including refunds of contributions	(2,279,625)	(2,084,196)	(1,669,155)	(1,647,463)	(1,871,467)	(1,656,042)	(1,924,346)	(1,758,674)	(3,089,977)	(1,496,734)
Administrative expense	(78,537)	(89,017)	(59,837)	(50,220)	(38,059)	(34,738)	(35,437)	(31,293)	(28,126)	(25,835)
Net change in plan fiduciary net position	1,269,802	(5,382,567)	3,520,035	1,702,594	739,553	1,890,985	1,866,375	1,263,188	(1,111,673)	1,260,468
Plan fiduciary net position - beginning	23,722,303	29,104,870	25,584,835	23,882,241	23,142,688	21,251,703	19,385,328	18,122,140	19,233,813	17,973,345
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 24,992,105</u>	<u>\$ 23,722,303</u>	<u>\$ 29,104,870</u>	<u>\$ 25,584,835</u>	<u>\$ 23,882,241</u>	<u>\$ 23,142,688</u>	<u>\$ 21,251,703</u>	<u>\$ 19,385,328</u>	<u>\$ 18,122,140</u>	<u>\$ 19,233,813</u>
<b>Net pension liability - ending (a) - (b)</b>	<u>\$ 9,196,746</u>	<u>\$ 9,072,942</u>	<u>\$ 3,481,857</u>	<u>\$ 4,600,193</u>	<u>\$ 5,043,170</u>	<u>\$ 4,410,135</u>	<u>\$ 5,559,774</u>	<u>\$ 6,976,163</u>	<u>\$ 6,748,855</u>	<u>\$ 6,576,012</u>
Plan fiduciary net position as a percentage of the total pension liability	73.10%	72.33%	89.32%	84.76%	82.56%	83.99%	79.26%	73.54%	72.86%	74.52%
Covered payroll	\$ 3,348,996	\$ 2,966,662	\$ 2,839,080	\$ 2,798,752	\$ 2,584,583	\$ 2,276,928	\$ 2,179,782	\$ 2,073,116	\$ 2,513,046	\$ 1,727,904
Net pension liability as a percentage of covered payroll	274.61%	305.83%	122.64%	164.37%	195.13%	193.69%	255.06%	336.51%	268.55%	380.58%
Annual Money-Weighted Rate of Return	9.13%	-15.57%	16.11%	8.92%	2.53%	8.71%	10.82%	6.62%	0.99%	7.64%

See accompanying notes to required supplementary information.

**CITY OF NEW SMYRNA BEACH, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
POLICE OFFICERS' PENSION PLAN  
SEPTEMBER 30, 2023  
(UNAUDITED)**

<b>Fiscal Year</b>	<b>Actuarially Determined Contribution (ADC)</b>	<b>Contributions in Relation to ADC</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as Percentage of Employee Payroll</b>
2023	\$ 1,146,115	\$ 1,207,779	\$ (61,664)	\$ 3,462,582	34.88%
2022	1,090,081	1,090,081	-	3,206,121	34.00%
2021	912,527	912,527	-	2,816,440	32.40%
2020	683,549	683,549	-	2,686,705	25.44%
2019	808,540	808,540	-	2,518,818	32.10%
2018	730,212	730,212	-	2,267,739	32.20%
2017	680,833	680,833	-	2,203,342	30.90%
2016	748,060	748,060	-	1,984,243	37.70%
2015	750,435	750,435	-	2,206,819	34.01%
2014	823,020	823,020	-	1,658,351	49.63%

See accompanying notes to required supplementary information.

**CITY OF NEW SMYRNA BEACH, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
FIREFIGHTERS' PENSION PLAN  
SEPTEMBER 30, 2023  
(UNAUDITED)**

<b>Fiscal Year</b>	<b>Actuarially Determined Contribution (ADC)</b>	<b>Contributions in Relation to ADC</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as Percentage of Employee Payroll</b>
2023	\$ 914,276	\$ 1,043,884	\$ (129,608)	\$ 3,348,996	31.17%
2022	875,165	839,729	35,436	2,966,662	28.31%
2021	789,264	868,602	(79,338)	2,839,080	30.59%
2020	982,362	992,959	(10,597)	2,798,752	35.48%
2019	1,793,700	1,825,741	(32,041)	2,584,583	70.64%
2018	1,557,418	1,552,182	5,236	2,276,928	68.17%
2017	1,582,522	1,587,758	(5,236)	2,179,782	72.84%
2016	1,683,370	1,683,370	-	2,073,116	81.20%
2015	1,638,246	1,638,246	-	2,513,046	65.19%
2014	1,309,974	1,309,974	-	1,727,904	75.81%

See accompanying notes to required supplementary information.

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY**  
**LAST 10 FISCAL YEARS**  
**(UNAUDITED)**

	<b>As of the Plan Year Ended June 30,</b>									
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Florida Retirement System (FRS)</b>										
Proportion of the net pension liability	0.001573692%	0.002043552%	0.002655201%	0.003025701%	0.003192409%	0.003346022%	0.003402399%	0.003633797%	0.005021702%	0.004756798%
Proportionate share of the net pension liability	\$ 627,066	\$ 760,365	\$ 200,570	\$ 1,311,383	\$ 1,099,421	\$ 1,007,839	\$ 1,006,407	\$ 917,537	\$ 648,620	\$ 290,235
Covered payroll	380,949	430,304	607,924	639,129	602,252	651,281	675,513	716,912	906,883	994,059
Proportionate share of the net pension liability as a percentage of covered payroll	164.61%	176.70%	32.99%	205.18%	182.55%	154.75%	148.98%	127.98%	71.52%	29.20%
Plan fiduciary net position as a percentage of the total pension liability	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%
<b>Health Insurance Subsidy Program (HIS)</b>										
Proportion of the net pension liability	0.000961324%	0.001180504%	0.001716830%	0.001841124%	0.001800389%	0.002003954%	0.002119277%	0.002322375%	0.003272000%	0.003246958%
Proportionate share of the net pension liability	\$ 152,671	\$ 125,034	\$ 210,595	\$ 224,798	\$ 201,445	\$ 212,101	\$ 226,504	\$ 270,664	\$ 333,693	\$ 303,598
Covered payroll	380,949	430,304	607,924	639,129	602,252	651,281	675,513	716,912	906,883	994,059
Proportionate share of the net pension liability as a percentage of covered payroll	40.08%	29.06%	34.64%	35.17%	33.45%	32.57%	33.53%	37.75%	36.80%	30.54%
Plan fiduciary net position as a percentage of the total pension liability	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

See accompanying notes to required supplementary information.

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**SCHEDULE OF CONTRIBUTIONS**  
**LAST 10 FISCAL YEARS**  
**(UNAUDITED)**

As of the Year Ended September 30,

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Florida Retirement System (FRS)</b>										
Contractually required contribution	\$ 107,568	\$ 86,903	\$ 100,748	\$ 100,531	\$ 98,988	\$ 95,359	\$ 87,304	\$ 87,454	\$ 113,890	\$ 104,194
Contributions in relation to the contractually required contribution	107,568	86,903	100,748	100,531	98,988	95,359	87,304	87,454	113,890	104,194
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 460,143	\$ 413,044	\$ 583,457	\$ 639,129	\$ 602,252	\$ 651,281	\$ 675,513	\$ 716,912	\$ 906,883	\$ 994,059
Contributions as a percentage of covered payroll	23.38%	21.04%	17.27%	15.73%	16.44%	14.64%	12.92%	12.20%	12.56%	10.48%
<b>Health Insurance Subsidy Program (HIS)</b>										
Contractually required contribution	\$ 8,253	\$ 6,857	\$ 9,685	\$ 10,610	\$ 9,997	\$ 10,867	\$ 10,784	\$ 11,577	\$ 12,459	\$ 11,123
Contributions in relation to the contractually required contribution	8,253	6,857	9,685	10,610	9,997	10,867	10,784	11,577	12,459	11,123
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 460,143	\$ 413,044	\$ 583,457	\$ 639,129	\$ 602,252	\$ 651,281	\$ 675,513	\$ 716,912	\$ 906,883	\$ 994,059
Contributions as a percentage of covered payroll	1.79%	1.66%	1.66%	1.66%	1.66%	1.67%	1.60%	1.61%	1.37%	1.12%

See accompanying notes to required supplementary information.

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**NOTES TO REQUIRED SUPPLEMENTARY PENSION INFORMATION**  
**POLICE OFFICERS' AND FIREFIGHTERS' PENSION PLANS**  
**SEPTEMBER 30, 2023**

	<u>Police Officers' Pension Plan</u>	<u>Firefighters' Pension Plan</u>
Valuation Date:	10/1/2022	10/1/2022
<i>Methods and assumptions used to determine contribution rates:</i>		
Funding Method:	Entry Age Normal Cost Method. The following loads are applied for determining the minimum required contribution: 4.75% for interest and none for salary.	Entry Age Normal Actuarial Cost Method. The following loads are applied for determining the minimum required contribution: a half year, based on current 7.80% assumption for interest and none for salary.
Amortization Method:	New UAAL amortization amounts are established according to the following amortization periods: Experience: 15 years Assumption/Method Changes: 15 years Benefit Changes: 15 years New UAAL amortization bases are amortized over 15 years. Bases established prior to the valuation date are adjusted proportionally to match the Expected Unfunded Actuarial Accrued Liability as of the valuation date, in order to align prior year bases with the portion of the current year UAAL associated with prior year sources.	New UAAL amortization amounts are established according to the following amortization periods: Experience: 20 years Assumption/Method Changes: 20 years Benefit Changes: 20 years (Previously 30 Years). Bases established prior to the valuation date are adjusted proportionally to match the Expected Unfunded Actuarial Accrued Liability as of the valuation date, in order to align prior year bases with the portion of the current year UAAL associated with prior year sources.
Actuarial Asset Method:	All assets are valued at market value with an adjustment made to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a four-year period.	Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value return. It is possible that over time this technique will produce an insignificant bias above or below Market Value.
Inflation:	2.70% per year	2.30% per year
Interest Rate:	7.65% per year compounded annually, net of investment-related expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class.	7.70% per year compounded annually, net of investment-related expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class.

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**NOTES TO REQUIRED SUPPLEMENTARY PENSION INFORMATION**  
**POLICE OFFICERS' AND FIREFIGHTERS' PENSION PLANS**  
**SEPTEMBER 30, 2023**

	<u>Police Officers' Pension Plan</u>	<u>Firefighters' Pension Plan</u>
Salary Increases:	Service based. For 0-1 years of service, the rate is 10.00%. For 2-4 years of service, the rate is 5.50%. For 5+ years of service, the rate is 4.75%. A percentage is also added for Lump Sums (5.00% if hired before 10/1/2002, 2.00% if hired 10/1/2002-9/30/2012, 0.00% if hired on or after 10/1/2012). This assumption is based on results of an experience study dated November 8, 2018.	Service based. For 0-1 years of service, the rate is 15.00%. For 1 year of service, the rate is 12.50%. For 2-3 years of service, the rate is 7.00%. For 4+ years of service, the rate is 5.00%. This assumption was adopted based on an experience study dated June 23, 2022. The final salary is increased based on the frozen hours (up to 500) as of October 1, 2012 for each Member. (Previously assumption was 5.75% per year).
Payroll Growth:	None	None.
Retirement Age:	Actives: Upon reaching Normal Retirement age, as defined in the Summary of Current Plan, members are assumed to elected to retire at a rate of 25% in the first three years of eligibility and 100% thereafter. This assumption is based on results of an experience study dated January 10, 2024.  Vested Terminated: deferred to their otherwise Normal Retirement age.	Earlier of 1) age 56 and 10 years of Credited Service, or 2) 25 years of Credited Service, regardless of age. This assumption was adopted based on an experience study dated June 23, 2022.
Cost of Living Adjustments:	Effective October 1, 2022, future retirees who retire under Normal Retirement will receive automatic annual 2.0% increases beginning on the October 1st following five years of receiving benefit payments.	Members who retire on or after October 1, 2019 under Normal Retirement or DROP shall be entitled to annual 2% Cost-of-Living Adjustments in their benefit beginning on the October 1st immediately subsequent to the Member's 5-year anniversary of their actual retirement date (this benefit shall not apply to early retirements, disability retirements, preretirement death benefits or benefits to those who terminate vested and later draw benefits).
Early Retirement:	Commencing at eligibility for Early Retirement, members are assumed to retire with an immediate benefit at the rate of 2.0% per year. This assumption is based on results of an experience study dated January 10, 2024.	Commencing with eligibility for Early Retirement Age (50), members are assumed to retire with an immediate subsidized benefit at the rate of 2.00% per year. This assumption was reviewed in conjunction with an experience study dated June 23, 2022.

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**NOTES TO REQUIRED SUPPLEMENTARY PENSION INFORMATION**  
**POLICE OFFICERS' AND FIREFIGHTERS' PENSION PLANS**  
**SEPTEMBER 30, 2023**

	<u>Police Officers' Pension Plan</u>	<u>Firefighters' Pension Plan</u>
Disability Rates:	1987 Commissioner's Group Disability Table; six-month elimination period; rates have been multiplied by 2 for occupational disability. This assumption was confirmed as part of an experience study dated January 10, 2024. It is assumed that 75% of disablements will be in line-of-duty and 25% will not be in line-of-duty.	The following are sample rates of disability: Age 20 is a 0.07% rate, age 30 is a 0.11% rate, age 40 is a 0.19% rate, age 50 is a 0.51% rate. 90% of disablements are assumed to be service related. This assumption was reviewed in conjunction with an experience study dated June 23, 2022.
Termination Rates:	Service based. For 0-4 years of service, the rate is 12.0%. For 5-9 years of service, the rate is 6.0%. For 10+ years of service, the rate is 4.0%. This assumption is based on results of an experience study dated January 10, 2024.	Service based. For <5 years of service, the rate is 10.0%. For 5-9 years of service, the rate is 4.0%. For 10-14 years of service, the rate is 6.0%. For 15+ years of service, the rate is 4.0%. This assumption was adopted based on an experience study dated June 23, 2022. (Previously this assumption used age-based rates).
Mortality Rate:	<p><i>Healthy Active Lives</i> - Female: PubS.H-2010 (Below Median) for Employees, set forward one year. Male: PubS.H-2010 (Below Median) for Employees, set forward one year.</p> <p><i>Healthy Retiree Lives</i> - Female: PubS.H-2010 for Healthy Retirees, set forward one year. Male: PubS.H-2010 for Healthy Retirees, set forward one year.</p> <p><i>Beneficiary Lives</i> - Female: PubG.H-2010 for Healthy Retirees. Male: PubG.H-2010 for Healthy Retirees, set back one year.</p> <p><i>Disabled Lives</i> - 80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.</p> <p>All rates are projected generationally with Mortality Improvement Scale MP-2018. The above assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate risk and collar adjustments made based on plan demographics. We feel this assumption sufficiently accommodates future mortality improvements.</p> <p>75% (Police) and 90% (Fire) of active deaths are assumed to be service-incurred.</p>	

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget -</u> <u>Increase</u> <u>(Decrease)</u>
<b>REVENUES</b>				
Taxes	\$ 25,722,389	\$ 25,722,389	\$ 26,469,170	\$ 746,781
Licenses and fees	5,088,900	5,088,900	6,134,948	1,046,048
Intergovernmental	3,310,300	3,847,797	5,669,963	1,822,166
Charges for services	5,820,771	5,820,771	6,437,838	617,067
Fines and forfeitures	493,100	493,100	589,900	96,800
Investment income (loss)	-	-	549,881	549,881
Miscellaneous	379,700	463,426	498,073	34,647
Total revenues	<u>40,815,160</u>	<u>41,436,383</u>	<u>46,349,773</u>	<u>4,913,390</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Mayor and Council	307,431	310,931	269,739	41,192
City Manager	2,163,201	2,664,024	2,145,356	518,668
Finance and administration	3,150,347	3,150,347	2,772,807	377,540
Legal	535,896	535,896	539,424	(3,528)
Planning and community development	1,543,623	1,459,354	1,159,871	299,483
Nondepartmental	2,318,768	7,565,768	5,198,749	2,367,019
Total general government	<u>10,019,266</u>	<u>15,686,320</u>	<u>12,085,946</u>	<u>3,600,374</u>
Public safety:				
Law enforcement	9,055,967	8,950,072	8,794,091	155,981
Fire safety	7,381,664	7,389,513	7,619,269	(229,756)
Other	33,010	33,060	22,750	10,310
Total public safety	<u>16,470,641</u>	<u>16,372,645</u>	<u>16,436,110</u>	<u>(63,465)</u>
Transportation	2,136,962	2,087,422	1,678,590	408,832
Culture and recreation	7,261,099	7,359,776	6,834,591	525,185
Buildings and maintenance	545,437	536,437	468,724	67,713
Capital outlay	1,308,500	5,720,966	4,265,783	1,455,183
Debt service:				
Principal	203,585	203,585	247,814	(44,229)
Interest and fiscal charges	14,672	14,672	17,540	(2,868)
Total expenditures	<u>37,960,162</u>	<u>47,981,823</u>	<u>42,035,098</u>	<u>5,946,725</u>
Excess (deficiency) of revenues over expenditures	<u>2,854,998</u>	<u>(6,545,440)</u>	<u>4,314,675</u>	<u>10,860,115</u>
<b>Other financing sources (uses)</b>				
Transfers out	(2,854,998)	(2,864,844)	(2,864,844)	-
Insurance recoveries	-	-	190,452	190,452
Total other financing sources (uses)	<u>(2,854,998)</u>	<u>(2,864,844)</u>	<u>(2,674,392)</u>	<u>190,452</u>
Net change in fund balances	-	(9,410,284)	1,640,283	11,050,567
Fund balances, beginning of year	16,300,944	16,300,944	16,300,944	-
Fund balances, end of year	<u>\$ 16,300,944</u>	<u>\$ 6,890,660</u>	<u>\$ 17,941,227</u>	<u>\$ 11,050,567</u>

See accompany notes to required supplementary information.

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - STORMWATER UTILITY FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget - Increase (Decrease)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 1,088,690	\$ 1,088,690
Charges for services	2,900,000	2,900,000	2,701,830	(198,170)
Investment income	-	-	224,479	224,479
Total revenues	<u>2,900,000</u>	<u>2,900,000</u>	<u>4,014,999</u>	<u>1,114,999</u>
<b>EXPENDITURES</b>				
Current:				
Physical environment	1,432,238	1,432,568	1,471,585	(39,017)
Capital outlay	3,815,636	5,772,455	2,763,579	3,008,876
Total expenditures	<u>5,247,874</u>	<u>7,205,023</u>	<u>4,235,164</u>	<u>2,969,859</u>
Excess (deficiency) of revenues over expenditures	<u>(2,347,874)</u>	<u>(4,305,023)</u>	<u>(220,165)</u>	<u>4,084,858</u>
<b>Other financing sources (uses)</b>				
Transfers in	500,000	500,000	500,000	-
Transfers out	(696,894)	(696,894)	(696,894)	-
Insurance recoveries	-	-	1,230	1,230
Total other financing sources (uses)	<u>(196,894)</u>	<u>(196,894)</u>	<u>(195,664)</u>	<u>1,230</u>
Net change in fund balances	<u>(2,544,768)</u>	<u>(4,501,917)</u>	<u>(415,829)</u>	<u>4,086,088</u>
Fund balances, beginning of year	7,545,154	7,545,154	7,545,154	-
Fund balances, end of year	<u>\$ 5,000,386</u>	<u>\$ 3,043,237</u>	<u>\$ 7,129,325</u>	<u>\$ 4,086,088</u>

See accompany notes to required supplementary information.

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - BUILDING INSPECTIONS FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget - Increase (Decrease)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>REVENUES</b>				
Licenses and fees	\$ 3,573,925	\$ 3,573,925	\$ 2,556,153	\$ (1,017,772)
Investment income	-	-	106,006	106,006
Miscellaneous	-	-	(250)	(250)
Total revenues	<u>3,573,925</u>	<u>3,573,925</u>	<u>2,661,909</u>	<u>(912,016)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety:				
Code enforcement	4,592,817	4,700,042	4,283,576	416,466
Capital outlay	54,000	196,124	67,526	128,598
Total expenditures	<u>4,646,817</u>	<u>4,896,166</u>	<u>4,351,102</u>	<u>545,064</u>
Excess (deficiency) of revenues over expenditures	<u>(1,072,892)</u>	<u>(1,322,241)</u>	<u>(1,689,193)</u>	<u>(366,952)</u>
<b>Other financing sources (uses)</b>				
Transfers out	-	(85,621)	(85,621)	-
Total other financing sources (uses)	<u>-</u>	<u>(85,621)</u>	<u>(85,621)</u>	<u>-</u>
Net change in fund balances	<u>(1,072,892)</u>	<u>(1,407,862)</u>	<u>(1,774,814)</u>	<u>(366,952)</u>
Fund balances, beginning of year	4,530,020	4,530,020	4,530,020	-
Fund balances, end of year	<u>\$ 3,457,128</u>	<u>\$ 3,122,158</u>	<u>\$ 2,755,206</u>	<u>\$ (366,952)</u>

See accompany notes to required supplementary information.

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - AMERICAN RESCUE PLAN FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget -</u>
				<u>Increase</u>
				<u>(Decrease)</u>
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 252,191	\$ 252,191
Investment income	-	-	157,257	157,257
Total revenues	<u>-</u>	<u>-</u>	<u>409,448</u>	<u>409,448</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Nondepartmental	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>409,448</u>	<u>409,448</u>
<b>Other financing sources (uses)</b>				
Transfers out	<u>(7,500,000)</u>	<u>(10,727,879)</u>	<u>(10,727,879)</u>	<u>-</u>
Total other financing sources (uses)	<u>(7,500,000)</u>	<u>(10,727,879)</u>	<u>(10,727,879)</u>	<u>-</u>
Net change in fund balances	<u>(7,500,000)</u>	<u>(10,727,879)</u>	<u>(10,318,431)</u>	<u>409,448</u>
Fund balances, beginning of year	7,848,288	7,848,288	7,848,288	-
Fund balances, end of year	<u>\$ 348,288</u>	<u>\$ (2,879,591)</u>	<u>\$ (2,470,143)</u>	<u>\$ 409,448</u>

See accompany notes to required supplementary information.

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - COMMUNITY REDEVELOPMENT AGENCY, 2015**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget - Increase (Decrease)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>REVENUES</b>				
Taxes	\$ 1,611,274	\$ 1,611,274	\$ 1,705,355	\$ 94,081
Intergovernmental	-	-	92,234	92,234
Investment income	-	-	89,707	89,707
Total revenues	<u>1,611,274</u>	<u>1,611,274</u>	<u>1,887,296</u>	<u>276,022</u>
<b>EXPENDITURES</b>				
Current:				
Economic development	1,950,000	1,950,000	61,256	1,888,744
Capital outlay	-	34,088	-	34,088
Total expenditures	<u>1,950,000</u>	<u>1,984,088</u>	<u>61,256</u>	<u>1,922,832</u>
Net change in fund balances	<u>(338,726)</u>	<u>(372,814)</u>	<u>1,826,040</u>	<u>2,198,854</u>
Fund balances, beginning of year	2,264,088	2,264,088	2,264,088	-
Fund balances, end of year	<u>\$ 1,925,362</u>	<u>\$ 1,891,274</u>	<u>\$ 4,090,128</u>	<u>\$ 2,198,854</u>

See accompany notes to required supplementary information.

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - AIRPORT INDUSTRIAL PARK FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget - Increase (Decrease)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>REVENUES</b>				
Intergovernmental	\$ 1,502,000	\$ 2,261,200	\$ 478,367	\$ (1,782,833)
Charges for services	3,395,429	3,452,949	3,717,833	264,884
Investment income	-	-	164,640	164,640
Miscellaneous	-	-	7,776	7,776
Total revenues	<u>4,897,429</u>	<u>5,714,149</u>	<u>4,368,616</u>	<u>(1,345,533)</u>
<b>EXPENDITURES</b>				
Current:				
Transportation	3,206,827	4,022,668	3,565,805	456,863
Capital outlay	1,690,602	3,737,162	678,229	3,058,933
Total expenditures	<u>4,897,429</u>	<u>7,759,830</u>	<u>4,244,034</u>	<u>3,515,796</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(2,045,681)</u>	<u>124,582</u>	<u>2,170,263</u>
<b>Other financing sources (uses)</b>				
Insurance recoveries	-	-	2,280	2,280
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>2,280</u>	<u>2,280</u>
Net change in fund balances	<u>-</u>	<u>(2,045,681)</u>	<u>126,862</u>	<u>2,172,543</u>
Fund balances, beginning of year	1,752,514	1,752,514	1,752,514	-
Fund balances, end of year	<u>\$ 1,752,514</u>	<u>\$ (293,167)</u>	<u>\$ 1,879,376</u>	<u>\$ 2,172,543</u>

See accompany notes to required supplementary information.

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**NOTES TO REQUIRED SUPPLEMENTARY BUDGET INFORMATION**  
**SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**SEPTEMBER 30, 2023**

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

- (a) On or before July 1st, the City Manager submits a preliminary budget to the City Commission for the ensuing fiscal year.
- (b) Budget workshop sessions are scheduled by the City Manager, as needed.
- (c) A general summary of the budget and notice of public hearing is published in a local newspaper.
- (d) Prior to October 1, the budget is legally enacted through passage of an ordinance.
- (e) The City Commission, by resolution, may make supplemental appropriations in excess of those estimated for the year up to the amount of available revenue in accordance with Sections 54 to 57 of the City Charter. Prior to the end of the fiscal year, supplemental appropriations are made for unanticipated spending requirements by the Commission.
- (f) The City Commission must approve all inter-departmental budget amendments and/or appropriations transfers. Budgetary control is exercised at the department level.
- (g) Every appropriation lapses at the close of the fiscal year.

For the year ended September 30, 2023, expenditures exceeded appropriations as approved by the City Commission within the Debt Service Funds. Debt service expenditures exceeded the budgeted amount by \$50,337.

## **SUPPORTING SCHEDULES**

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

**CITY OF NEW SMYRNA BEACH, FLORIDA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2023**

	<u>Special Revenue Funds</u>			<u>Debt Service</u>	<u>Capital Project Funds</u>				<u>Total Nonmajor Governmental Funds</u>	
	<u>Special Law Enforcement Trust</u>	<u>Beach Parking</u>	<u>Total</u>		<u>Law Enforcement Capital</u>	<u>Fire &amp; Emergency Service Capital</u>	<u>Parks &amp; Recreation Capital</u>	<u>Transportation Capital</u>		<u>Total</u>
<b>ASSETS</b>										
Equity in pooled cash	\$ 150,579	\$ 4,508,082	\$ 4,658,661	\$ 3,967,042	\$ 1,714,745	\$ 1,457,120	\$ 1,361,722	\$ 4,160,500	\$ 8,694,087	\$ 17,319,790
Receivables, net	12,709	24,301	37,010	-	-	-	-	-	-	37,010
Due from other governments	-	-	-	1,032	-	-	-	-	-	1,032
Total assets	<u>\$ 163,288</u>	<u>\$ 4,532,383</u>	<u>\$ 4,695,671</u>	<u>\$ 3,968,074</u>	<u>\$ 1,714,745</u>	<u>\$ 1,457,120</u>	<u>\$ 1,361,722</u>	<u>\$ 4,160,500</u>	<u>\$ 8,694,087</u>	<u>\$ 17,357,832</u>
<b>LIABILITIES</b>										
Accounts payable and accrued liabilities	\$ -	\$ 127,043	\$ 127,043	\$ -	\$ 56,947	\$ -	\$ -	\$ -	\$ 56,947	\$ 183,990
Total liabilities	<u>-</u>	<u>127,043</u>	<u>127,043</u>	<u>-</u>	<u>56,947</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,947</u>	<u>183,990</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>										
Unavailable revenue - taxes	-	-	-	1,032	-	-	-	-	-	1,032
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,032</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,032</u>
<b>FUND BALANCES</b>										
Restricted for:										
Public safety	163,288	-	163,288	-	-	-	-	-	-	163,288
Debt service	-	-	-	3,967,042	-	-	-	-	-	3,967,042
Capital projects	-	-	-	-	1,657,798	1,457,120	1,361,722	4,160,500	8,637,140	8,637,140
Committed to:										
Parking	-	4,405,340	4,405,340	-	-	-	-	-	-	4,405,340
Unassigned	-	-	-	-	-	-	-	-	-	-
Total fund balances	<u>163,288</u>	<u>4,405,340</u>	<u>4,568,628</u>	<u>3,967,042</u>	<u>1,657,798</u>	<u>1,457,120</u>	<u>1,361,722</u>	<u>4,160,500</u>	<u>8,637,140</u>	<u>17,172,810</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 163,288</u>	<u>\$ 4,532,383</u>	<u>\$ 4,695,671</u>	<u>\$ 3,968,074</u>	<u>\$ 1,714,745</u>	<u>\$ 1,457,120</u>	<u>\$ 1,361,722</u>	<u>\$ 4,160,500</u>	<u>\$ 8,694,087</u>	<u>\$ 17,357,832</u>

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Special Revenue Funds			Debt Service	Capital Project Funds					Total Nonmajor Governmental Funds
	Special Law Enforcement Trust	Beach Parking	Total		Law Enforcement Capital	Emergency Service Capital	Parks & Recreation Capital	Transportation Capital	Total	
<b>REVENUES</b>										
Taxes	\$ -	\$ -	\$ -	\$ 1,785,649	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,785,649
Licenses and fees	-	-	-	-	157,659	197,594	386,614	541,859	1,283,726	1,283,726
Charges for services	-	1,383,965	1,383,965	-	-	-	-	-	-	1,383,965
Fines and forfeitures	12,709	-	12,709	-	-	-	-	-	-	12,709
Investment income	4,925	110,767	115,692	58,921	51,366	37,100	29,042	103,833	221,341	395,954
Total revenues	<u>17,634</u>	<u>1,494,732</u>	<u>1,512,366</u>	<u>1,844,570</u>	<u>209,025</u>	<u>234,694</u>	<u>415,656</u>	<u>645,692</u>	<u>1,505,067</u>	<u>4,862,003</u>
<b>EXPENDITURES</b>										
Current:										
Public safety	25,790	-	25,790	-	11,494	-	-	-	11,494	37,284
Transportation	-	842,978	842,978	-	-	-	-	-	-	842,978
Capital outlay	-	114,387	114,387	-	387,354	160,556	-	-	547,910	662,297
Debt service:										
Principal retirement	-	-	-	3,028,277	-	-	-	-	-	3,028,277
Interest and fiscal charges	-	-	-	722,592	-	-	-	-	-	722,592
Total expenditures	<u>25,790</u>	<u>957,365</u>	<u>983,155</u>	<u>3,750,869</u>	<u>398,848</u>	<u>160,556</u>	<u>-</u>	<u>-</u>	<u>559,404</u>	<u>5,293,428</u>
Excess (deficiency) of revenues over expenditures	<u>(8,156)</u>	<u>537,367</u>	<u>529,211</u>	<u>(1,906,299)</u>	<u>(189,823)</u>	<u>74,138</u>	<u>415,656</u>	<u>645,692</u>	<u>945,663</u>	<u>(431,425)</u>
<b>Other financing sources (uses)</b>										
Transfers in	-	-	-	1,916,077	-	-	-	-	-	1,916,077
Transfers out	-	(90,000)	(90,000)	(1,500,000)	-	-	-	(21,400)	(21,400)	(1,611,400)
Debt issued	-	-	-	4,500,000	-	-	-	-	-	4,500,000
Total other financing sources (uses)	<u>-</u>	<u>(90,000)</u>	<u>(90,000)</u>	<u>4,916,077</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(21,400)</u>	<u>(21,400)</u>	<u>4,804,677</u>
Net change in fund balances	<u>(8,156)</u>	<u>447,367</u>	<u>439,211</u>	<u>3,009,778</u>	<u>(189,823)</u>	<u>74,138</u>	<u>415,656</u>	<u>624,292</u>	<u>924,263</u>	<u>4,373,252</u>
Fund balances, beginning of year	171,444	3,957,973	4,129,417	957,264	1,847,621	1,382,982	946,066	3,536,208	7,712,877	12,799,558
Fund balances, end of year	<u>\$ 163,288</u>	<u>\$ 4,405,340</u>	<u>\$ 4,568,628</u>	<u>\$ 3,967,042</u>	<u>\$ 1,657,798</u>	<u>\$ 1,457,120</u>	<u>\$ 1,361,722</u>	<u>\$ 4,160,500</u>	<u>\$ 8,637,140</u>	<u>\$ 17,172,810</u>

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - SPECIAL LAW ENFORCEMENT TRUST FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget - Increase (Decrease)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>REVENUES</b>				
Fines and forfeitures	\$ -	\$ -	\$ 12,709	\$ 12,709
Investment income	-	-	4,925	4,925
Total revenues	<u>-</u>	<u>-</u>	<u>17,634</u>	<u>17,634</u>
<b>EXPENDITURES</b>				
Current:				
Public safety:				
Law enforcement	-	-	-	-
Fire safety	-	-	-	-
Other	130,000	130,000	25,790	104,210
Total expenditures	<u>130,000</u>	<u>130,000</u>	<u>25,790</u>	<u>104,210</u>
Net change in fund balances	<u>(130,000)</u>	<u>(130,000)</u>	<u>(8,156)</u>	<u>121,844</u>
Fund balances, beginning of year	171,444	171,444	171,444	-
Fund balances, end of year	<u><u>\$ 41,444</u></u>	<u><u>\$ 41,444</u></u>	<u><u>\$ 163,288</u></u>	<u><u>\$ 121,844</u></u>

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - BEACH PARKING FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget - Increase (Decrease)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>REVENUES</b>				
Charges for services	\$ 1,200,000	\$ 1,200,000	\$ 1,383,965	\$ 183,965
Investment income	-	-	110,767	110,767
Total revenues	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,494,732</u>	<u>294,732</u>
<b>EXPENDITURES</b>				
Current:				
Transportation	1,110,000	1,075,763	842,978	232,785
Capital outlay	-	430,034	114,387	315,647
Total expenditures	<u>1,110,000</u>	<u>1,505,797</u>	<u>957,365</u>	<u>548,432</u>
Excess (deficiency) of revenues over expenditures	<u>90,000</u>	<u>(305,797)</u>	<u>537,367</u>	<u>843,164</u>
<b>Other financing sources (uses)</b>				
Transfers out	<u>(90,000)</u>	<u>(90,000)</u>	<u>(90,000)</u>	-
Total other financing sources (uses)	<u>(90,000)</u>	<u>(90,000)</u>	<u>(90,000)</u>	-
Net change in fund balances	<u>-</u>	<u>(395,797)</u>	<u>447,367</u>	<u>843,164</u>
Fund balances, beginning of year	3,957,973	3,957,973	3,957,973	-
Fund balances, end of year	<u>\$ 3,957,973</u>	<u>\$ 3,562,176</u>	<u>\$ 4,405,340</u>	<u>\$ 843,164</u>

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - DEBT SERVICE FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Budgeted Amounts</u>			<b>Variance with</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<b>Final Budget - Increase (Decrease)</b>
<b>REVENUES</b>				
Taxes	\$ 1,784,455	\$ 1,784,455	\$ 1,785,649	\$ 1,194
Investment income	-	-	58,921	58,921
Total revenues	<u>1,784,455</u>	<u>1,784,455</u>	<u>1,844,570</u>	<u>60,115</u>
<b>EXPENDITURES</b>				
Current:				
Debt service:				
Principal	3,028,297	3,028,297	3,028,277	20
Interest and fiscal charges	672,235	672,235	722,592	(50,357)
Total expenditures	<u>3,700,532</u>	<u>3,700,532</u>	<u>3,750,869</u>	<u>(50,337)</u>
Excess (deficiency) of revenues over expenditures	<u>(1,916,077)</u>	<u>(1,916,077)</u>	<u>(1,906,299)</u>	<u>9,778</u>
<b>Other financing sources (uses)</b>				
Transfers in	1,916,077	1,916,077	1,916,077	-
Transfers out	-	(1,500,000)	(1,500,000)	-
Line of credit issued	-	1,500,000	4,500,000	3,000,000
Total other financing sources (uses)	<u>1,916,077</u>	<u>1,916,077</u>	<u>4,916,077</u>	<u>3,000,000</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>3,009,778</u>	<u>3,009,778</u>
Fund balances, beginning of year	957,264	957,264	957,264	-
Fund balances, end of year	<u>\$ 957,264</u>	<u>\$ 957,264</u>	<u>\$ 3,967,042</u>	<u>\$ 3,009,778</u>

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - LAW ENFORCEMENT CAPITAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget - Increase (Decrease)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>REVENUES</b>				
Licenses and fees	\$ 325,000	\$ 325,000	\$ 157,659	\$ (167,341)
Intergovernmental	-	75,000	-	(75,000)
Investment income	-	-	51,366	51,366
Total revenues	<u>325,000</u>	<u>400,000</u>	<u>209,025</u>	<u>(190,975)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety				
Law enforcement	-	-	11,494	(11,494)
Capital outlay	<u>325,000</u>	<u>702,237</u>	<u>387,354</u>	<u>314,883</u>
Total expenditures	<u>325,000</u>	<u>702,237</u>	<u>398,848</u>	<u>303,389</u>
Net change in fund balances	<u>-</u>	<u>(302,237)</u>	<u>(189,823)</u>	<u>112,414</u>
Fund balances, beginning of year	1,847,621	1,847,621	1,847,621	-
Fund balances, end of year	<u>\$ 1,847,621</u>	<u>\$ 1,545,384</u>	<u>\$ 1,657,798</u>	<u>\$ 112,414</u>

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - FIRE AND EMERGENCY SERVICES CAPITAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget - Increase (Decrease)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>REVENUES</b>				
Licenses and fees	\$ 125,000	\$ 125,000	\$ 197,594	\$ 72,594
Investment income	-	-	37,100	37,100
Total revenues	<u>125,000</u>	<u>125,000</u>	<u>234,694</u>	<u>109,694</u>
<b>EXPENDITURES</b>				
Current:				
Capital outlay	625,000	785,452	160,556	624,896
Total expenditures	<u>625,000</u>	<u>785,452</u>	<u>160,556</u>	<u>624,896</u>
Net change in fund balances	<u>(500,000)</u>	<u>(660,452)</u>	<u>74,138</u>	<u>734,590</u>
Fund balances, beginning of year	1,382,982	1,382,982	1,382,982	-
Fund balances, end of year	<u>\$ 882,982</u>	<u>\$ 722,530</u>	<u>\$ 1,457,120</u>	<u>\$ 734,590</u>

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - PARKS AND RECREATION CAPITAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget - Increase (Decrease)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>REVENUES</b>				
Licenses and fees	\$ 450,000	\$ 450,000	\$ 386,614	\$ (63,386)
Investment income	-	-	29,042	29,042
Total revenues	<u>450,000</u>	<u>450,000</u>	<u>415,656</u>	<u>(34,344)</u>
<b>EXPENDITURES</b>				
Current:				
Capital outlay	450,000	450,000	-	450,000
Total expenditures	<u>450,000</u>	<u>450,000</u>	<u>-</u>	<u>450,000</u>
Net change in fund balances	<u>-</u>	<u>-</u>	415,656	415,656
Fund balances, beginning of year	946,066	946,066	946,066	-
Fund balances, end of year	<u>\$ 946,066</u>	<u>\$ 946,066</u>	<u>\$ 1,361,722</u>	<u>\$ 415,656</u>

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - TRANSPORTATION CAPITAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Budgeted Amounts</u>			<b>Variance with</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<b>Final Budget - Increase (Decrease)</b>
<b>REVENUES</b>				
Licenses and fees	\$ 850,000	\$ 850,000	\$ 541,859	\$ (308,141)
Investment income	-	-	103,833	103,833
Total revenues	<u>850,000</u>	<u>850,000</u>	<u>645,692</u>	<u>(204,308)</u>
<b>EXPENDITURES</b>				
Current:				
Transportation	850,000	828,600	-	828,600
Total expenditures	<u>850,000</u>	<u>828,600</u>	<u>-</u>	<u>828,600</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>21,400</u>	<u>645,692</u>	<u>624,292</u>
<b>Other financing sources (uses)</b>				
Transfers out	-	(21,400)	(21,400)	-
Total other financing sources (uses)	<u>-</u>	<u>(21,400)</u>	<u>(21,400)</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>624,292</u>	<u>624,292</u>
Fund balances, beginning of year	3,536,208	3,536,208	3,536,208	-
Fund balances, end of year	<u>\$ 3,536,208</u>	<u>\$ 3,536,208</u>	<u>\$ 4,160,500</u>	<u>\$ 624,292</u>

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - CAPITAL PROJECTS FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget -</u>
				<u>(Decrease)</u>
<b>REVENUES</b>				
Taxes	\$ 370,000	\$ 370,000	\$ 359,480	\$ (10,520)
Intergovernmental	93,614	2,498,240	914,740	(1,583,500)
Investment income	-	-	491,801	491,801
Total revenues	<u>463,614</u>	<u>2,868,240</u>	<u>1,766,021</u>	<u>(1,102,219)</u>
<b>EXPENDITURES</b>				
Current:				
Transportation	3,370,000	4,451,267	1,513,742	2,937,525
Capital outlay	8,634,404	22,549,292	3,986,466	18,562,826
Total expenditures	<u>12,004,404</u>	<u>27,000,559</u>	<u>5,500,208</u>	<u>21,500,351</u>
Excess (deficiency) of revenues over expenditures	<u>(11,540,790)</u>	<u>(24,132,319)</u>	<u>(3,734,187)</u>	<u>20,398,132</u>
<b>Other financing sources (uses)</b>				
Transfers in	7,975,815	12,820,561	12,820,561	-
Total other financing sources (uses)	<u>7,975,815</u>	<u>12,820,561</u>	<u>12,820,561</u>	<u>-</u>
Net change in fund balances	<u>(3,564,975)</u>	<u>(11,311,758)</u>	<u>9,086,374</u>	<u>20,398,132</u>
Fund balances, beginning of year	11,235,800	11,235,800	11,235,800	-
Fund balances, end of year	<u>\$ 7,670,825</u>	<u>\$ (75,958)</u>	<u>\$ 20,322,174</u>	<u>\$ 20,398,132</u>

**THIS PAGE LEFT INTENTIONALLY BLANK.**

## **Statistical Section**

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

### **Contents**

#### **Financial Trends**

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

#### **Revenue Capacity**

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

#### **Debt Capacity**

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

#### **Demographic and Economic Information**

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

#### **Operating Information**

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

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

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**NET POSITION BY COMPONENT,**  
**LAST TEN FISCAL YEARS**  
**YEAR ENDING SEPTEMBER 30, 2023**

	<b>Fiscal Year Ending September 30,</b>									
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Governmental Activities:</b>										
Invested in capital assets	\$ 130,303,910	\$ 124,678,831	\$ 119,761,321	\$ 113,500,350	\$ 105,714,465	\$ 100,614,187	\$ 94,927,137	\$ 94,386,725	\$ 90,274,757	\$ 78,223,395
Restricted	23,856,060	13,165,440	15,619,632	16,633,724	15,743,617	14,686,532	9,520,265	7,084,902	6,314,851	6,844,850
Unrestricted	20,867,355	28,785,007	11,109,585	7,941,028	5,916,141	4,049,396	3,993,543	3,832,295	848,848	2,398,098
Total governmental activities net position	<u>\$ 175,027,325</u>	<u>\$ 166,629,278</u>	<u>\$ 146,490,538</u>	<u>\$ 138,075,102</u>	<u>\$ 127,374,223</u>	<u>\$ 119,350,115</u>	<u>\$ 108,440,945</u>	<u>\$ 105,303,922</u>	<u>\$ 97,438,456</u>	<u>\$ 87,466,343</u>
<b>Business-type Activities:</b>										
Invested in capital assets	\$ 311,849	\$ 325,788	\$ 261,289	\$ 249,352	\$ 1,022,641	\$ 1,064,128	\$ 610,651	\$ 551,501	\$ 119,173	\$ 139,046
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	2,192,073	1,617,664	1,636,845	1,791,729	145,975	(30,837)	(271,645)	(338,008)	60,501	474,803
Total business-type activities net position	<u>\$ 2,503,922</u>	<u>\$ 1,943,452</u>	<u>\$ 1,898,134</u>	<u>\$ 2,041,081</u>	<u>\$ 1,168,616</u>	<u>\$ 1,033,291</u>	<u>\$ 339,006</u>	<u>\$ 213,493</u>	<u>\$ 179,674</u>	<u>\$ 613,849</u>
<b>Primary Government:</b>										
Invested in capital assets	\$ 130,615,759	\$ 125,004,619	\$ 120,022,610	\$ 113,749,702	\$ 106,737,106	\$ 101,678,315	\$ 95,537,788	\$ 94,938,226	\$ 90,393,930	\$ 78,362,441
Restricted	23,856,060	13,165,440	15,619,632	16,633,724	15,743,617	14,686,532	9,520,265	7,084,902	6,314,851	6,844,850
Unrestricted	23,059,428	30,402,671	12,746,430	9,732,757	6,062,116	4,018,559	3,721,898	3,494,287	909,349	2,872,901
Total primary government net position	<u>\$ 177,531,247</u>	<u>\$ 168,572,730</u>	<u>\$ 148,388,672</u>	<u>\$ 140,116,183</u>	<u>\$ 128,542,839</u>	<u>\$ 120,383,406</u>	<u>\$ 108,779,951</u>	<u>\$ 105,517,415</u>	<u>\$ 97,618,130</u>	<u>\$ 88,080,192</u>

Note: Beginning in 2020, the Golf Course Fund that was previously a business-type activity was closed and the functions are now accounted for in the General Fund.

TABLE 2

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**CHANGES IN NET POSITION,**  
**LAST TEN FISCAL YEARS**  
**YEAR ENDING SEPTEMBER 30, 2023**

	Fiscal Year Ending September 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses:										
Governmental Activities:										
General government	\$ 9,712,158	\$ 7,625,701	\$ 5,638,660	\$ 5,726,788	\$ 6,125,363	\$ 5,793,676	\$ 7,645,291	\$ 4,385,497	\$ 3,614,857	\$ 3,418,609
Public safety	23,538,126	19,947,812	17,245,824	16,406,663	16,321,412	13,750,597	13,040,957	10,661,993	13,183,486	11,991,298
Transportation	9,345,438	7,648,292	6,606,820	6,176,788	6,178,417	4,799,649	3,998,592	4,122,721	4,373,481	4,467,014
Economic environment	770,466	1,183,635	965,388	796,074	898,328	1,067,964	1,113,714	1,531,277	2,079,700	2,496,356
Physical environment	2,257,802	1,683,751	1,519,632	1,284,274	5,049	1,970,217	1,358,031	1,337,399	1,327,420	977,494
Culture/recreation	7,921,978	6,830,823	6,462,377	6,351,948	5,051,113	4,554,202	4,543,918	3,973,175	3,202,899	2,891,609
Intragovernmental services	490,924	400,849	438,633	474,163	693,001	724,766	696,938	660,808	566,013	561,254
Interest on long-term debt	904,904	758,648	845,918	919,793	772,474	733,514	702,554	719,346	865,380	897,374
Total governmental activities expenses	54,941,796	46,079,511	39,723,252	38,136,491	36,045,157	33,394,585	33,099,995	27,392,216	29,213,236	27,701,008
Business-Type Activities:										
Sanitation	8,295,820	7,694,461	7,557,192	6,911,750	6,225,725	5,763,687	5,577,278	5,402,195	5,262,651	5,092,946
Golf course	-	-	-	-	1,353,870	1,276,874	1,238,918	1,113,639	1,151,916	1,147,538
Marina	373,528	333,928	393,535	274,138	253,798	248,544	207,740	239,592	188,247	174,597
Total business-type activities expenses	8,669,348	8,028,389	7,950,727	7,185,888	7,833,393	7,289,105	7,023,936	6,755,426	6,602,814	6,415,081
Total primary government expenses	63,611,144	54,107,900	47,673,979	45,322,379	43,878,550	40,683,690	40,123,931	34,147,642	35,816,050	34,116,089
Program Revenues:										
Governmental Activities:										
Charges for Services:										
General government	927,755	715,355	754,997	877,187	1,164,366	2,032,127	955,559	948,150	1,017,574	917,787
Public safety	5,439,372	4,737,320	4,650,692	5,255,655	5,180,451	3,704,648	3,140,536	3,065,363	1,757,344	1,816,131
Transportation	3,722,801	3,472,885	2,404,056	2,290,281	2,820,537	2,738,819	2,679,034	2,403,939	2,773,746	2,695,161
Physical environment	2,703,060	2,618,805	2,469,349	2,377,221	2,239,211	2,089,596	2,108,847	1,978,749	1,922,683	1,868,307
Culture/recreation	2,517,977	2,350,294	2,215,720	1,725,929	656,293	336,107	215,704	239,690	225,425	285,987
Operating grants and contributions	2,583,875	11,535,591	1,685,650	2,445,678	2,197,583	1,824,240	2,003,075	1,732,921	1,538,660	3,145,246
Capital grants and contributions	4,871,145	7,063,723	3,598,169	7,241,469	2,875,061	9,392,174	3,587,890	4,086,577	7,582,049	2,228,542
Total governmental activities program revenues	\$ 22,765,985	\$ 32,493,973	\$ 17,778,633	\$ 22,213,420	\$ 17,133,502	\$ 22,117,711	\$ 14,690,645	\$ 14,455,389	\$ 16,817,481	\$ 12,957,161

Note: Beginning in 2020, the Golf Course Fund that was previously a business-type activity was closed and the functions are now accounted for in the General Fund.

**TABLE 2**  
(Continued)

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**CHANGES IN NET POSITION,**  
**LAST TEN FISCAL YEARS**  
**YEAR ENDING SEPTEMBER 30, 2023**  
(Continued)

	<b>Fiscal Year Ending September 30,</b>									
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Program Revenues (continued):										
Business-Type Activities:										
Charges for Services:										
Sanitation	8,847,503	7,690,858	7,480,517	7,002,902	6,562,170	6,338,556	5,555,028	5,430,041	5,288,084	5,128,609
Golf course	-	-	-	-	1,186,622	1,140,256	1,063,810	666,897	1,121,547	1,214,833
Marina	340,542	345,381	321,633	278,202	300,833	303,216	293,139	313,199	282,478	274,940
Operating grants and contributions	-	32,316	2,103	14,950	-	-	-	-	-	-
Total business-type activities										
program revenues	9,188,045	8,068,555	7,804,253	7,296,054	8,049,625	7,782,028	6,911,977	6,410,137	6,692,109	6,618,382
Total primary government program revenues	31,954,030	40,562,528	25,582,886	29,509,474	25,183,127	29,899,739	21,602,622	20,865,526	23,509,590	19,575,543
Net (Expense)/Revenue:										
Governmental activities	(32,175,811)	(13,585,538)	(21,944,619)	(15,923,071)	(18,911,655)	(11,276,874)	(18,409,350)	(12,936,827)	(12,395,755)	(14,743,847)
Business-type activities	518,697	40,166	(146,474)	110,166	216,232	492,923	(111,959)	(345,289)	89,295	203,301
Total primary government net expense	(31,657,114)	(13,545,372)	(22,091,093)	(15,812,905)	(18,695,423)	(10,783,951)	(18,521,309)	(13,282,116)	(12,306,460)	(14,540,546)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Taxes:										
Property taxes	23,887,814	20,003,363	18,720,393	17,061,249	15,863,575	13,606,365	12,125,345	11,313,896	11,867,963	11,128,948
Franchise fees	916,634	852,262	869,959	723,240	662,574	670,696	673,638	660,246	670,788	718,704
Public service taxes	4,704,224	4,570,372	3,779,953	3,490,749	3,502,667	3,388,718	3,123,400	3,201,661	3,136,070	3,067,282
Sales taxes	2,162,931	2,017,282	1,766,680	1,488,470	1,504,792	1,467,385	1,360,567	1,295,417	1,208,002	1,102,855
Intergovernmental revenues	1,797,009	1,510,609	1,245,956	1,135,220	1,122,878	548,880	515,469	485,695	456,271	414,527
Investment earnings	2,190,683	323,120	94,517	227,801	515,882	261,110	127,857	77,659	78,273	32,699
Required payment from component unit	4,850,645	4,073,137	3,827,182	3,737,897	3,787,625	3,666,585	3,615,948	3,721,884	3,550,060	3,487,211
Miscellaneous revenue	63,918	57,428	85,165	82,124	35,371	227,937	186,664	414,872	621,401	196,987
Gain on sale of capital assets	-	316,705	-	-	-	31,106	23,787	-	252,459	330,433
Transfers	-	-	-	-	97,566	(254,301)	(206,302)	(369,037)	526,581	280,700
Total governmental activities	40,573,858	33,724,278	30,389,805	27,946,750	27,092,930	23,614,481	21,546,373	20,802,293	22,367,868	20,760,346
Business-Type Activities:										
Investment earnings	41,773	5,152	3,527	15,258	17,102	7,153	3,178	1,867	1,637	-
Miscellaneous revenue	-	-	-	-	-	27,215	27,992	8,205	1,474	1,807
Transfers	-	-	-	-	(97,566)	254,301	206,302	369,037	(526,581)	(280,700)
Total business-type activities	41,773	5,152	3,527	15,258	(80,464)	288,669	237,472	379,109	(523,470)	(278,893)
Total primary government	40,615,631	33,729,430	30,393,332	27,962,008	27,012,466	23,903,150	21,783,845	21,181,402	21,844,398	20,481,453
Changes in Net Position:										
Governmental activities	8,398,047	20,138,740	8,445,186	12,023,679	8,181,275	12,337,607	3,137,023	7,865,466	9,972,113	6,016,499
Business-type activities	560,470	45,318	(142,947)	125,424	135,768	781,592	125,513	33,820	(434,175)	(75,592)
Total primary government	\$ 8,958,517	\$ 20,184,058	\$ 8,302,239	\$ 12,149,103	\$ 8,317,043	\$ 13,119,199	\$ 3,262,536	\$ 7,899,286	\$ 9,537,938	\$ 5,940,907

Note: Beginning in 2020, the Golf Course Fund that was previously a business-type activity was closed and the functions are now accounted for in the General Fund.

TABLE 3

**CITY OF NEW SMYRNA BEACH, FLORIDA  
FUND BALANCES, GOVERNMENTAL FUNDS,  
LAST TEN FISCAL YEARS  
YEAR ENDING SEPTEMBER 30, 2023**

	<b>Fiscal Year Ending September 30,</b>									
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>General Fund:</b>										
Nonspendable	\$ 464,515	\$ 470,476	\$ 131,160	\$ 246,115	\$ 875,609	\$ 1,311,501	\$ 1,250,734	\$ 3,216,342	\$ 913,628	\$ 784,518
Spendable:										
Restricted	123,740	123,740	123,740	123,740	115,442	66,816	60,816	55,435	38,770	37,471
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	6,626,117	5,315,772	739,515	329,935	2,537,599	1,541,499	1,486,371	509,099	1,261,353	1,690,358
Unassigned	10,726,855	10,390,956	13,202,129	9,303,506	6,763,876	5,848,641	5,461,399	8,500,876	7,770,407	6,586,028
Total general fund	<u>\$ 17,941,227</u>	<u>\$ 16,300,944</u>	<u>\$ 14,196,544</u>	<u>\$ 10,003,296</u>	<u>\$ 10,292,526</u>	<u>\$ 8,768,457</u>	<u>\$ 8,259,320</u>	<u>\$ 12,281,752</u>	<u>\$ 9,984,158</u>	<u>\$ 9,098,375</u>
<b>All Other Governmental Funds:</b>										
Nonspendable	\$ 110,052	\$ 124,360	\$ 61,091	\$ 37,586	\$ 32,606	\$ 61,643	\$ 52,341	\$ 31,118	\$ 38,795	\$ 71,921
Spendable:										
Restricted	32,263,361	20,606,379	19,765,991	22,043,617	19,118,404	15,776,344	11,126,481	9,131,407	13,722,842	16,754,533
Committed	15,309,828	15,225,333	6,972,038	6,411,007	5,980,290	4,587,211	8,860,753	2,889,850	3,405,730	4,828,838
Assigned	5,665,778	12,019,350	3,362,108	4,643,774	1,873,120	3,107,800	2,716,597	1,894,596	1,285,336	802,587
Unassigned	(2,470,143)	-	-	-	-	-	28,357	(22,173)	-	-
Total all other governmental funds	<u>\$ 50,878,876</u>	<u>\$ 47,975,422</u>	<u>\$ 30,161,228</u>	<u>\$ 33,135,984</u>	<u>\$ 27,004,420</u>	<u>\$ 23,532,998</u>	<u>\$ 22,784,529</u>	<u>\$ 13,924,798</u>	<u>\$ 18,452,703</u>	<u>\$ 22,457,879</u>

Note: Beginning in 2020, the Golf Course Fund that was previously a business-type activity was closed and the functions are now accounted for in the General Fund.

TABLE 4

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,**  
**LAST TEN FISCAL YEARS**  
**YEAR ENDING SEPTEMBER 30, 2023**

	Fiscal Year Ending September 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Revenue:</b>										
Taxes	\$ 30,319,654	\$ 26,099,464	\$ 24,029,688	\$ 22,020,890	\$ 20,563,254	\$ 18,373,409	\$ 16,654,985	\$ 15,809,290	\$ 14,955,277	\$ 14,477,868
Licenses and fees	9,974,827	9,306,678	7,973,202	8,892,107	9,862,074	7,141,017	6,735,421	6,793,044	6,012,110	5,894,830
Intergovernmental	8,496,185	18,534,889	5,544,684	9,632,693	4,676,389	10,596,815	5,225,276	5,553,360	10,563,520	6,707,036
Charges for services	14,241,466	11,649,180	10,364,019	9,551,698	7,496,244	8,156,909	7,034,415	3,998,336	2,910,515	2,486,735
Fines and forfeitures	602,609	735,337	818,551	472,964	249,600	179,147	148,300	235,672	174,114	135,052
Investment earnings	2,179,725	323,120	94,347	214,881	499,640	261,111	127,855	77,659	77,645	32,700
Other revenues	505,599	407,945	431,700	430,235	473,843	473,190	485,394	3,321,206	3,558,550	3,597,078
<b>Total revenue</b>	<b>66,320,065</b>	<b>67,056,613</b>	<b>49,256,191</b>	<b>51,215,468</b>	<b>43,821,044</b>	<b>45,181,598</b>	<b>36,411,646</b>	<b>35,788,567</b>	<b>38,251,731</b>	<b>33,331,299</b>
<b>Expenditures:</b>										
General government	12,085,946	8,202,549	6,307,192	6,045,254	4,857,074	5,478,001	7,245,432	3,891,608	3,087,836	2,907,718
Public safety	20,756,970	17,297,337	15,396,383	14,905,240	14,931,844	13,328,911	12,539,387	12,089,687	11,640,499	11,113,749
Transportation	7,601,115	5,946,406	5,010,749	4,535,016	4,557,308	4,392,778	3,569,012	3,672,814	3,859,584	4,001,762
Economic environment	61,256	465,286	245,712	75,000	106,917	14,468	20,195	568,282	1,380,301	1,807,054
Physical environment	1,471,585	914,874	760,966	761,984	792,388	926,523	571,095	658,672	680,302	314,881
Culture/recreation	6,834,591	5,767,358	5,253,133	5,300,346	4,094,122	3,662,103	3,591,589	3,229,405	2,745,754	2,366,865
Building and maintenance	468,724	372,854	428,717	454,098	684,650	716,104	672,158	637,924	554,123	544,020
Capital outlay	12,423,880	10,425,540	11,000,158	8,467,230	16,035,497	14,677,654	5,564,010	12,547,872	16,568,963	9,412,952
<b>Debt Service:</b>										
Principal retirement	3,276,091	3,150,750	3,183,295	3,130,891	2,577,241	9,688,922	1,947,791	1,709,132	1,688,344	2,946,345
Interest and fiscal charges	740,132	691,694	825,534	863,619	787,748	845,734	671,824	693,634	706,363	1,134,038
Refunding bond issuance cost	-	26,575	45,765	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>65,720,290</b>	<b>53,261,223</b>	<b>48,457,604</b>	<b>44,538,678</b>	<b>49,424,789</b>	<b>53,731,198</b>	<b>36,392,493</b>	<b>39,699,030</b>	<b>42,912,069</b>	<b>36,549,384</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>599,775</b>	<b>13,795,390</b>	<b>798,587</b>	<b>6,676,790</b>	<b>(5,603,745)</b>	<b>(8,549,600)</b>	<b>19,153</b>	<b>(3,910,463)</b>	<b>(4,660,338)</b>	<b>(3,218,085)</b>
<b>Other Financing Sources (Uses):</b>										
Transfers in (out)	(750,000)	-	-	-	97,566	(254,301)	(206,302)	(369,037)	1,041,636	280,700
Issuance of debt	4,500,000	4,700,000	350,001	-	9,793,094	10,000,000	5,000,000	-	-	24,780,000
Payment to refunding escrow agent	-	-	-	-	-	-	-	-	-	(16,825,341)
Sale of capital assets	-	1,157,241	10,089	37,835	59	31,106	24,448	49,861	499,309	1,632,101
Insurance recoveries	193,962	129,537	89,565	79,083	62,781	30,401	-	-	-	-
Capital leases issued	-	-	-	-	-	-	-	1,999,328	-	-
Leases (as lessor)	-	136,426	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>3,943,962</b>	<b>6,123,204</b>	<b>449,655</b>	<b>116,918</b>	<b>9,953,500</b>	<b>9,807,206</b>	<b>4,818,146</b>	<b>1,680,152</b>	<b>1,540,945</b>	<b>9,867,460</b>
<b>Net change in fund balances</b>	<b>\$ 4,543,737</b>	<b>\$ 19,918,594</b>	<b>\$ 1,248,242</b>	<b>\$ 6,793,708</b>	<b>\$ 4,349,755</b>	<b>\$ 1,257,606</b>	<b>\$ 4,837,299</b>	<b>\$ (2,230,311)</b>	<b>\$ (3,119,393)</b>	<b>\$ 6,649,375</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>7.5%</b>	<b>9.0%</b>	<b>10.7%</b>	<b>11.1%</b>	<b>10.1%</b>	<b>27.0%</b>	<b>8.5%</b>	<b>8.8%</b>	<b>9.1%</b>	<b>15.0%</b>

Note: Beginning in 2020, the Golf Course Fund that was previously a business-type activity was closed and the functions are now accounted for in the General Fund.

**CITY OF NEW SMYRNA BEACH, FLORIDA  
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY,  
 LAST TEN FISCAL YEARS  
 YEAR ENDING SEPTEMBER 30, 2023**

<b>Fiscal Year<sup>2</sup> Ended September 30,</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Industrial Property</b>	<b>Agricultural Property</b>	<b>Institutional Property</b>	<b>Governmental Property</b>	<b>Vacant Land and Other</b>	<b>Tangible Personal Property</b>	<b>Total Assessed Value</b>	<b>Less: Tax-Exempt Property</b>	<b>Total Taxable Assessed Value<sup>1</sup></b>	<b>Total Direct Tax Rate<sup>1</sup></b>
2023	\$ 5,271,470,613	\$ 561,360,333	\$ 46,360,228	\$ 3,291,090	\$ 83,135,464	\$ 272,728,430	\$ 198,079,577	\$ 279,529,792	\$ 6,715,955,527	\$ 1,126,450,368	\$ 5,589,505,159	4.28060
2022	4,670,530,164	488,567,211	40,279,520	3,235,272	73,170,151	248,322,417	166,637,795	285,795,274	5,976,537,804	1,075,473,014	4,901,064,790	4.12620
2021	4,309,740,335	457,164,906	37,694,482	3,597,445	70,333,583	236,356,596	165,855,775	219,311,209	5,500,054,331	952,669,598	4,547,384,733	4.17000
2020	3,935,312,702	417,379,076	35,292,888	4,033,158	65,451,015	214,796,559	158,730,559	198,685,156	5,029,681,113	896,616,256	4,133,064,857	4.19560
2019	3,611,242,026	398,170,720	30,905,813	3,873,907	62,832,487	206,887,673	141,977,210	188,914,579	4,644,804,415	859,780,379	3,785,024,036	4.17550
2018	3,298,276,892	353,190,922	29,344,520	2,563,579	49,675,127	195,425,582	147,944,921	168,439,045	4,244,860,588	811,986,176	3,432,874,412	4.05610
2017	3,055,463,112	313,454,305	27,467,036	2,324,780	46,746,352	175,317,013	138,456,418	169,521,503	3,928,750,519	775,089,050	3,153,661,469	3.96990
2016	2,848,415,687	285,656,360	25,814,294	1,489,961	43,978,338	157,277,270	125,107,652	176,922,153	3,664,661,715	748,827,518	2,915,834,197	3.99900
2015	2,662,911,966	264,239,522	24,807,438	1,416,412	42,546,782	132,820,223	118,502,798	172,284,943	3,419,530,084	696,808,459	2,722,721,625	4.02830
2014	2,477,659,029	242,549,870	23,580,787	902,857	38,112,705	122,392,149	115,242,545	173,608,473	3,194,048,415	674,237,186	2,519,811,229	4.17630

Source: Volusia County, Florida, Property Appraiser.

Note: <sup>1</sup>Property in The City of New Smyrna Beach is reassessed each year by the Volusia County Property Appraiser. Property is assessed at 85% of actual value. Tax rates are per \$1,000 of assessed value.

<sup>2</sup>All property valuations for the specified fiscal year ends are obtained from the previous year's tax roll (i.e., all fiscal 2023 data was obtained from the 2022 calendar year tax roll).

TABLE 6

**CITY OF NEW SMYRNA BEACH, FLORIDA  
DIRECT AND OVERLAPPING PROPERTY TAX RATES,  
LAST TEN FISCAL YEARS  
YEAR ENDING SEPTEMBER 30, 2023**

Fiscal Year <sup>1</sup>	City of New Smyrna Beach			Overlapping Rates							Total- All Taxing Districts
	Operating	Debt Service	Total City of New Smyrna	Volusia County School District	Volusia County	Southeast Volusia Hospital District	Southeast Volusia Mosquito Control	Ponce Inlet and Port Authority	St. Johns Water Management District	Florida Inland Navigation District	
2023	3.950	0.331	4.281	5.482	5.713	0.902	0.178	0.076	0.197	0.032	16.861
2022	3.742	0.384	4.126	5.802	6.299	1.008	0.178	0.085	0.219	0.032	17.748
2021	3.742	0.428	4.170	5.907	6.151	1.057	0.178	0.088	0.229	0.032	17.812
2020	3.742	0.454	4.196	6.081	6.542	1.121	0.188	0.093	0.241	0.032	18.494
2019	3.842	0.334	4.176	6.281	6.646	1.198	0.188	0.093	0.256	0.032	18.870
2018	3.681	0.375	4.056	6.281	6.646	1.198	0.188	0.093	0.256	0.032	18.751
2017	3.570	0.400	3.970	6.848	7.052	2.400	0.188	0.093	0.289	0.032	20.871
2016	3.570	0.430	4.000	7.197	7.271	2.634	0.188	0.093	0.302	0.032	21.717
2015	3.576	0.452	4.028	7.336	7.271	2.784	0.188	0.093	0.316	0.035	22.051
2014	3.576	0.600	4.176	7.358	7.271	2.939	0.208	0.093	0.328	0.035	22.408

Source: Volusia County, Florida, Property Appraiser.

Note: Tax millage rates are per \$1,000 of assessed value.

<sup>1</sup>All property valuations for the specified fiscal year ends are obtained from the previous year's tax roll (i.e., all fiscal 2023 data was obtained from the 2022 calendar year tax roll).

TABLE 7

**CITY OF NEW SMYRNA BEACH, FLORIDA  
PRINCIPAL PROPERTY TAXPAYERS,  
CURRENT AND NINE YEARS AGO  
SEPTEMBER 30, 2023**

Taxpayer	September 30, 2023			September 30, 2014		
	(2022 Tax Roll) Assessed Taxable Value	Rank	Percent to Total Assessed Taxable Value	(2013 Tax Roll) Assessed Taxable Value	Rank	Percent to Total Assessed Taxable Value
Big Beacon FL, LLC	\$ 43,258,036	1	0.77%			
Coconut Palms Condo Assoc.	26,431,504	2	0.47%			
TT of New Smyrna Beach, LLC	17,725,598	3	0.32%			
Publix Super Markets, Inc.	16,899,288	4	0.30%			
Lyme Stone Ranch Investors Ltd.	15,901,824	5	0.28%			
Real Sub, LLC	15,796,947	6	0.28%			
Poseidon Hotel Ventures, LLC	13,569,367	7	0.24%			
Wal-Mart Stores East, LP	13,203,576	8	0.24%			
Messina Luxury Apartments, LLC	11,523,934	9	0.21%			
Key New Smyrna, LLC	11,523,909	10	0.21%			
Wal-Mart Stores East, LP				\$ 13,156,252	1	0.52%
Coconut Palms Condo Assoc.				11,262,104	2	0.45%
Cathy S Truett Trust				9,275,902	3	0.37%
Lyme Stone Ranch Investors Ltd.				8,510,929	4	0.34%
Islander Beach Condo Assoc.				8,060,804	5	0.32%
Bellsouth Telecommunications, Inc.				7,388,380	6	0.29%
Coconut Palms II Condo Assoc.				7,183,223	7	0.29%
Home Depot USA, Inc.				6,691,696	8	0.27%
MMR Holdings, LLC				6,248,255	9	0.25%
IRT Property Co.				5,813,141	10	0.23%
Total	<u>\$ 185,833,983</u>		<u>3.32%</u>	<u>\$ 83,590,686</u>		<u>3.32%</u>

Source: Volusia County, Florida, Property Appraiser.

TABLE 8

**CITY OF NEW SMYRNA BEACH, FLORIDA  
PROPERTY TAX LEVIES AND COLLECTIONS,  
LAST TEN FISCAL YEARS  
SEPTEMBER 30, 2023**

Fiscal Year Ended September 30,	Taxes Levied For Year	Collected within the Fiscal Year of the Levy		Delinquent Collections	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2023	\$ 23,926,435	\$ 22,595,328	94.44%	\$ 36,275	\$ 22,631,603	94.59%
2022	20,222,774	19,269,076	95.28%	36,999	19,306,075	95.47%
2021	18,962,594	18,329,308	96.66%	40,347	18,369,655	96.87%
2020	17,340,687	16,724,838	96.45%	53,843	16,778,680	96.76%
2019	15,804,386	15,296,416	96.79%	38,960	15,335,376	97.03%
2018	13,924,082	13,445,129	96.56%	1,209	13,446,338	96.57%
2017	12,519,721	12,157,699	97.11%	-	12,157,699	97.11%
2016	11,663,045	11,313,415	97.00%	4,533	11,317,948	97.04%
2015	10,967,940	10,601,509	96.66%	1,831	10,603,340	96.68%
2014	10,523,488	10,192,443	96.85%	2,108	10,194,550	96.87%

Source: The City of New Smyrna Beach Finance Department

Note: Tax collections are stated net of early payment discounts ranging from 1% to 4% based on the date of taxpayer payments. Actual tax collections received in each fiscal year are from the prior year's tax levy (i.e., 2023 collections are from the 2022 tax levy).

TABLE 9

**CITY OF NEW SMYRNA BEACH, FLORIDA  
RATIOS OF OUTSTANDING DEBT BY TYPE,  
LAST TEN FISCAL YEARS  
SEPTEMBER 30, 2023**

Fiscal Year Ended September 30,	Governmental Activities							Business-type Activities	Primary Government Total	Percent of Personal Income <sup>1</sup>	Per Capita <sup>2</sup>	Personal Income <sup>3</sup>
	General Obligation Refunding Note	Capital Revenue Note	Financed Purchases	Capital Improvement Notes	Promissory Notes	Lease Obligation	Total	Lease Obligation				
2023	\$ 9,149,000	\$ 2,985,000	\$ 632,030	\$ 19,700,357	\$ 126,114	\$ 92,197	\$ 32,684,698	\$ 36,819	\$ 32,721,517	2.11%	1,010	\$ 1,551,344,400
2022	10,683,000	3,365,000	835,615	16,245,729	195,019	136,426	31,460,789	41,563	31,502,352	2.58%	1,043	1,221,743,068
2021	12,185,000	3,740,000	-	12,532,602	281,758	1,089,967	29,829,327	-	29,829,327	3.42%	1,026	873,453,523
2020	13,652,000	4,100,000	-	13,141,437	441,212	1,327,972	32,662,621	-	32,662,621	2.66%	1,173	1,228,934,334
2019	15,033,000	4,101,536	-	14,188,000	669,243	1,425,923	35,417,702	-	35,417,702	3.08%	1,303	1,151,428,702
2018	6,576,000	4,563,086	-	14,795,000	892,572	1,616,069	28,442,727	-	28,442,727	2.86%	1,075	993,577,920
2017	7,601,000	5,000,179	-	12,640,000	1,108,185	1,802,995	28,152,359	-	28,152,359	2.89%	1,091	975,405,006
2016	8,603,000	5,450,000	-	7,730,000	1,317,643	1,999,328	25,099,971	-	25,099,971	2.65%	1,001	947,998,556
2015	9,589,000	5,765,000	-	7,935,000	1,520,954	-	24,809,954	-	24,809,954	2.83%	1,021	875,991,496
2014	10,595,000	6,140,000	-	8,045,000	1,718,298	-	26,498,298	-	26,498,298	3.30%	1,139	803,582,160

Source:  
The City of New Smyrna Beach Finance Department  
United States Census Bureau

Notes:  
<sup>1</sup> Amount computed by dividing Total Outstanding Debt by Personal Income as shown in Table 14.  
<sup>2</sup> Amount computed by dividing Total Outstanding Debt by Population as shown in Table 14.  
<sup>3</sup> Amount computed by multiplying Population by County Per Capita Personal Income as shown in Table 14.

TABLE 10

**CITY OF NEW SMYRNA BEACH, FLORIDA  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
SEPTEMBER 30, 2023**

<b>Fiscal Year Ended September 30,</b>	<b>Governmental Activities General Obligation Bonds</b>	<b>Less: Amounts Available in Debt Service Fund<sup>3</sup></b>	<b>Total</b>	<b>Percentage of Total Taxable Assessed Value of Property</b>	<b>Percent of Personal Income<sup>1</sup></b>	<b>Per Capita<sup>2</sup></b>	<b>Population</b>
2023	\$ 9,149,000	\$ 3,073,088	\$ 6,075,912	0.11%	0.39%	188	32,400
2022	10,683,000	678,340	10,004,660	0.20%	0.82%	331	30,212
2021	12,185,000	761,670	11,423,330	0.25%	1.31%	393	29,087
2020	13,652,000	234,544	13,417,456	0.32%	1.09%	482	27,843
2019	15,033,000	150,250	14,882,750	0.39%	1.29%	548	27,173
2018	6,576,000	459,630	6,116,370	0.18%	0.62%	231	26,470
2017	7,601,000	380,236	7,220,764	0.23%	0.74%	280	25,803
2016	8,603,000	322,538	8,280,462	0.28%	0.87%	330	25,078
2015	9,589,000	301,771	9,287,229	0.34%	1.06%	382	24,298
2014	10,595,000	273,930	10,321,070	0.41%	1.28%	443	23,272

Source:  
The City of New Smyrna Beach Finance Department

Notes:

<sup>1</sup> Percent of Personal Income is calculated by dividing the General Obligation bonds by the total Personal Income per Table 14.

<sup>2</sup> Per Capita is calculated by dividing the General Obligation Bonds by the Population per Table 14.

TABLE 11

**CITY OF NEW SMYRNA BEACH, FLORIDA  
DIRECT AND OVERLAPPING DEBT FOR GOVERNMENTAL ACTIVITIES  
SEPTEMBER 30, 2023**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
County of Volusia, Florida:			
General Obligation Bonds	\$ -	10.41%	\$ -
Other Debt:			
District School Board of Volusia County, Florida:			
State School Bonds	-	10.41%	-
Certificates of participation	271,474,711	10.41%	28,260,240
Sales Tax Revenue Bonds	26,695,676	10.41%	2,778,993
Notes and Leases	17,885,957	10.41%	1,861,910
County of Volusia, Florida:			
Revenue bonds	46,540,000	10.41%	4,844,766
Notes payable	17,943,611	10.41%	1,867,912
Total overlapping debt			<u>39,613,821</u>
City direct debt			32,684,698
Total direct and overlapping debt			<u><u>\$ 72,298,519</u></u>

Estimated percentage of debt applicable to the City of New Smyrna Beach was determined by dividing the total taxable assessed value of the City into the total taxable assessed value of Volusia County.

Source: Assessed valuation data used to estimate applicable percentages provided by Volusia County Property Appraiser. Debt outstanding data provided by each governmental unit. Debt outstanding was obtained from each of the taxing districts, respectively.

**CITY OF NEW SMYRNA BEACH, FLORIDA  
LEGAL DEBT MARGIN INFORMATION  
YEAR ENDING SEPTEMBER 30, 2023**

---

The Constitution of the State of Florida, Section 200.181, Florida Statutes, and the City of New Smyrna Beach, Florida have set no legal debt limit.

**CITY OF NEW SMYRNA BEACH, FLORIDA  
PLEGGED REVENUE COVERAGE,  
LAST TEN FISCAL YEARS  
SEPTEMBER 30, 2023**

	Fiscal Year Ending September 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Community Redevelopment Agency Bonds:										
Tax increment revenues	\$ 1,705,355	\$ 1,156,102	\$ 940,263	\$ 721,987	\$ 581,276	\$ 291,289	\$ 159,131	\$ 69,367	\$ 1,904,212	\$ 1,720,445
Less: operating expenses	-	-	-	-	-	-	-	-	-	-
Net revenue available for debt service	<u>\$ 1,705,355</u>	<u>\$ 1,156,102</u>	<u>\$ 940,263</u>	<u>\$ 721,987</u>	<u>\$ 581,276</u>	<u>\$ 291,289</u>	<u>\$ 159,131</u>	<u>\$ 69,367</u>	<u>\$ 1,904,212</u>	<u>\$ 1,720,445</u>
Debt Service payments:										
Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 167,281
Interest	-	-	-	-	-	-	-	-	-	3,671
Total debt service payments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 170,952</u>
Coverage (times)	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>10.06</u>
Capital Revenue Bonds and Notes:										
Gross revenues	\$ 47,610,304	\$ 45,148,895	\$ 44,849,065	\$ 37,034,206	\$ 28,265,291	\$ 31,575,233	\$ 31,276,150	\$ 31,157,148	\$ 33,791,679	\$ 37,048,720
Less: operating expenses	-	-	-	-	-	-	-	-	-	-
Net revenue available for debt service	<u>\$ 47,610,304</u>	<u>\$ 45,148,895</u>	<u>\$ 44,849,065</u>	<u>\$ 37,034,206</u>	<u>\$ 28,265,291</u>	<u>\$ 31,575,233</u>	<u>\$ 31,276,150</u>	<u>\$ 31,157,148</u>	<u>\$ 33,791,679</u>	<u>\$ 37,048,720</u>
Debt Service payments:										
Principal	\$ 3,180,965	\$ 1,802,058	\$ 2,588,844	\$ 2,898,008	\$ 2,387,095	\$ 2,232,706	\$ 1,751,458	\$ 1,709,132	\$ 1,688,344	\$ 2,779,064
Interest	705,598	517,502	806,799	692,314	666,429	707,993	651,114	693,633	706,364	1,130,367
Total debt service payments	<u>\$ 3,886,563</u>	<u>\$ 2,319,560</u>	<u>\$ 3,395,643</u>	<u>\$ 3,590,322</u>	<u>\$ 3,053,524</u>	<u>\$ 2,940,699</u>	<u>\$ 2,402,572</u>	<u>\$ 2,402,765</u>	<u>\$ 2,394,708</u>	<u>\$ 3,909,431</u>
Coverage (times)	<u>12.25</u>	<u>19.46</u>	<u>13.21</u>	<u>10.32</u>	<u>9.26</u>	<u>10.74</u>	<u>13.02</u>	<u>12.97</u>	<u>14.11</u>	<u>9.48</u>

Notes:

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

The Community Redevelopment Agency Public Improvement Bonds and Public Improvement Refunding Revenue Bonds are secured in part by the pledge of Agency revenues, which include tax increment revenues. The City has covenanted in the Bond Resolutions that in the event the Agency revenues are not sufficient to pay the principal and interest on the Bonds the City would appropriate for payment from legally available non-ad valorem revenues amounts sufficient to provide for the payment of principal and interest on the Bonds.

Gross revenues pledged as security for the Capital Revenue Bonds and Notes are non-ad valorem revenues. "Non-ad valorem revenues" are defined in the Resolutions to mean all revenues and taxes from any source whatsoever, other than ad valorem taxation on real and personal property.

TABLE 14

**CITY OF NEW SMYRNA BEACH, FLORIDA  
DEMOGRAPHIC AND ECONOMIC INDICATORS,  
LAST TEN FISCAL YEARS  
SEPTEMBER 30, 2023**

<b>Fiscal Year Ended September 30,</b>	<b>Population<sup>1</sup></b>	<b>Personal Income<sup>2</sup></b>	<b>County Per Capita Personal Income<sup>1</sup></b>	<b>County Median Household Income<sup>1</sup></b>	<b>County Median HUD Income<sup>1</sup></b>	<b>County Unemployment Rate<sup>1</sup></b>
2023	32,400	\$ 1,551,344,400	\$ 47,881	\$ 97,084	n/a	3.50%
2022	30,212	1,221,743,068	40,439	86,263	n/a	2.80%
2021	29,087	873,453,523	30,029	71,736	n/a	4.00%
2020	27,843	1,228,934,334	44,138	49,494	n/a	7.90%
2019	27,173	1,151,428,702	42,374	59,514	n/a	3.50%
2018	26,470	993,577,920	37,536	53,721	n/a	3.80%
2017	25,803	975,405,006	37,802	42,334	n/a	3.80%
2016	25,078	947,998,556	37,802	42,334	n/a	5.00%
2015	24,298	875,991,496	36,052	40,881	n/a	5.00%
2014	23,272	803,582,160	34,530	40,908	n/a	5.30%

Source:

<sup>1</sup> Volusia County-Economic and Demographic Research

<sup>2</sup> Amount computed by multiplying population and per capita personal income statistics for Volusia County, Florida.

**CITY OF NEW SMYRNA BEACH, FLORIDA  
PRINCIPAL EMPLOYERS,  
CURRENT AND NINE YEARS AGO  
SEPTEMBER 30, 2023**

Employer	September 30, 2023			September 30, 2014		
	Total Employees	Rank	Percent to Total City Employment	Total Employees	Rank	Percent to Total City Employment
AdventHealth New Smyrna Beach (fka Bert Fish)	850	1	6.17%	680	1	4.50%
Publix Supermarkets	360	2	2.61%	301	3	1.99%
City of New Smyrna Beach	306	3	2.22%	223	5	1.48%
Wal Mart	290	4	2.11%	215	4	1.42%
Beachside Center for Rehab & Healthcare	220	5	1.60%	n/a	n/a	n/a
Home Depot	208	6	1.51%	120	10	0.79%
New Smyrna Beach High School	196	7	1.42%	185	2	1.15%
Epic Flight Academy	185	8	1.34%	n/a	n/a	n/a
NSB Utilities Commission	170	9	1.23%	173	6	1.15%
New Smyrna Beach Middle School	133	10	0.97%	150	2	0.93%
Winn-Dixie Stores	86	11	0.62%	143	9	0.95%
Ocean View Nursing Home	n/a	n/a	n/a	170	7	1.13%
McDonald's	n/a	n/a	n/a	146	8	0.97%
Total	<u>3,004</u>		<u>21.82%</u>			
Estimated civilian labor force within the City of New Smyrna Beach			<u>13,770</u>			

Source: US Bureau of Labor Statistics

Source: Volusia County-Economic and Demographic Research

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM,**  
**LAST TEN FISCAL YEARS**  
**SEPTEMBER 30, 2023**

<b>Full-Time Equivalent Employees at September 30,</b>										
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>General Government:</b>										
Legislative	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Management	8.00	7.00	4.00	4.00	4.00	4.00	4.00	3.00	3.00	3.00
Economic Development	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.75	-	-
Legal	4.00	3.00	3.00	3.00	3.00	2.50	2.50	2.50	2.50	2.50
Human Resources	3.50	3.00	3.00	3.00	3.00	3.00	3.00	2.50	2.50	2.00
Planning & Engineering	10.00	11.00	10.00	11.00	12.00	12.00	9.00	8.00	6.50	6.50
Community Redevelopment	-	-	-	-	-	-	-	-	7.75	6.75
City Clerk	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00	2.00
Finance	10.50	9.50	9.00	9.00	8.00	8.00	8.00	8.00	8.00	7.25
Information Systems	7.50	7.00	5.50	5.50	5.00	5.00	5.00	5.00	4.00	4.00
General Government	-	-	1.00	1.00	2.00	2.00	2.00	2.00	2.00	1.00
<b>Police:</b>										
Chief of Police	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Patrol	33.00	33.00	33.00	38.00	35.00	35.00	35.00	35.00	35.00	31.00
Operations (Cmmdr & Detectives)	28.00	28.00	22.00	23.00	18.00	18.00	17.00	15.25	15.25	13.75
Support	23.00	23.00	23.00	16.50	17.00	16.00	16.00	12.25	10.50	10.50
<b>Fire:</b>										
Administration	2.00	6.50	6.00	5.00	7.50	7.50	7.50	5.75	6.00	6.00
Operations	54.00	48.00	44.00	45.00	36.00	36.00	36.00	34.00	34.00	34.00
<b>Maintenance Operations</b>										
Administration	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Fleet Maintenance	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Airport	6.00	6.00	5.00	5.00	4.00	4.00	4.00	4.00	4.00	4.00
Parks	15.00	15.00	15.00	15.00	11.00	11.00	11.00	11.00	10.00	10.00
Stormwater	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Sanitation	2.00	2.00	2.00	2.00	1.75	1.75	1.75	1.00	1.00	1.00
Building Maintenance & Streets	21.00	21.00	21.00	21.00	25.00	25.00	25.00	23.00	21.00	21.00
<b>Leisure Services:</b>										
Recreation	35.00	22.25	21.25	21.25	22.00	22.00	22.00	18.00	14.50	13.50
Golf course	21.00	19.25	19.50	19.50	18.00	18.00	18.00	18.00	18.00	18.00
Marina	3.00	3.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Building & Permitting	28.50	27.75	26.75	16.00	16.75	16.75	16.75	13.00	11.00	10.00
<b>Total</b>	<b>334.00</b>	<b>314.75</b>	<b>294.50</b>	<b>284.25</b>	<b>268.50</b>	<b>267.00</b>	<b>263.00</b>	<b>240.50</b>	<b>234.00</b>	<b>223.25</b>

Source: The City of New Smyrna Beach, Department of Human Resources

Note: Part-time and seasonal employees for all departments are assumed to be 0.5 FTEs for all reporting agencies

TABLE 17

**CITY OF NEW SMYRNA BEACH, FLORIDA  
OPERATING INDICATORS BY FUNCTION/PROGRAM,  
LAST TEN FISCAL YEARS  
SEPTEMBER 30, 2023**

	<b>Fiscal Year Ending September 30,</b>									
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Police:</b>										
Physical arrests (based on calendar year)	806	665	545	562	597	774	1,046	1,146	1,360	1,024
Parking violations (based on calendar year)	13,668	7,310	11,327	10,464	6,162	7,023	4,525	6,369	2,022	259
Traffic violations (based on calendar year)	5,105	3,788	3,022	1,882	1,495	1,774	1,456	2,323	3,503	4,770
<b>Fire:</b>										
Emergency responses	6,356	6,861	6,239	5,890	5,413	5,437	5,428	5,413	4,656	4,383
Non-fire/EMS	3,123	3,762	3,533	3,407	2,931	2,969	2,963	2,986	3,610	4,323
Inspections by Engine Companies	173	682	511	104	-	-	-	-	-	-
Inspections by Fire Inspectors/Marshal	1,580	1,223	1,159	720	375	350	506	483	386	534
<b>Solid Waste:</b>										
Refuse collected (tons per week)	290	531	554	500	429	459	467	418	409	383
Yard trash (tons per week)	88	102	108	106	88	90	100	113	115	109
Recyclables collected (tons per week)	32	34	40	38	35	37	35	22	42	38
<b>Public Works-Transportation</b>										
Street construction (miles)	-	-	3.00	-	2.00	2.68	5.00	2.11	0.45	1.00
Street resurfacing (miles)	10	7.00	6.00	4.56	2.00	0.90	2.00	1.50	1.00	1.00
Potholes repaired	178	212	184	196	140	179	150	170	155	150
<b>Building Development:</b>										
Residential/single family permits issued	179	512	575	478	596	407	323	302	217	307
Commercial/multi-family permits issued	8	7	9	29	30	26	6	10	10	18
Miscellaneous permits issued	6,996	7,225	6,634	5,729	5,403	9,464	5,935	5,363	5,374	4,434

Source: Various City of New Smyrna Beach Departments

TABLE 18

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM,**  
**LAST TEN FISCAL YEARS**  
**SEPTEMBER 30, 2023**

	Fiscal Year Ending September 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>General Government:</b>										
Area (Sq. miles)	42.0	42.0	41.6	41.6	41.5	41.5	41.2	40.9	40.7	38.9
<b>Police:</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Zone office	-	-	-	-	-	-	-	-	-	-
Patrol units	57	57	57	47	50	50	48	49	49	49
<b>Fire:</b>										
Fire stations	4	4	4	4	4	4	4	4	4	4
<b>Public Works-Transportation:</b>										
Paved streets (miles)	145.0	145.0	142.5	141.1	135.8	135.8	130.5	128.6	126.2	120.7
Unpaved streets (miles)	4.0	4.0	6.8	6.8	9.5	9.5	9.5	8.7	8.8	8.8
Streetlights	3,063	3,063	3,063	2,956	2,956	2,956	2,918	2,875	2,875	2,875
Traffic signals	50	50	43	33	32	32	32	33	33	33
<b>Parks and Recreation:</b>										
Area (acres)	451.5	451.5	450.1	404.1	404.1	404.1	266.5	254.0	253.0	253.0
Tennis Courts	7	7	8	8	8	8	8	9	9	9
Playgrounds	12	12	12	12	12	12	12	12	12	12
Recreation (community) centers	3	3	3	3	3	3	3	3	3	3
Shuffleboard/lawn bowling courts	21	21	21	21	21	21	21	21	21	21
Soccer/football fields	7	7	7	6	6	6	6	6	6	6
Baseball/softball diamonds	8	8	9	9	9	9	9	9	9	9
Basketball courts	7	7	7	7	7	7	7	7	7	7
Pickleball courts	1	1	3	3	-	-	-	-	-	-
18 hole golf courses	1	1	1	1	1	1	1	1	1	1
Marina boat slips	43	43	43	42	42	42	42	42	42	42
Boat ramps	6	6	6	6	6	6	6	6	6	6
Parks and picnic areas	25	25	25	25	25	25	25	24	24	24

Source: Various City of New Smyrna Beach Departments

**CITY OF NEW SMYRNA BEACH, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Federal/ State Agency Pass-Through Entity Federal Program/ State Project	Assistance Listing / CSFA Number	Contract / Grant Number	Expenditures
<b>FEDERAL AWARDS</b>			
<b>U.S. Department of Treasury</b>			
Passed through Florida Executive Office of the Governor:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Y5227/FL0220	\$ 252,191
<b>Total U.S. Department of Treasury</b>			<u>252,191</u>
<b>U.S. Environmental Protection Agency</b>			
Direct:			
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	02D09821	392,023
<b>Total U.S. Environmental Protection Agency</b>			<u>392,023</u>
<b>U.S. Department of Housing and Urban Development</b>			
Passed through Volusia County Dept. Community Services:			
Community Development Block Grant / Entitlement Grants	14.218	Babe James Shade Structure	25,094
Community Development Block Grant / Entitlement Grants	14.218	Babe James Artificial Turf	92,234
Community Development Block Grant / Entitlement Grants	14.218	Palm Street Sidewalk	70,288
Total Community Development Block Grant / Entitlement Grants Cluster			<u>187,616</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<u>187,616</u>
<b>U.S. Department of Justice</b>			
Direct:			
Edward Byrne Memorial Justice Assistance Grant	16.738	D-8C056	4,996
Passed through Florida Office of Attorney General:			
Crime Victim Assistance - Victims Advocate	16.575	VOCA-2022-796	77,424
Bulletproof Vest Partnership Program	16.607	BA-3A00S-SX03	3,032
<b>Total U.S. Department of Justice</b>			<u>85,452</u>
<b>U.S. Department of Transportation</b>			
Passed through Federal Aviation Authority:			
Airport Improvement Program - Air Traffic Control Tower Rehabilitation	20.106	3-12-0054-030-2023	62,614
Airport Improvement Program - Taxiway Alpha Design	20.106	3-12-0054-027-2022	125,685
Airport Improvement Program - Taxiway Charlie Construction	20.106	3-12-0054-025-2021	1,740
Airport Improvement Program - Taxiway Charlie Design	20.106	3-12-0054-022-2020	500
Total Airport Improvement Program			<u>190,539</u>
Passed through Florida Department of Transportation:			
Highway Planning and Construction	20.205	FPN:437936-1-68-01/G2683	172,562
<b>Total U.S. Department of Transportation</b>			<u>363,101</u>
<b>U.S. Department of Homeland Security</b>			
Passed through Florida Division of Emergency Management:			
Disaster Grants - Public Assistance - Hurricane Ian	97.036	Z3023	1,380,576
Disaster Grants - Public Assistance	97.036	4337-374-R / H0616	613,778
Disaster Grants - Public Assistance	97.036	4337-197-R / H0492	474,913
Total Disaster Grants - Public Assistance			<u>2,469,267</u>
<b>Total U.S. Department of Homeland Security</b>			<u>2,469,267</u>
<b>Executive Office of the President</b>			
Passed through Volusia County Sheriff's Office:			
High Intensity Drug Trafficking Area Program	95.001	G21CF0003A	1,885
<b>Total U.S. Department of Treasury</b>			<u>1,885</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><u>\$ 3,751,535</u></u>

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

**CITY OF NEW SMYRNA BEACH, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Federal/ State Agency Pass-Through Entity Federal Program/ State Project	Assistance Listing / CSFA Number	Contract / Grant Number	Expenditures
<b>STATE FINANCIAL ASSISTANCE</b>			
<b>Florida Department of Transportation</b>			
Direct:			
Aviation Development Grants - Airfield Marking & Signage	55.004	FPN: 447566-1-94-01/G1N98	\$ 168,825
Aviation Development Grants - Taxiway Alpha	55.004	FPN: 446683-1-94-01/G2354	10,952
Aviation Development Grants - T Hangar F	55.004	FPN: 450769-1-94-01/G2A34	55,389
Aviation Development Grants - Fuel Farm	55.004	FPN: 450250-1-94-01/G2839	52,662
Total Aviation Development Grants			<u>287,828</u>
<b>Total Florida Department of Transportation</b>			<u>287,828</u>
<b>Florida Department of State</b>			
Passed through Division of Historical Resources:			
Acquisition, Restoration of Historic Properties Grant - Old Fort Wall	45.032	22 h.sc 900.010	308,055
Acquisition, Restoration of Historic Properties Grant - Women's Club	45.032	22 h.sc 900.011	409,029
Total Acquisition, Restoration of Historic Properties Grant			<u>717,084</u>
<b>Total Department of State</b>			<u>717,084</u>
<b>Florida Department of Law Enforcement</b>			
Direct:			
Florida Incident-Based Reporting System (FIBRS)	71.043	2021-FBSFA-F2-006	21,171
<b>Total Florida Department of Law Enforcement</b>			<u>21,171</u>
<b>Florida Fish and Wildlife Conservation Commission</b>			
Direct:			
Derelict Vessel Removal Grant	77.005	22219	7,000
<b>Total Florida Fish and Wildlife Conservation Commission</b>			<u>7,000</u>
<b>TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE</b>			<u><u>\$ 1,033,083</u></u>

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

**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**AND STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

(1) **Basis of Presentation:**

The accompanying schedule of expenditures of federal awards and state financial assistance includes the federal grant awards and state financial assistance activity of the City of New Smyrna Beach, Florida (the City), and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Section 215.97, Florida Statutes. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

(2) **Summary of Significant Accounting Policies:**

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

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

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

(4) **Subrecipients:**

During the year ended September 30, 2023, the City provided no federal awards to subrecipients.

(5) **Deferred FEMA Expenditures**

During the fiscal years ended September 30, 2022 and 2023, the City incurred substantial costs related to Hurricane Ian. Per the OMB Compliance Supplement, any reimbursements from the Federal Emergency Management Agency (FEMA) under ALN 97.036 are not to be recognized as expenditures for purposes of the Schedule of Expenditures of Federal Awards until the respective Project Worksheets (PW) have been approved. At September 30, 2023, all of the City's PWs from these storms had been approved by FEMA. As a result, there are no expenditures and related revenues which have been recorded for financial statement purposes and not on the Schedule of Expenditures of Federal Awards. Therefore, there are no expenditures which will be recognized on the Schedule of Expenditures of Federal Awards in future years once approved by FEMA.

(6) **Contingency:**

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

**CITY OF NEW SMYRNA BEACH, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

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

***Financial Statements:***

Type of audit report issued on the financial statements: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?  yes  no

Significant deficiency(ies) identified?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

***Federal Awards:***

Internal control over major Federal programs:

Material weakness(es) identified?  yes  no

Significant deficiency(ies) identified?  yes  none reported

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

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?  yes  none reported

Identification of major Federal programs:

<b>Assistance Listing Number</b>	<b>Program Name</b>
97.036	Disaster Grants – Public Assistance

Dollar threshold used to distinguish between type A and type B Federal programs: \$750,000

Auditee qualified as low-risk auditee?  yes  no

***State Financial Assistance:***

Internal control over major State projects:

Material weakness(es) identified?  yes  no

Significant deficiency(ies) identified?  yes  none reported

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

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

**CITY OF NEW SMYRNA BEACH, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Identification of major State projects:

CSFA Number	Project Name
45.032	Acquisition, Restoration of Historic Properties
Dollar threshold used to distinguish between type A and type B State projects:	<u>\$309,925</u>

**B. Financial Statement Findings:**

**2023-001 – Reconciliation of Account Balances**

*Criteria:* All balances should be reconciled to supporting documentation and reconciled with the general ledger.

*Condition and Context:* We noted a number of general ledger balances, including cash, accounts payable, accounts receivable and related allowance for bad debt, compensated absences, grant revenue, unearned revenue, interfund transfers, pension contributions, and pension payables, that required audit adjustments in order to be in compliance with generally accepted accounting principles in the United States of America (GAAP).

*Cause:* The audit adjustments were due to not carefully reconciling the general ledger account balances to the supporting documentation to ensure proper recognition in accordance with GAAP due to significant turnover in finance personnel throughout and subsequent to the fiscal year.

*Effect:* There would have been misstatements of the general ledger account balances at year-end if the audit adjustments had not been proposed.

*Recommendation:* We recommend the City review significant transactions monthly to ensure completeness and accuracy, as well as all account balances at year-end to ensure proper cutoff and accrual-based reconciliations agree to the general ledger.

**C. Federal Programs Findings and Questioned Costs:**

No findings or questioned costs were noted.

**D. Summary Schedule of Prior Audit Findings:**

No prior audit findings.

**E. Corrective Action Plan:**

See Management’s Response to Findings, as listed in the table of contents.

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

To the Honorable Mayor, City Commission, and City Manager,  
City of New Smyrna Beach, 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 New Smyrna Beach, Florida's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement*, and the requirements described in the Department of Financial Services' *State Projects Compliance Supplement*, that could have a direct and material effect on each of the City's major federal programs and state projects for the year ended September 30, 2023. The City's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the 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, 2023.

***Basis for Opinion on Each Major Federal Program***

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

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

***Responsibilities of Management for Compliance***

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

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

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

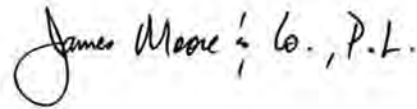
### **Report on Internal Control over Compliance**

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

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

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

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

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large initial 'J'.

Daytona Beach, Florida  
August 5, 2024

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

To the Honorable Mayor, City Commission, and City Manager,  
City of New Smyrna Beach, Florida:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* (GAS) issued by the Comptroller General of the United States (GAS), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of New Smyrna Beach, Florida (the City), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated August 5, 2024. Our report includes a reference to other auditors who audited the financial statements of the Utilities Commission, City of New Smyrna Beach, Florida, as described in our report on the City's financial statements. This report includes our consideration of the results of the other auditors' testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors.

**Report on Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we and the other auditors did not identify any deficiencies in internal control that we consider to be material weaknesses. We and the other auditors identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a significant deficiency.

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

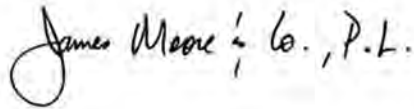
As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect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

## **Management's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying management's response to findings, as listed in the table of contents. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## **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.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large initial 'J'.

Daytona Beach, Florida  
August 5, 2024

**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED BY  
CHAPTER 10.550, RULES OF THE STATE OF FLORIDA OFFICE OF THE  
AUDITOR GENERAL**

To the Honorable Mayor, City Commission, and City Manager,  
City of New Smyrna Beach, Florida:

**Report on the Financial Statements**

We have audited the basic financial statements of City of New Smyrna Beach, Florida (the City), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated August 5, 2024. We did not audit the financial statements of the Utilities Commission, City of New Smyrna Beach, Florida which represents the assets and revenues of the aggregate discretely presented component unit. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for Utilities Commission, City of New Smyrna Beach, Florida, is based on the reports of the other auditors.

**Auditors' Responsibility**

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

**Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated August 5, 2024, 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. There were no findings or recommendations in the preceding financial audit report or the second preceding year audit report that remain uncorrected.

## **Official Title and Legal Authority**

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

## **Financial Condition and Management**

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and report 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 identification of the specific conditions met. In connection with our audit, we determined that the City, did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. 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 noted the following recommendations:

### **2023-002 – Budgetary Noncompliance**

We noted the interest and fiscal charges expenditures in the Debt Service Fund exceeded their respective budgeted amounts as approved by the City Commission, resulting in the City not being within legal budgetary compliance. While various operating transactions were approved, no respective budget amendments were made to adjust for the additional budgetary authority. To avoid such instances in the future, we recommend the City actively monitor budget-to-actual comparisons of expenditures throughout the year and ensure that any necessary budget amendments are brought to the City Commissioners on a timely basis.

## **Special District Component Units**

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

## **Special District Specific Information – Community Redevelopment Agency**

The required reporting items in accordance with Section 218.39(3)(c), Florida Statutes for the Community Redevelopment Agency of the City of New Smyrna Beach (the CRA) have been reported in the separately-issued audited financial statements of the CRA.

### **Additional Matters**

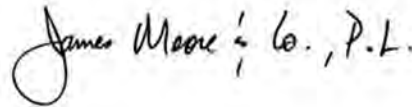
Section 10.554(1)(i)3., Rules of the Auditor General, requires us to address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

### **Management's Response to Findings**

The City's response to the findings identified in our audit is described in the accompanying management's response to findings, as listed in the table of contents. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of this Letter**

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

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large initial 'J'.

Daytona Beach, Florida  
August 5, 2024

## INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

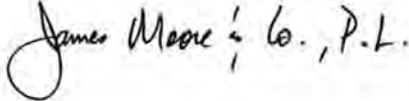
To the Honorable Mayor, City Commission, and City Manager,  
City of New Smyrna Beach, Florida:

We have examined the City of New Smyrna Beach, Florida's (the City) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies* (the Statute), for the year ended September 30, 2023. The City's 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 responsibility is to obtain reasonable assurance by evaluating the City's compliance for the year ended September 30, 2023, with those requirements and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of our evaluation based on our examination.

Our examination was conducted in accordance with the attestation standards for a direct examination engagement established by the AICPA. Those standards require that we obtain reasonable assurance by evaluating whether the City complied with the Statute for the year ended September 30, 2023, and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of evaluation of the City's compliance based on our examination during the year ended September 30, 2023. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, 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 of the City, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our examination engagement.

In our opinion, the City of New Smyrna Beach, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2023.



Daytona Beach, Florida  
August 5, 2024



## **Management's Response to Findings and Corrective Action Plan**

August 5, 2024

The City of New Smyrna Beach, Florida respectfully submits the following corrective action plan for the year ended September 30, 2023.

Name and address of independent public accounting firm:

James Moore CPAs & Consultants

121 Executive Circle

Daytona Beach, FL 32114-1180

Audit Period:

Fiscal Year October 1, 2022 – September 30, 2023

The findings from the Auditors' Report on Internal Control over Financial and Management Letter required by Chapter 10.550 Rules of the State of Florida Office of the Auditor General are discussed below.

### **2023-001 Reconciliation of Account Balances**

The City concurs to this finding and acknowledges that the deficiency was due to significant turnover of finance department personnel throughout and subsequent to the fiscal year. Efforts are being made to ensure that the finance department is adequately staffed to mitigate further deficiencies.

### **2023-002 Budgetary Noncompliance**

The City concurs to this finding and acknowledges that the budgetary noncompliance was simply due to an oversight. Efforts are being taken to adequately address it.

**IMPACT FEE AFFIDAVIT**

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

1. I am the Chief Financial Officer of the City of New Smyrna Beach which is a local governmental entity of the State of Florida.
2. The governing body of the City of New Smyrna Beach adopted Resolution No. 01-17 implementing an impact fee; and
3. The City of New Smyrna Beach has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.



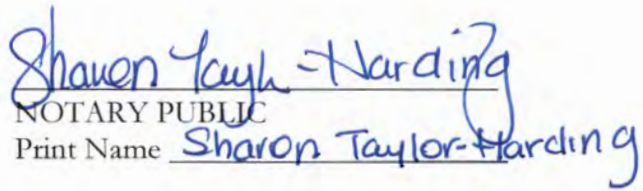
Kenneth Abidde

STATE OF FLORIDA  
COUNTY OF VOLUSIA

SWORN TO AND SUBSCRIBED before me this 27 day of June, 2024.



**SHARON TAYLOR-HARDING**  
 Notary Public  
 State of Florida  
 Comm# HH482053  
 Expires 3/11/2028



NOTARY PUBLIC  
 Print Name Sharon Taylor-Harding

Personally known  or produced identification \_\_\_\_\_

Type of identification produced: \_\_\_\_\_

My Commission Expires:

3/11/2028