

CITY OF PORT ORANGE, FLORIDA



ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2023



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CITY OF PORT ORANGE, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Prepared by:
Finance Department
John McKinney, Finance Director



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Table of Contents

Introductory Section

Table of Contents.....	i - ii
Principal City Officials	1
Letter of Transmittal	3 - 5
Organizational Chart.....	7
Certificate of Achievement for Excellence in Financial Reporting	8

Financial Section

Independent Auditors' Report.....	9 - 11
Management's Discussion and Analysis.....	13 - 25
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position.....	28
Statement of Activities.....	29
Fund Financial Statements	
Balance Sheet—Governmental Funds	30
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position.....	31
Statement of Revenues, Expenditures and Changes in Fund Balances—Governmental Funds	32
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	33
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund.....	34
Eastport Business Center CRA	35
Town Center CRA.....	36
Statement of Net Position – Proprietary Funds.....	37
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds.....	38
Statement of Cash Flows – Proprietary Funds	39
Statement of Fiduciary Net Position – Fiduciary Funds	40
Statement of Changes in Fiduciary Net Position – Fiduciary Funds.....	41
Notes to Financial Statements	42 - 85
Required Supplementary Information	
Schedule of Changes in Total OPEB Liability and Related Ratios.....	86
Schedule of Changes in Net Pension Liability and Related Ratios – General Employees Plan	87
Schedule of Changes in Net Pension Liability and Related Ratios – Police Plan.....	88
Schedule of Changes in Net Pension Liability and Related Ratios – Fire Plan	89
Schedule of Contributions – General Employees Plan.....	90
Schedule of Contributions – Police Plan.....	91
Schedule of Contributions – Fire Plan	92
Schedules of Investment Returns	93
Combining Nonmajor Fund Financial Statements and Other Schedules	
Combining Balance Sheet – Nonmajor Governmental Funds	96 - 97
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	98 - 99
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual Business Development	100
Recreation Facilities.....	101
Community Development Building	102

Community Development Block Grant.....	103
Debt Service Funds	104
General Construction.....	105
Transportation Capital Projects	106
Fire Impact	107
Transportation Impact	108
General Obligation Capital Projects.....	109
Capital Replacement	110
Economic Development Capital.....	111
2014 Capital Improvement Bond Projects	112
Recreation Impact	113
Combining Statement of Net Position – Internal Service Funds.....	114
Combining Statement of Revenues, Expenses and Changes in Net Position – Internal Service Funds.....	115
Combining Statement of Cash Flows – Internal Service Funds.....	116

Statistical Section

Table I	Net Position by Component – Last Ten Fiscal Years.....	118
Table II	Changes in Net Position – Last Ten Fiscal Years.....	119
Table III	Fund Balances – Governmental Funds – Last Ten Fiscal Years	120
Table IV	Changes in Fund Balances – Governmental Funds – Last Ten Fiscal Years	121
Table V	Tax Revenues by Source – Governmental Funds – Last Ten Fiscal Years	122
Table VI	Assessed Value and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years	123
Table VII	Property Tax Rates and Tax Levies – All Direct and Overlapping Governments - Last Ten Fiscal Years	124
Table VIII	Principal Property Taxpayers – Current and Nine Years Ago.....	125
Table IX	Property Tax Levies and Collections – Last Ten Fiscal Years.....	126
Table X	Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	127
Table XI	Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years.....	128
Table XII	Direct and Overlapping Governmental Activities Debt	129
Table XIII	Pledged Revenue Coverage – Last Ten Fiscal Years	130
Table XIV	Demographic and Economic Statistics – Last Ten Fiscal Years	131
Table XV	Principal Employers	132
Table XVI	Full-Time Equivalent Government Employees by Function/Program - Last Ten Fiscal Years	133
Table XVII	Operating Indicators by Function/Program – Last Ten Fiscal Years	134
Table XVIII	Capital Asset Statistics by Function/Program – Last Ten Fiscal Years	135

Other Reports

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 <i>Government Auditing Standards</i>	137 - 138
Independent Auditors’ Management Letter Required by Chapter 10.550, Rules of the State of Florida Office of the Auditor General	139 - 141
Independent Accountants’ Examination Report.....	142
Auditee’s Response to Independent Auditor's Management Letter.....	143

City of Port Orange, Florida
Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2023



Elected Officials as of the Financial Statement Date

Mayor

Donald Burnette

Council Members

District 1—Jonathan Reed Foley

District 2—Tracy Grubbs

District 3—Drew Bastian

District 4—Scott Stiltner

Principal Officials as of the Issuance Date

City Manager

Wayne Clark

City Attorney

Matthew Jones

Finance Director

John McKinney



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CITY OF PORT ORANGE

1000 CITY CENTER CIRCLE
PORT ORANGE, FL 32129-4144

April 5, 2024

To the Honorable Mayor, Members of the City Council, and Citizens of Port Orange.

State law requires that all general-purpose local governments publish within nine months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed, certified public accountants. We hereby issue the Annual Comprehensive Financial Report of the City of Port Orange for the fiscal year ended September 30, 2023.

This report consists of management's representations concerning the finances of the City of Port Orange. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, the management of the City of Port Orange has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Port Orange's financial statements in conformity with GAAP. The cost of internal controls should not outweigh their benefits. Thus, the City of Port Orange designed a comprehensive framework of internal controls to provide reasonable rather than an absolute assurance that the financial statements will be free from material misstatement. As management, we assert that this financial report is complete and reliable in all material respects to the best of our knowledge and belief.

James Moore & Co., P.L., licensed, certified public accountants, has audited the City of Port Orange's financial statements. The independent audit's goal was to provide reasonable assurance that the City of Port Orange's financial statements for the fiscal year ended September 30, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation.

Based on the audit, the independent auditors concluded that there was a reasonable basis for rendering an unmodified opinion that the City of Port Orange's financial statements for the fiscal year ended September 30, 2023, are fairly presented in conformity with GAAP. We present the independent auditor's report as the first component of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it.

Profile of Government

The City of Port Orange, incorporated in 1925, is in east-central Florida just south of Daytona Beach, in Volusia County. This region has seen steady growth over the past twenty-five years and the City of Port Orange has followed this pattern, steadily growing from 3,700 people in 1973 to over 65,000 in 2023. The City of Port Orange currently occupies a land area of 28.86 square miles.

The City of Port Orange operates under the council-manager form of government with a City Council consisting of the Mayor and four other members. The Mayor and Council members are non-partisan and elected to serve four-year staggered terms. The Council is the governing board and has legislative responsibilities, including setting policy, adopting ordinances and resolutions, adopting an annual millage rate and budget, appointing committees, and appointing both the City Manager and City Attorney. The City Manager is responsible for carrying out the governing body's policies and ordinances, overseeing the City's day-to-day operations, and appointing the heads of various departments.

Port Orange provides a full range of services, including police, fire and rescue, street construction and maintenance, planning and zoning, parks and recreation, cultural events, and general administrative services. The City provides water and sewer service, solid waste collection, stormwater, and a golf course utilizing an Enterprise Fund concept with user charges established by the City Council to ensure adequate operating expenses and outstanding debt payments. Vehicle maintenance, building maintenance, data processing, lease and replacement, self-insurances, and loan pool activities are provided through Internal Service Funds. The City of Port Orange delivers water and sewer service outside the city limits, including the City of Daytona Beach Shores, the Town of Ponce Inlet, and certain unincorporated parts of Volusia County. The City of Port Orange contracts with a private enterprise for solid waste collection.

The annual budget serves as the foundation for the City of Port Orange's financial planning and control. All City of Port Orange cost centers are required to submit requests for appropriation to the City Manager. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager reviews the submissions, modifies as necessary, and then presents the reviewed budget to the City Council for consideration. The City Council must hold two public hearings on the proposed budget and adopt a final budget no later than September 30, the close of the City of Port Orange's fiscal year. The appropriated budget is prepared by fund, function, and cost center. Subject to City Manager approval, cost center managers may make transfers of appropriations within a cost center (department). However, transfers of appropriations between cost centers require the approval of the City Council. This report provides budget-to-actual comparisons. The general fund and major special revenue fund comparisons are presented as part of the City's basic financial statements. The combining and individual fund statements section show such comparisons for all other governmental funds with legally adopted budgets. See Note 1(f) for further discussion of budget procedures.

These financial statements also include all financial reporting for two blended component units: the Port Orange Town Center Community Redevelopment Agency and the Eastport Business Center Community Redevelopment Agency.

Factors Affecting Financial Condition

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

Local economy: The City of Port Orange currently enjoys a favorable economic environment, and regional indicators point to continued stability. Recovering property values led to a taxable value increase of 12.94% for the year ended September 30, 2023. The City's business district is expected to maintain its current occupancy rate with various stores, specialty shops, and commercial businesses. Residential growth is stable. The City expects the development and construction of commercial retail space to be steady during the foreseeable future, fueled by permitting activity and local and regional population growth.

Financial policies: The City has adopted a fund balance and working capital policy of maintaining an unassigned fund balance of between 30% and 35% of operating expenditures (less transfers) in the General Fund. When working capital drops below 30%, the City is required to develop a plan to restore working capital to at least 30% within three years. Proprietary Funds will maintain working capital of between 25% and 30% of operating expenses (less transfers), excluding the Golf Course Fund.

The City's investment policy's foremost objective is ensuring the safety of the portfolio's principal. The portfolio is managed to maintain liquidity for reasonably anticipated cash flow requirements and attain a market rate of return throughout budgetary and economic cycles. Other than pension funds held by the

government, most investments during the fiscal year ended September 30, 2023, are classified low risk as defined by the Governmental Accounting Standards Board.

Risk Management: The Risk Management Program includes coverage for exposure regarding Workers' Compensation, Property Damage, General Liability, Pollution, Errors and Omission, Crime, Boiler and Machinery, Accidental Death and Dismemberment, and Health Maintenance Options. Based on conservative projections, adequate reserves are in place to meet loss expectations.

Pension Trust Fund Operations: Contracted investment firms overseen by the respective pension boards manage the Municipal Firefighter's, Police Officer's, and General Employee's Pension Trust Funds. An annual actuarial evaluation determines the pension plans' required funding levels. The City funds these plans based on future benefit obligations. Please see Notes to these financial statements for more 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 the City of Port Orange for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2022. To be awarded the Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive 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 Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments: The Annual Comprehensive Financial Report's preparation was made possible by the dedicated and efficient services of the Finance Department's entire staff. We would like to express our sincere appreciation to each member of the Finance Department team for their contributions to this report's preparation.

In closing, we wish to express our appreciation to the Mayor and Council for their dedication and leadership.

Respectfully submitted,



Wayne Clark
City Manager

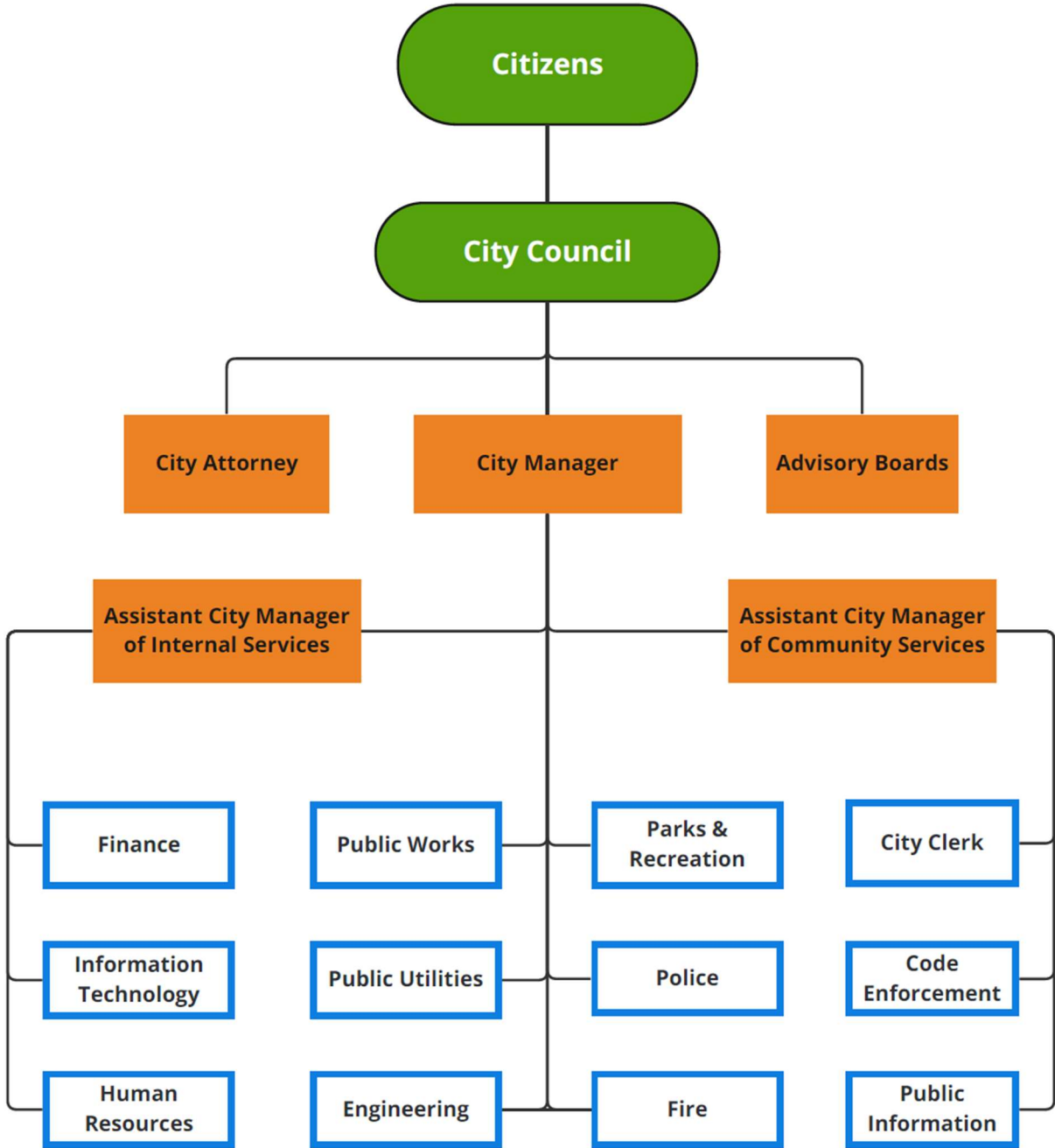


Jonathan McKinney, CGFO FRA-RA
Finance Director



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City of Port Orange Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Port Orange
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morill

Executive Director/CEO



INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Port Orange, 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, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of 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.

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 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

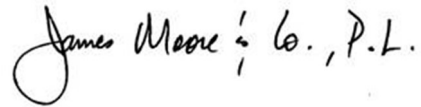
The combining nonmajor fund financial statements, and other schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures 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 April 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 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.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive, flowing style.

Daytona Beach, Florida
April 5, 2024



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MANAGEMENT'S DISCUSSION AND ANALYSIS

As the financial managers of the City of Port Orange, Florida, (hereinafter referred to as the "City"), we offer the readers of these financial statements this narrative overview and analysis of the City's financial activities for the fiscal year ended September 30, 2023.

We encourage readers to consider the information presented herein in conjunction with additional information furnished in our letter of transmittal on pages 3-5 of this report.

Financial Highlights

- The City's net position on September 30, 2023, was \$417,122,077. Of this amount, \$51,693,329 (unrestricted) may be used to meet the government's ongoing obligations to citizens and creditors. The City Council has adopted a policy that the General Fund balance should be approximately 30%-35% of operating expenditures (less transfers). For the enterprise funds, excluding the Golf Course, the City will maintain working capital (defined as current assets minus current liabilities) between 25% and 30% of operating expenditures (less transfers). As of September 30, 2023, the City's reserves exceeded these minimum thresholds.
- During the fiscal year, the City's total net position increased by \$7,322,687. Of this amount, \$14,465 was from governmental sources. Business-type (Enterprise) funds produced the remainder of the increase of \$7,308,222. This was attributable to planned capital acquisitions, impact fees, and developer contributions.
- The City's governmental funds reported combined ending fund balances of \$52,545,184, increasing \$2,406,932. This change compares to an increase in fund balance of \$11,241,158 in FY2022. Approximately \$19,216,787 (36.6%) is unassigned and available for spending at the City's discretion. Non-spendable amounts representing investments in inventory and prepaid expenses and advances to other funds totaled \$2,543,639, while amounts restricted by enabling legislation and external purposes totaled \$18,113,058.
- The City's proprietary funds reported a combined ending net position of \$296,576,205 in FY2023. This is an increase of \$8,645,487 or 3.0%, compared to \$3,925,584 in the prior year. Approximately 16.7% of the combined ending net position amount, or \$49,720,466, is unrestricted. Net investment in capital assets totaled \$210,549,853 at year-end, compared to \$214,406,438 one year earlier. Other amounts restricted by enabling legislation and external covenants totaled \$36,305,886, compared to \$27,083,652 one year earlier.
- Excluding original issue discounts and premiums, the City's FY2023 debt principal decreased by \$3,760,853 which was offset by \$1,142,824 in newly financed purchases in FY2023. This resulted in a net decrease of \$2,618,029 in outstanding principal during the current fiscal year.

Overview of the Financial Statements

The discussion and analysis provided herein serve as an introduction to the City's basic financial statements. The City's basic financial statements have three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

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 like a private-sector business. The *statement of net position* presents information on all the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a helpful indicator of whether the City's financial position is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the City principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The City's governmental activities include general government, public safety, public works, and culture and recreation. The business-type activities of the City include water and sewer, solid waste, stormwater, and the golf course. The government-wide financial statements can be found in the "Financial Section" immediately after this Management's Discussion and Analysis.

Fund financial statements A *fund* is a grouping of related accounts used to control resources segregated for specific activities or objectives. Like other state and local governments, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the City's funds are divided into 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* and *balances of spendable resources* available at the end of the fiscal year. Such information may help assess the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is helpful 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 Balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains seventeen individual governmental funds. Fourteen of these governmental funds are classified as non-major and summarized under this heading in the governmental funds presentation. Information is presented separately in the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance for the General Fund, other major funds, and non-major governmental funds, all combined into a single, aggregated presentation. Individual fund data for non-major governmental funds is provided in combining statements elsewhere in this report. The basic Governmental Fund financial statements are on pages 28-36 of this report.

The City legally adopts an annual appropriated budget for its General Fund and other governmental funds. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with this budget.

Proprietary funds The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer, solid waste, stormwater, and golf course activities. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for data processing, vehicle maintenance, risk management, lease and replacement of vehicles and equipment, building maintenance, and loan pool activities. Because these services predominantly benefit governmental rather than business-type functions, they are included within *governmental activities* in the government- wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide a separate report on the Water and Sewer, Solid Waste, Stormwater, and Golf Course activities, all considered major City funds. Conversely, the internal service funds combine into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for internal service funds is provided in combining statements elsewhere in this report. The basic proprietary fund financial statements are on pages 37-39 of this report.

Fiduciary funds Fiduciary funds account for resources held for the benefit of parties outside the City. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are not available to support the City's programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The fiduciary fund financial statements are on pages 40 and 41 of this report.

Notes to the financial statements The notes provide additional information essential to acquire a complete understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 42-85 of this report.

Other information Besides the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension and OPEB benefits to its employees. Required Supplementary Information (RSI) is on pages 86-93 of this report. The combining statements concerning non-major governmental and internal service funds immediately follow the RSI on pensions and OPEB. Combining and individual fund statements and schedules are on pages 96-116 of this report.

Government-wide financial analysis As noted earlier, net position may serve over time as a helpful indicator of a City's financial position. Assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$417,122,077 at the close of the most recent fiscal year. By far, the most significant portion of the City's net position (74.9%) reflects its investment in capital assets (e.g., land, buildings, infrastructure, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; accordingly, these assets are not available for future spending.

Although the City's investment in capital assets is reported net of related debt, this debt must be repaid from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

The table below summarizes the City's net position as of September 30, 2023, and 2022:

(Amounts in \$\$\$)

	Governmental Activities		Business-Type Activities		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Assets						
Current and Other Assets	\$ 68,934	\$ 65,362	\$ 87,697	\$ 75,936	\$ 156,631	\$ 141,298
Capital Assets	133,065	138,276	214,354	219,113	347,419	357,389
Total Assets	<u>201,999</u>	<u>203,638</u>	<u>302,051</u>	<u>295,049</u>	<u>504,050</u>	<u>498,687</u>
Deferred outflow of Resources	<u>12,555</u>	<u>18,861</u>	<u>1,523</u>	<u>2,300</u>	<u>14,078</u>	<u>21,161</u>
Liabilities						
Long-term liabilities	\$ 67,827	\$ 73,297	\$ 14,237	\$ 7,051	\$ 82,064	\$ 80,348
Other Liabilities	3,824	5,235	6,186	14,656	10,010	19,891
Total Liabilities	<u>71,651</u>	<u>78,532</u>	<u>20,423</u>	<u>21,707</u>	<u>92,074</u>	<u>100,239</u>
Deferred inflow of resources	<u>7,242</u>	<u>8,321</u>	<u>1,689</u>	<u>1,487</u>	<u>8,931</u>	<u>9,808</u>
Net Position:						
Investment in Capital Assets	107,096	111,591	205,317	208,053	312,413	319,644
Restricted	16,711	15,211	36,306	27,084	53,017	42,295
Unrestricted	11,854	8,843	39,839	39,018	51,693	47,861
Total Net Position	<u>\$ 135,661</u>	<u>\$ 135,645</u>	<u>\$ 281,462</u>	<u>\$ 274,155</u>	<u>\$ 417,123</u>	<u>\$ 409,800</u>

An additional portion of the City's net position (12.7%) represents resources subject to external restrictions on use. Total restricted net position increased by approximately \$10,721,000, primarily due to ARPA grant funds transferred for water and wastewater capital projects. The remaining balance of unrestricted net position, \$51,693,329, may be used to meet the government's ongoing obligations and increased due to current year revenues over expenses.

At the end of the current fiscal year, the City can report positive balances in restricted categories of net position, both for the government and governmental activities. The business-type activities report positive balances in all reported categories of net position. The same situation held for the prior fiscal year.

The total net position for the City increased by \$7,322,687 for the period ending September 30, 2023. The reasons for the overall increase are discussed in the following sections for governmental activities and business-type activities.

The following table summarizes changes in net position for governmental and business-type activities for the past two fiscal years.

Governmental activities During the current fiscal year, governmental activities increased the City's net position by \$14,465 compared to \$9,466,422 in the prior year, or a change of (\$9,451,957).

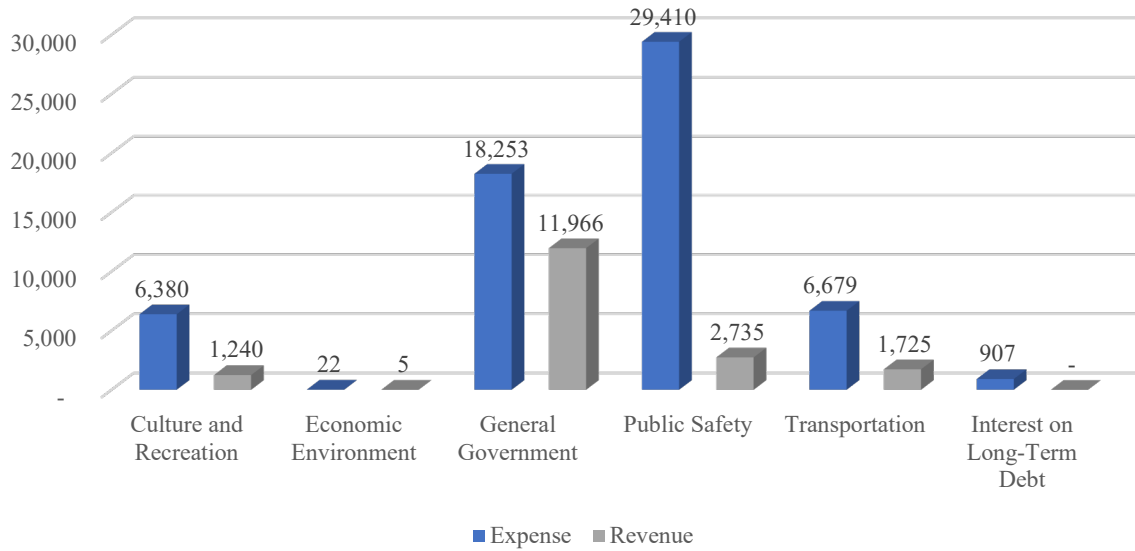
Business-type activities The results for the City's business-type activities were positive, with an ending Total Net Position of \$281,461,960, an increase of \$7,308,222.

Year Ended September 30, xxxx
(Amounts in \$000)

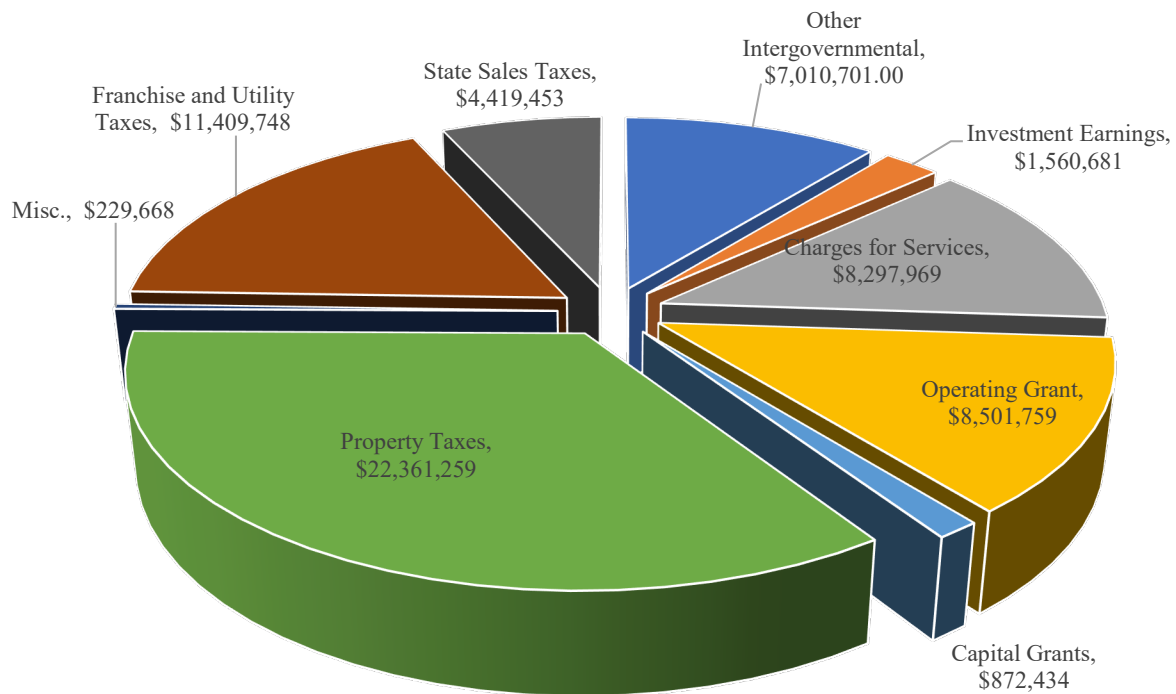
	Governmental Activities		Business-Type Activities		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues						
Program Revenues:						
Charges for services	\$ 8,298	\$ 8,712	\$ 44,535	\$ 43,603	\$ 52,833	\$ 52,315
Operating grants/contributions	8,502	12,039	516	1,273	9,018	13,312
Capital grants/contributions	872	2,936	668	2,288	1,540	5,224
General Revenues:						
Property taxes	22,361	19,736	-	-	22,361	19,736
Franchise and utility taxes	11,410	10,226	-	-	11,410	10,226
State Sales Tax	4,419	4,377	-	-	4,419	4,377
Other intergovernmental	7,011	6,580	-	-	7,011	6,580
Investment earnings	1,561	(837)	1,575	(912)	3,136	(1,749)
Miscellaneous	230	1,254	667	(2)	897	1,252
Total revenues	64,664	65,023	47,961	46,250	112,625	111,273
Expenses						
General government	18,253	13,306	-	-	18,253	13,306
Public safety	29,410	28,294	-	-	29,410	28,294
Transportation	6,679	7,715	-	-	6,679	7,715
Economic environment	22	41	-	-	22	41
Culture and recreation	6,380	5,350	-	-	6,380	5,350
Interest on long-term debt	907	942	-	-	907	942
Water and sewer	-	-	28,572	25,937	28,572	25,937
Solid waste	-	-	7,993	7,838	7,993	7,838
Stormwater	-	-	4,796	4,198	4,796	4,198
Golf course	-	-	2,289	1,838	2,289	1,838
Total Expenses	61,651	55,648	43,650	39,811	105,301	95,459
	3,013	9,374	4,311	6,439	7,324	15,813
Transfers	(2,997)	91	2,998	(91)	1	-
Change in net position	16	9,466	7,309	6,348	7,325	15,814
Net Position - Beginning	135,644	126,179	274,153	267,805	409,797	393,984
Net Position - Ending	\$ 135,660	\$ 135,645	\$ 281,462	\$ 274,153	\$ 417,122	\$ 409,798

Total revenues from governmental activities decreased by \$360,221 or .6%, primarily due to the American Rescue Plan (ARPA) funds received in FY2022, while total expenditures increased by \$6,003,302 or 10.8% due to expenses incurred from Hurricanes Ian and Nicole. The City experienced an increase in taxable property values over the previous year and approved a millage rate at 12.49% above the rolled-back rate for FY2022, generating an increase in property tax revenue.

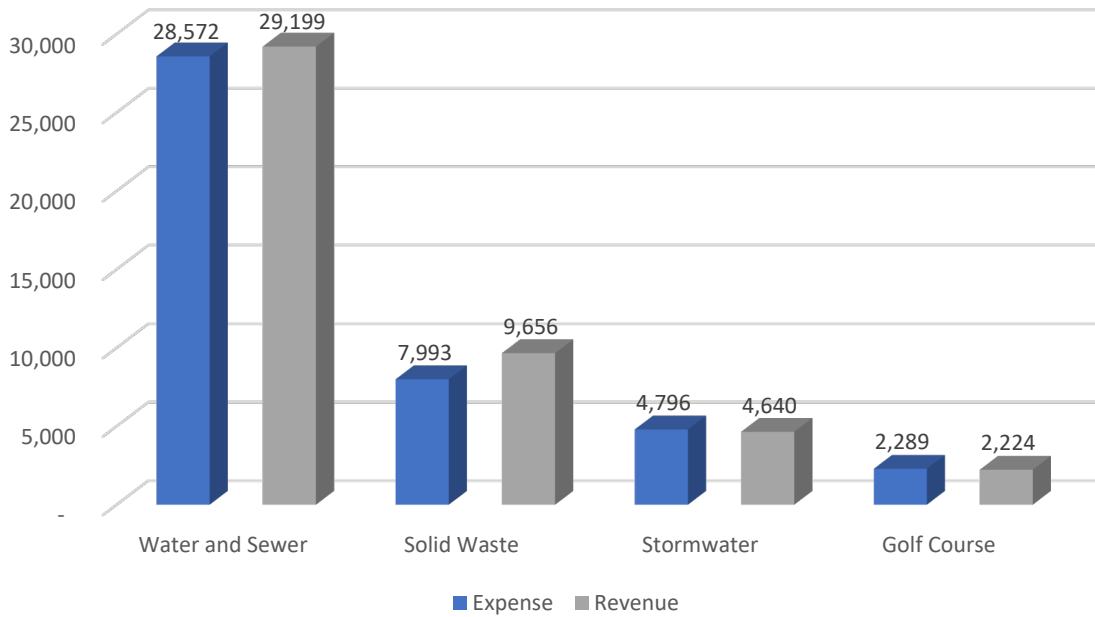
Program Expenses and Revenues
Governmental Activities
(\$000)



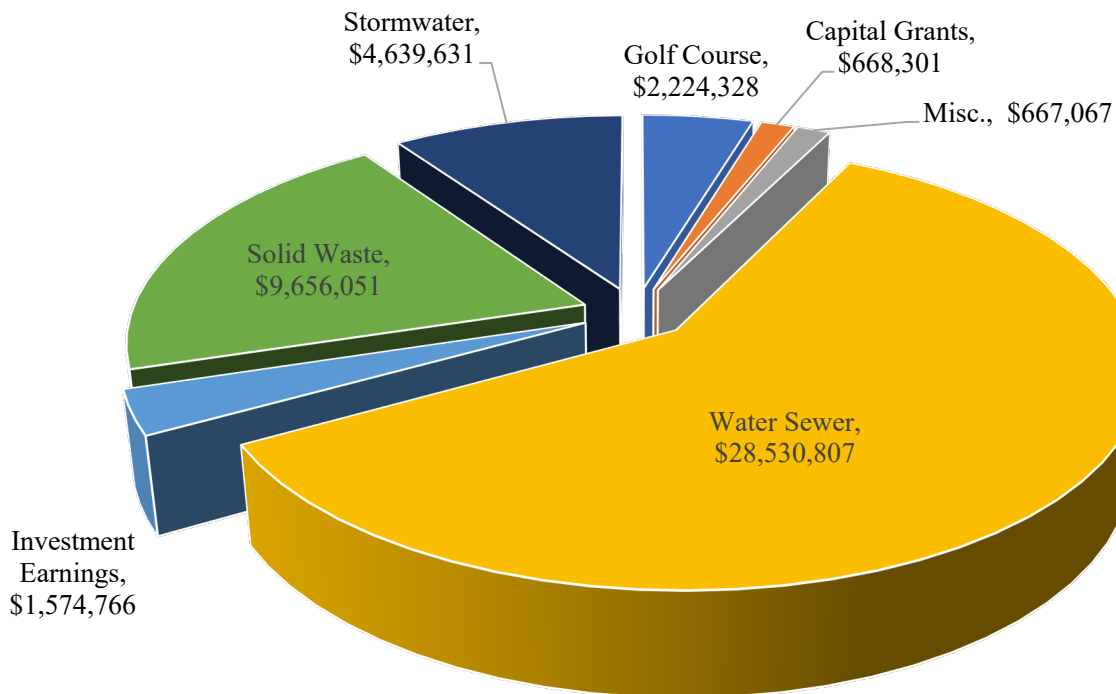
Revenues by Source
Governmental Activities



Program Expenses and Revenues
Business-Type Activities
(\$000)



Revenues by Source
Business-Type Activities



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

Governmental funds The City's *governmental funds* focus on near-term inflows, outflows, and balances of spendable resources. Such information helps assess the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for discretionary use. Unassigned balances represent the portion of fund balance not limited to use for a particular purpose by an external party, the City, or a delegated authority to assign resources for specific purposes by the City Council.

The City's governmental funds reported a combined ending fund balance of \$52,545,184, increasing \$2,406,932 compared to the prior year's increase of \$11,241,158. The unassigned fund balance is \$19,216,787 or 36.6%, which is available for spending at the City's discretion. The remainder of the fund balance of \$33,328,397 (63.4%) is not available because of allocation to (1) non-spendable items such as inventories and prepaid expenditures; (2) restricted by enabling legislation or other legal requirements; (3) committed by formal action of City Council, or (4) assigned by the City for specific purposes.

The General Fund is the main operating fund of the City. Total fund balance was \$36,401,426, with an unassigned balance of \$23,656,630.

To measure the General Fund's liquidity, it may be helpful to compare both unassigned fund balance and total fund balance to total fund expenditures less transfers out. Unassigned fund balance represents approximately 44.4% of total general fund expenditures, while total fund balance represents about 68.3% of that same amount.

Total General Fund revenues increased 5.3% compared to FY2022. Total expenditures increased by 30.4% compared to FY2022. The net effect (including transfers) increased the fund balance by \$1,581,850, or 4.5%.

The special revenue funds are all non-major, except Eastport Business Center and Town Center Community Redevelopment Agency (CRA). The CRAs receive their primary funding through tax increments. These districts promote and provide economic incentives, infrastructure improvements, and an environment conducive for business within the district's boundaries. A separate audit report of each CRA is available from the City's Finance Department. The federal disaster fund was established in FY2022 to account for ARPA and Hurricane funds.

The reader may find financial information for all other special revenue funds in the Combining Statements – Non-major Governmental Funds, Special Revenue Category. Special Revenue Funds (excluding CRAs) have a combined fund balance of \$5,647,315. The funds closed the year with a net decrease in the combined fund balance of \$59,645, or -1.0%.

Other non-major governmental funds include debt service funds and various capital project funds. Debt service has a fund balance of \$2,149,311, which is reserved for debt service. The net increase in the fund balance was \$20,644. Capital projects have a fund balance of \$12,181,169 and include the Transportation, General Obligation, and Capital Replacement funds, as well as other non-major funds. These funds may be found in the Combining Statements – Non-major Governmental Funds, Capital Project Funds Category. At fiscal year-end, the majority of the fund balances were appropriated for infrastructure and facility improvements.

Non-major governmental funds have a combined fund balance of \$19,977,795, a net increase of \$644,605 during the year.

Proprietary funds The City's enterprise funds provide the same type of information found in the government-wide financial statements but in more detail.

The unrestricted net position of the enterprise funds at the end of the year amounted to \$34,836,157. The total growth in unrestricted net position was \$154,773. The unrestricted net position of the internal service funds at the end of the year amounted to \$14,884,309. Internal service funds closed the year with an increase in net position of 2,004,332, or 11.1%. Other factors concerning the financial position of these funds are addressed in the discussion of the City's business-type activities.

General fund budgetary highlights

Original budget compared to the final budget. During the year, budget amendments increased either the estimated revenues or original budget appropriations. The significant variances between the original budget and the final amended budget are as follows:

- Excess of revenues over expenses was \$4,477,007 or a positive variance of \$5,514,791.
- Revenues reported an overall positive variance in the General Fund, with actual revenues of \$57,793,281 which were higher than the final FY2023 budget by \$164,855. Most of this variance was due to the increases in state revenues over budget.
- Actual expenditures totaled \$53,316,274, a positive variance of \$5,349,936 due to the City focus on cost containment efforts, reduction in salary expense due to vacancies, and timing delays for capital outlay projects.
- Net transfers were (\$4,037,981) and proceeds from leases were \$1,142,824. The actual net change in fund balance was \$1,581,850 and increase of \$5,227,984 over budget.

Budget Amendments to the FY23 Adopted General Fund Budget

Description	Amount	Resolution #
Hurricane Ian transfer to Federal Disaster Fund	\$ 2,000,000	22-30
Carryforward Projects	2,117,105	22-38
1st Quarter Budget Adjustments	9,412,895	23-09
Mid-Year Budget Adjustments	445,652	23-17
3rd Quarter Budget Adjustments	280,000	23-27
BER	(5,636,000)	23-60
Total General Fund Budget Amendments	<u>\$ 8,619,652</u>	

Capital asset and debt administration

Capital assets The City's investment in capital assets for its governmental and business-type activities as of September 30, 2023, amounts to \$347,419,651 (net of accumulated depreciation). This investment in capital assets includes land, easements, art, buildings and improvements, infrastructure, equipment, and construction in progress. Additional information about the City's capital assets is in Note 7 on pages 61-62.

Major capital asset events during the current fiscal year included the following:

- In FY2023, the City acquired easements totaling \$121,847 and added Buildings and Improvements of \$4,792,124 primarily related to Parks and Recreations The REC Community Center.
- Infrastructure improvements had a net increase of \$93,459. The increase was due to improvements to sports fields.
- The City added \$3,193,238 of vehicles and equipment in the current year.
- The Lease and Replacement Fund, an internal service fund that accounts for the acquisition of all trucks, and vehicles for the City, acquired assets of \$831,499 during the year. Each asset is assigned a life cycle and a matching schedule of payments. These payments increase fund balance through a sinking fund approach. At the end of the asset useful life, the fleet manager replaces the asset from fund balances. This type of planning ensures proper funding of replacement assets.
- Construction in progress had a net increase of \$818,311, ending the fiscal year at \$8,336,320. Construction in progress increase is related to lift station projects, generator replacement, water/wastewater plant improvements and stormwater projects.

Statement of Capital Assets, Net of Depreciation

September 30, XXXX

(\$000)

	Governmental Activities		Business Type Activities		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	\$ 24,973	\$ 24,973	\$ 29,500	\$ 29,500	\$ 54,473	\$ 54,473
Easements	14,171	14,049	-	-	14,171	14,049
Works of Art	12	12	-	-	12	12
Construction in Prog.	1,051	4,952	7,286	2,566	8,337	7,518
Buildings and Impr.	92,374	87,582	32,947	32,947	125,321	120,529
Infrastructure	86,343	86,250	313,380	313,380	399,723	399,630
Equipment	38,965	36,637	9,055	8,189	48,020	44,826
Less: Depreciation	(124,824)	(116,180)	(177,814)	(167,470)	(302,638)	(283,650)
Total Capital Assets, Net	<u>\$ 133,065</u>	<u>\$ 138,275</u>	<u>\$ 214,354</u>	<u>\$ 219,112</u>	<u>\$ 347,419</u>	<u>\$ 357,387</u>

Long-term liabilities At the end of the current fiscal year, the City had outstanding bonds, notes, and financed purchases of \$35,038,470 and compensated absences of \$3,406,254. The total of bonds, notes, and financed purchases due in more than one year are \$32,959,303 plus \$2,554,690 of compensated absences. The general obligation debt backed by the full faith and credit of the government is \$9,265,000.

The remainder of the City's debt represents bonds secured solely by specified revenue sources and other obligations summarized as follows:

Statement of Outstanding Debt

September 30, XXXX

(\$000)

	Governmental Activities		Business-Type Activities		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
General obligation bonds and notes	\$ 9,265	\$ 9,815	\$ -	\$ -	\$ 9,265	\$ 9,815
Revenue Bonds and notes	14,750	15,880	4,965	4,965	19,715	20,845
Loans from Other Gov.	-	-	4,101	6,126	4,101	6,126
Less deferred amount	-	-	-	-	-	-
Original issue premium	938	1,070	-	-	938	1,070
Original issue discount	(40)	(46)	(28)	(31)	(68)	(77)
Total bonds and notes payable	24,913	26,719	9,038	11,060	33,951	37,779
Financed Purchases	1,088	-	-	-	-	-
Compensated Absences	2,667	2,906	739	738	3,406	3,644
Total long-term liabilities	<u>\$ 28,668</u>	<u>\$ 29,625</u>	<u>\$ 9,777</u>	<u>\$ 11,798</u>	<u>\$ 38,445</u>	<u>\$ 41,423</u>

Excluding original issue discounts and premiums, the City's total debt principal decreased by \$2,618,029 during the current fiscal year.

A summary of the City's approved debt types, related security pledges, and underlying ratings (without regard to credit support bond insurance) is as follows:

Debt Obligation Type	Pledged Security	Bond Rating as of September 2023
General Obligation Bonds	Ad Valorem Taxes	Moody's: Aa2 Standard & Poor's: Not rated Fitch: Not rated
Capital Improvement Bonds	Excise Taxes	Moody's: Aa3 Standard & Poor's: Not rated Fitch: Not rated
Drainage Bonds	Stormwater Drainage Revenues	Moody's: Aa3 Standard & Poor's: Not rated Fitch: Not rated
Florida State Revolving Fund (Intergovernmental)	Water & Sewer Revenues	Not rated
Bank Loans, Capital Leases, Conduit Debt, and Special Assessment Financing	Various, including Ad Valorem Tax; Gas Tax; Excise Tax; and unsecured, subject to Budgetary Appropriations.	Not rated

State Statutes limit the millage rate a governmental entity may levy at 10 mills per dollar of total assessed valuation. For the year ended September 30, 2023, the City's millage rate was 4.8610, and its voter-approved debt millage rate was 0.2100. The total combined millage was 5.0710.

Additional information on the City's long-term debt is in the notes to these financial statements on pages 65-68 of this report.

Economic Factors and Next Year's Budgets and Rates

- In 2020, the citizens of Florida enacted Amendment 2, \$15 Minimum Wage Initiative (2020), by 60.82%. Amendment 2 was designed to increase the state minimum wage from \$8.56 in 2020 to \$15.00 in 2026. Under Amendment 2, the state minimum wage is set to increase each year such that the Florida minimum wage of \$15.00 is achieved by September 30, 2026. This amendment requires an annual adjustment to the state minimum wage based on increases to the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) beginning on September 30, 2027. The City's current minimum wage as of October 1, 2023, is \$15.00.
- The annual average unemployment rate for Port Orange as of September 30, 2023, was 2.9%, increasing 0.4% from the prior year. This rate is lower than the statewide average annual unemployment rate of 3.0%.
- The Council adopted an ad valorem tax rate of 4.9999 for FY2024 to fund operating expenditure obligations. This millage tax rate 2.86% more than the previous FY2023 tax rate of 4.8610 and 12.49% above the "rolled-back rate" of 4.4447. The "rolled-back rate" is the tax rate that would result in the same dollar-amount revenue of the previous year.
- The FY2024 required millage rate levy to fund debt service on the City's general obligation bonds is 0.1885, decreasing 10.2% from the prior year's millage of 0.2100.
- Public safety pension costs continue at high levels. The City and Unions agreed to bifurcated plans in FY2013 and introduced a defined contribution plan for new non-union employees to maintain long-term stability. Changing mortality tables and investment performance have added complexity to the pension funding program. Unfortunately, the last few years have shown minimal improvements in investment performance for all pensions, and the funded percentage has remained about the same in all plans. To improve the funded status of the plans and manage future costs, the City plans to continue the practice of making discretionary contributions at fiscal year-end.
- Consistent with state and national trends, taxable assessed property values continue to increase. Certified final taxable value for 2023 was \$4,507,159,078, increasing to \$5,053,066,353 for 2024, an increase of \$545,907,275 or 12.1%.
- Stormwater non-ad Valorem rates increased to \$115.00 per equivalent residential unit in FY2018 to address the need for funding major stormwater capital projects. There was no change in the non-ad Valorem rates in FY2023. Rates will increase to \$130.00 per equivalent residential unit in FY 2024.

The City considered all these factors in preparing the budget for the upcoming fiscal year.

For the fiscal year ended September 30, 2023, the fund balance in the general fund totaled \$36,401,426. This compares to \$34,819,576 for the prior fiscal year. All appropriations lapse at year-end.

Water and sewer rates remained constant for FY2023. The City conducted a Financial Feasibility Study in FY2023, which resulted in rate increases that are effective January 2024.

Solid waste rates increased for FY2023. The City conducted a solid waste rate study in late FY2021 resulting in a rate increase beginning in January of 2022. The solid waste rates will continue to adjust annual in coming years with the Consumer Price Index (CPI).

Requests for Information

The City designed this financial report to provide a general overview of the City's finances for all those interested in the government's finances. The reader should address questions related to any information provided in this report or requests for additional financial information to the City of Port Orange, Finance Director, 1000 City Center Circle, Port Orange, FL 32129.



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BASIC FINANCIAL STATEMENTS

These basic financial statements contain Government-wide Financial Statements, Fund Financial Statements and Notes to the Financial Statements.

CITY OF PORT ORANGE, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Equity in pooled cash and investments	\$ 47,590,101	\$ 38,818,620	\$ 86,408,721
Receivables, net	2,394,036	5,439,449	7,833,485
Internal balances	(5,003,221)	5,003,221	-
Due from other governments	8,315,824	90,240	8,406,064
Leases receivable	4,054,899	608,627	4,663,526
Inventories	169,204	1,025,917	1,195,121
Prepaid items	719,405	84,794	804,199
Restricted assets:			
Equity in pooled cash	10,337,480	36,625,609	46,963,089
Investments	356,212	-	356,212
Capital assets:			
Capital assets, not being depreciated	40,206,943	36,786,254	76,993,197
Other capital assets, net of depreciation/amortization	92,858,001	177,568,453	270,426,454
Total assets	<u>\$ 201,998,884</u>	<u>\$ 302,051,184</u>	<u>\$ 504,050,068</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on bond refunding	\$ 31,024	\$ -	\$ 31,024
Deferred outflows related to pensions	12,284,844	1,450,538	13,735,382
Deferred outflows related to OPEB	239,035	72,500	311,535
Total deferred outflows	<u>\$ 12,554,903</u>	<u>\$ 1,523,038</u>	<u>\$ 14,077,941</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ 2,415,109	\$ 1,752,686	\$ 4,167,795
Customer deposits	1,187,246	3,893,640	5,080,886
Unearned revenue	222,650	522,050	744,700
Accrued interest payable	-	17,150	17,150
Noncurrent liabilities:			
Due within one year:			
Bonds and notes payable	805,000	1,161,148	1,966,148
Financed purchases	113,019	-	113,019
Compensated absences	666,874	184,690	851,564
Due in more than one year:			
Bonds and notes payable	24,107,677	7,876,863	31,984,540
Financed purchases	974,763	-	974,763
Compensated absences	2,000,619	554,071	2,554,690
Total OPEB liability	4,293,051	1,302,097	5,595,148
Net pension liability	34,865,430	3,158,472	38,023,902
Total liabilities	<u>\$ 71,651,438</u>	<u>\$ 20,422,867</u>	<u>\$ 92,074,305</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	\$ 1,355,257	\$ 439,460	\$ 1,794,717
Deferred inflows related to OPEB	1,957,137	593,606	2,550,743
Deferred inflows related to leases	3,929,838	656,329	4,586,167
Total deferred inflows of resources	<u>\$ 7,242,232</u>	<u>\$ 1,689,395</u>	<u>\$ 8,931,627</u>
NET POSITION			
Net investment in capital assets	\$ 107,095,509	\$ 205,316,696	\$ 312,412,205
Restricted for:			
Public safety	1,237,008	-	1,237,008
Community redevelopment projects	605,806	-	605,806
Transportation	7,304,418	-	7,304,418
Debt service	746,910	662,472	1,409,382
Capital improvements	2,260,918	11,346,378	13,607,296
Inspections and other purposes	4,555,597	24,297,036	28,852,633
Unrestricted	11,853,951	39,839,378	51,693,329
Total net position	<u>\$ 135,660,117</u>	<u>\$ 281,461,960</u>	<u>\$ 417,122,077</u>

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

**CITY OF PORT ORANGE, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 18,253,368	\$ 5,320,215	\$ 6,556,369	\$ 90,487	\$ (6,286,297)	\$ -	\$ (6,286,297)
Public safety	29,410,471	1,994,691	477,217	263,136	(26,675,427)	-	(26,675,427)
Transportation	6,679,041	192,697	1,299,673	232,397	(4,954,274)	-	(4,954,274)
Economic environment	21,590	5,125	-	-	(16,465)	-	(16,465)
Culture and recreation	6,379,887	785,241	168,500	286,414	(5,139,732)	-	(5,139,732)
Interest on long-term debt	907,224	-	-	-	(907,224)	-	(907,224)
Total governmental activities	61,651,581	8,297,969	8,501,759	872,434	(43,979,419)	-	(43,979,419)
Business-type activities:							
Water and sewer	28,572,330	28,014,807	516,000	668,301	-	626,778	626,778
Solid waste	7,992,816	9,656,051	-	-	-	1,663,235	1,663,235
Stormwater	4,796,272	4,639,631	-	-	-	(156,641)	(156,641)
Golf course	2,288,937	2,224,328	-	-	-	(64,609)	(64,609)
Total business-type activities	43,650,355	44,534,817	516,000	668,301	-	2,068,763	2,068,763
Total primary government	<u>\$ 105,301,936</u>	<u>\$ 52,832,786</u>	<u>\$ 9,017,759</u>	<u>\$ 1,540,735</u>	<u>(43,979,419)</u>	<u>2,068,763</u>	<u>(41,910,656)</u>
General revenues:							
Property taxes					22,361,259	-	22,361,259
Sales taxes					4,419,453	-	4,419,453
Casualty and fire insurance premium taxes					1,160,147	-	1,160,147
Public service taxes					6,949,302	-	6,949,302
Other taxes					1,990,030	-	1,990,030
Franchise and utility taxes					4,460,446	-	4,460,446
State revenue sharing					3,860,524	-	3,860,524
Investment earnings (loss)					1,560,681	1,574,766	3,135,447
Miscellaneous revenues					229,668	667,067	896,735
Transfers					(2,997,626)	2,997,626	-
Total general revenues and transfers					43,993,884	5,239,459	49,233,343
Change in net position					14,465	7,308,222	7,322,687
Net position - beginning of year					135,645,652	274,153,738	409,799,390
Net position - ending of year					<u>\$ 135,660,117</u>	<u>\$ 281,461,960</u>	<u>\$ 417,122,077</u>

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

**CITY OF PORT ORANGE, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023**

	General Fund	Eastport Business Center CRA Fund	Town Center CRA Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Equity in pooled cash and investments	\$ 25,218,183	\$ 605,806	\$ -	\$ 19,642,834	\$ 45,466,823
Receivables, net	2,571,331	-	-	4,462	2,575,793
Due from other governments	7,919,576	-	-	213,551	8,133,127
Leases receivable	3,059,565	-	-	995,334	4,054,899
Inventories	169,204	-	-	-	169,204
Prepaid items	411,750	-	-	1,402,401	1,814,151
Advances to other funds	1,962,685	-	-	-	1,962,685
Total assets	<u>\$ 41,312,294</u>	<u>\$ 605,806</u>	<u>\$ -</u>	<u>\$ 22,258,582</u>	<u>\$ 64,176,682</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 1,677,513	\$ -	\$ 11,768	\$ 174,408	\$ 1,863,689
Customer deposits	34,838	-	-	1,152,408	1,187,246
Unearned revenue	218,307	-	-	4,343	222,650
Due to other funds	-	-	2,465,390	-	2,465,390
Advances from other funds	-	-	1,962,685	-	1,962,685
Total liabilities	<u>1,930,658</u>	<u>-</u>	<u>4,439,843</u>	<u>1,331,159</u>	<u>7,701,660</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to leases	2,980,210	-	-	949,628	3,929,838
Total deferred inflows of resources	<u>2,980,210</u>	<u>-</u>	<u>-</u>	<u>949,628</u>	<u>3,929,838</u>
FUND BALANCES					
Nonspendable:					
Inventories	169,204	-	-	-	169,204
Prepaid items	411,750	-	-	-	411,750
Advances to other funds	1,962,685	-	-	-	1,962,685
Restricted for:					
Public safety	727,779	-	-	509,229	1,237,008
Inspections	-	-	-	4,445,649	4,445,649
Recreation	109,948	-	-	-	109,948
Debt service	-	-	-	2,149,311	2,149,311
Capital improvements	-	-	-	2,260,918	2,260,918
Community redevelopment	-	605,806	-	-	605,806
Transportation projects	-	-	-	3,826,607	3,826,607
Transportation impact	-	-	-	3,477,811	3,477,811
Committed to:					
Tree replacement	137,195	-	-	-	137,195
ARPA transition projects	3,809,723	-	-	-	3,809,723
Capital improvements	4,866,200	-	-	-	4,866,200
Recreation facility improvements	-	-	-	1,057,838	1,057,838
Assigned to:					
Purchases on account	550,312	-	-	-	550,312
Capital improvements	-	-	-	2,106,604	2,106,604
Business development	-	-	-	119,410	119,410
General government	-	-	-	24,418	24,418
Unassigned	23,656,630	-	(4,439,843)	-	19,216,787
Total fund balances	<u>36,401,426</u>	<u>605,806</u>	<u>(4,439,843)</u>	<u>19,977,795</u>	<u>52,545,184</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 38,332,084</u>	<u>\$ 605,806</u>	<u>\$ -</u>	<u>\$ 21,308,954</u>	<u>\$ 60,246,844</u>

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

CITY OF PORT ORANGE, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

Fund balances - total governmental funds \$ 52,545,184

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	225,098,376	
Less: accumulated depreciation	<u>(97,266,589)</u>	127,831,787

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	(34,865,430)	
Deferred outflows related to pensions	12,284,844	
Deferred inflows related to pensions	<u>(1,355,257)</u>	(23,935,843)

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	(4,293,051)	
Deferred outflows related to OPEB	239,035	
Deferred inflows related to OPEB	<u>(1,957,137)</u>	(6,011,153)

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.

Total net position	20,117,466	
Less: amounts attributable to business-type activities	<u>(5,003,221)</u>	15,114,245

Prepaid principal and interest payments on long-term debt are not recorded as expenditures at the fund level, but are applied against the debt and accrued interest balances in the government-wide financial statements.

(1,402,401)

Long-term liabilities, including bonds payable and notes payable, 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	(24,015,000)	
Financed purchases	(1,087,782)	
Accrued interest payable	-	
Unamortized bond discounts and premiums	(897,677)	
Unamortized deferred loss on bond refunding	31,024	
Compensated absences	<u>(2,512,267)</u>	(28,481,702)

Net position of governmental activities		<u><u>\$ 135,660,117</u></u>
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The accompanying notes to financial statements are an integral part of this statement.

CITY OF PORT ORANGE, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	General Fund	Eastport Business Center CRA Fund	Town Center CRA Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 31,168,179	\$ 180,015	\$ 110,490	\$ 2,205,481	\$ 33,664,165
Permits and fees	4,497,558	-	-	2,474,129	6,971,687
Intergovernmental	15,300,785	235,696	142,687	11,064	15,690,232
Charges for services	4,896,250	-	3,580	223,442	5,123,272
Fines and forfeitures	841,848	-	-	-	841,848
Investment income (loss)	856,176	11,752	-	455,208	1,323,136
Miscellaneous	232,485	3	1,542	180,659	414,689
Total revenues	<u>57,793,281</u>	<u>427,466</u>	<u>258,299</u>	<u>5,549,983</u>	<u>64,029,029</u>
Expenditures					
Current:					
General government	15,866,966	-	-	2,409,265	18,276,231
Public safety	27,962,987	-	-	49,394	28,012,381
Transportation	2,789,486	-	-	473,380	3,262,866
Economic environment	-	12,060	24,741	-	36,801
Culture and recreation	5,131,583	-	-	274,950	5,406,533
Capital outlay	1,490,075	-	-	870,237	2,360,312
Debt service:					
Principal retirement	55,042	-	-	1,650,000	1,705,042
Interest and fiscal charges	20,135	-	-	1,037,617	1,057,752
Other charges	-	-	-	2,250	2,250
Total expenditures	<u>53,316,274</u>	<u>12,060</u>	<u>24,741</u>	<u>6,767,093</u>	<u>60,120,168</u>
Excess (deficiency) of revenues over expenditures	<u>4,477,007</u>	<u>415,406</u>	<u>233,558</u>	<u>(1,217,110)</u>	<u>3,908,861</u>
Other financing sources (uses)					
Transfers in	2,023,747	-	-	1,861,715	3,885,462
Transfers out	(6,061,728)	(236,865)	(231,622)	-	(6,530,215)
Proceeds from issuance of financed purchases	1,142,824	-	-	-	1,142,824
Total other financing sources (uses)	<u>(2,895,157)</u>	<u>(236,865)</u>	<u>(231,622)</u>	<u>1,861,715</u>	<u>(1,501,929)</u>
Net change in fund balances	<u>1,581,850</u>	<u>178,541</u>	<u>1,936</u>	<u>644,605</u>	<u>2,406,932</u>
Fund balances, beginning of year	34,819,576	427,265	(4,441,779)	19,333,190	50,138,252
Fund balances, end of year	<u>\$ 36,401,426</u>	<u>\$ 605,806</u>	<u>\$ (4,439,843)</u>	<u>\$ 19,977,795</u>	<u>\$ 52,545,184</u>

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

CITY OF PORT ORANGE, 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 \$ 2,406,932

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	2,360,312
Depreciation expense	(6,621,588)
Contributed capital assets	121,847

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, donations, CIP project abandoned) is to decrease net position.	49,573
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Bond and loan 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	1,705,042
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Governmental funds report contributions to defined benefit pension plans as expenditures.

However, in the statement of activities, the amount contributed to defined benefit pension plans reduces future net pension liability. Also included in pension expense in the statement of activities are amounts required to be amortized.

Change in net pension liability and deferred inflows/outflows related to pensions	(778,973)
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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 bond discounts and premiums	122,662
Change in accrued interest on long-term debt	30,116
Change in compensated absences liability	155,265
Change in total OPEB liability and deferred inflows/outflows related to OPEB	268,836

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.

1,337,265

Change in net position of governmental activities	\$ 14,465
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The accompanying notes to financial statements are an integral part of this statement.

CITY OF PORT ORANGE, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 29,667,115	\$ 30,567,115	\$ 31,168,179	\$ 601,064
Permits and fees	3,653,000	3,972,000	4,497,558	525,558
Intergovernmental	17,518,740	14,961,022	15,300,785	339,763
Charges for services	4,154,539	6,904,539	4,896,250	(2,008,289)
Fines and forfeitures	292,000	322,000	841,848	519,848
Investment income (loss)	51,800	651,800	856,176	204,376
Miscellaneous	249,950	249,950	232,485	(17,465)
Total revenues	55,587,144	57,628,426	57,793,281	164,855
Expenditures				
Current:				
General government:				
Mayor and Council	284,747	359,747	324,514	35,233
City Manager	670,621	841,529	583,336	258,193
Finance and administration	2,834,906	3,006,013	2,782,633	223,380
Legal	786,092	786,092	675,105	110,987
Planning and community development	1,230,798	1,457,004	1,192,775	264,229
Nondepartmental	10,764,271	11,533,998	10,710,247	823,751
Total general government	16,571,435	17,984,383	16,268,610	1,715,773
Public safety:				
Law enforcement	15,923,817	15,651,087	15,403,509	247,578
Fire safety	12,808,915	13,655,020	13,416,806	238,214
Code enforcement	488,935	542,154	469,539	72,615
Total public safety	29,221,667	29,848,261	29,289,854	558,407
Transportation	3,432,642	5,169,808	2,407,861	2,761,947
Culture and recreation	5,371,296	5,663,758	5,349,949	313,809
Total expenditures	54,597,040	58,666,210	53,316,274	5,349,936
Excess (deficiency) of revenues over expenditures	990,104	(1,037,784)	4,477,007	5,514,791
Other financing sources (uses)				
Transfers in	2,009,163	2,804,800	2,023,747	(781,053)
Transfers out	(4,426,787)	(6,679,593)	(6,061,728)	617,865
Proceeds from leases	1,239,718	1,266,443	1,142,824	(123,619)
Total other financing sources (uses)	(1,177,906)	(2,608,350)	(2,895,157)	(286,807)
Net change in fund balances	(187,802)	(3,646,134)	1,581,850	5,227,984
Fund balances, beginning of year	34,819,576	34,819,576	34,819,576	-
Fund balances, end of year	<u>\$ 34,631,774</u>	<u>\$ 31,173,442</u>	<u>\$ 36,401,426</u>	<u>\$ 5,227,984</u>

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

CITY OF PORT ORANGE, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - EASTPORT BUSINESS CENTER CRA
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ 180,015	\$ 180,015
Intergovernmental	413,882	413,882	235,696	(178,186)
Investment income (loss)	2,400	2,400	11,752	9,352
Miscellaneous	-	-	3	3
Total revenues	416,282	416,282	427,466	11,184
Expenditures				
Current:				
Economic environment	175,897	175,897	12,060	163,837
Capital outlay	-	-	-	-
Total expenditures	175,897	175,897	12,060	163,837
Excess (deficiency) of revenues over expenditures	240,385	240,385	415,406	175,021
Other financing sources (uses)				
Transfers out	(240,385)	(240,385)	(236,865)	3,520
Net change in fund balances	-	-	178,541	178,541
Fund balances, beginning of year	427,265	427,265	427,265	-
Fund balances, end of year	<u>\$ 427,265</u>	<u>\$ 427,265</u>	<u>\$ 605,806</u>	<u>\$ 178,541</u>

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

CITY OF PORT ORANGE, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - TOWN CENTER CRA
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ -	\$ -	\$ 110,490	\$ 110,490
Intergovernmental	255,365	255,365	142,687	(112,678)
Charges for services	4,000	4,000	3,580	(420)
Investment income (loss)	1,000	1,000	-	(1,000)
Miscellaneous	-	-	1,542	1,542
Total revenues	<u>260,365</u>	<u>260,365</u>	<u>258,299</u>	<u>(2,066)</u>
Expenditures				
Current:				
Economic environment	28,210	28,210	24,741	3,469
Excess (deficiency) of revenues over expenditures	<u>232,155</u>	<u>232,155</u>	<u>233,558</u>	<u>1,403</u>
Other financing sources (uses)				
Transfers in	170,454	-	-	-
Transfers out	(402,609)	(402,609)	(231,622)	170,987
Total other financing sources (uses)	<u>(232,155)</u>	<u>(402,609)</u>	<u>(231,622)</u>	<u>170,987</u>
Net change in fund balances	<u>-</u>	<u>(170,454)</u>	<u>1,936</u>	<u>172,390</u>
Fund balances, beginning of year	<u>(4,441,779)</u>	<u>(4,441,779)</u>	<u>(4,441,779)</u>	<u>-</u>
Fund balances, end of year	<u><u>\$ (4,441,779)</u></u>	<u><u>\$ (4,612,233)</u></u>	<u><u>\$ (4,439,843)</u></u>	<u><u>\$ 172,390</u></u>

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

CITY OF PORT ORANGE, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2023

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water and Sewer	Solid Waste	Stormwater Utility	Golf Course	Total	
ASSETS						
Equity in pooled cash and investments	\$ 27,042,144	\$ 3,478,112	\$ 6,070,419	\$ 2,227,945	\$ 38,818,620	\$ 12,816,970
Accounts receivable, net	4,057,173	1,292,684	34,027	55,565	5,439,449	209
Due from other governments	88,841	-	1,399	-	90,240	731
Leases receivable	608,627	-	-	-	608,627	-
Inventories	926,049	-	509	99,359	1,025,917	-
Prepaid items	28,354	-	-	56,440	84,794	307,655
Due from other funds	-	-	-	-	-	2,465,390
Restricted current assets						
Equity in pooled cash	311,745	-	7,978	-	319,723	-
Total current assets	33,062,933	4,770,796	6,114,332	2,439,309	46,387,370	15,590,955
Noncurrent assets:						
Restricted cash	35,709,118	-	596,768	-	36,305,886	-
Capital assets:						
Land	15,993,805	42,800	12,514,670	949,209	29,500,484	-
Building and improvements	27,353,630	159,441	-	5,433,854	32,946,925	697,318
Infrastructure	271,526,473	-	41,853,965	-	313,380,438	-
Machinery and equipment	6,905,796	32,500	1,964,024	152,777	9,055,097	32,020,150
Construction in progress	7,067,151	-	218,619	-	7,285,770	72,827
Accumulated depreciation	(161,221,828)	(168,567)	(12,757,098)	(3,666,514)	(177,814,007)	(27,557,138)
Total capital assets, net	167,625,027	66,174	43,794,180	2,869,326	214,354,707	5,233,157
Advances to other funds	1,559,061	-	-	-	1,559,061	-
Total noncurrent assets	204,893,206	66,174	44,390,948	2,869,326	252,219,654	5,233,157
Total assets	\$ 237,956,139	\$ 4,836,970	\$ 50,505,280	\$ 5,308,635	\$ 298,607,024	\$ 20,824,112
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pensions	\$ 1,211,866	\$ 43,697	\$ 194,975	\$ -	\$ 1,450,538	\$ -
Deferred outflows related to OPEB	59,579	2,153	10,768	-	72,500	-
Total deferred outflows of resources	\$ 1,271,445	\$ 45,850	\$ 205,743	\$ -	\$ 1,523,038	\$ -
LIABILITIES						
Current liabilities:						
Accounts payable and accrued liabilities	\$ 411,560	\$ 571,467	\$ 355,377	\$ 111,709	\$ 1,450,113	\$ 179,420
Deposits	3,893,640	-	-	-	3,893,640	-
Unearned revenue	285,503	-	-	236,547	522,050	-
Estimated claims payable	-	-	-	-	-	372,000
Compensated absences	162,056	716	21,918	-	184,690	38,807
Payable from restricted assets:						
Accounts payable and accrued liabilities	302,573	-	-	-	302,573	-
Current maturities on long-term debt	721,142	-	440,006	-	1,161,148	-
Accrued interest payable	9,172	-	7,978	-	17,150	-
Total current liabilities	5,785,646	572,183	825,279	348,256	7,531,364	590,227
Noncurrent liabilities:						
Bonds and notes payable, net	1,792,586	-	6,084,277	-	7,876,863	-
Advances from other funds	-	-	-	1,559,061	1,559,061	-
Compensated absences	486,167	2,148	65,756	-	554,071	116,419
Total OPEB liability	1,070,040	38,676	193,381	-	1,302,097	-
Net pension liability	2,638,777	95,147	424,548	-	3,158,472	-
Total noncurrent liabilities	5,987,570	135,971	6,767,962	1,559,061	14,450,564	116,419
Total liabilities	\$ 11,773,216	\$ 708,154	\$ 7,593,241	\$ 1,907,317	\$ 21,981,928	\$ 706,646
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pensions	\$ 367,151	\$ 13,239	\$ 59,070	\$ -	\$ 439,460	\$ -
Deferred inflows related to OPEB	487,815	17,631	88,160	-	593,606	-
Deferred inflows related to leases	656,329	-	-	-	656,329	-
Total deferred inflows of resources	\$ 1,511,295	\$ 30,870	\$ 147,230	\$ -	\$ 1,689,395	\$ -
NET POSITION						
Net investment in capital assets	\$ 165,111,299	\$ 66,174	\$ 37,269,897	\$ 2,869,326	\$ 205,316,696	\$ 5,233,157
Restricted for debt service	65,704	-	596,768	-	662,472	-
Restricted for Wetland Mitigation Credits	2,582,328	-	-	-	2,582,328	-
Restricted for renewal and replacement	21,714,708	-	-	-	21,714,708	-
Restricted for utility plant expansion	11,346,378	-	-	-	11,346,378	-
Unrestricted	25,122,656	4,077,622	5,103,887	531,992	34,836,157	14,884,309
Total net position	\$ 225,943,073	\$ 4,143,796	\$ 42,970,552	\$ 3,401,318	\$ 276,458,739	\$ 20,117,466
Cumulative adjustment to reflect consolidation of internal service fund activities related to enterprise funds					5,003,221	
Net position, business-type activities					\$ 281,461,960	

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

CITY OF PORT ORANGE, FLORIDA
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water and Sewer	Solid Waste	Stormwater Utility	Golf Course	Total	
Operating revenues						
Charges for services	\$ 27,917,183	\$ 9,655,738	\$ 4,638,599	\$ 2,224,268	\$ 44,435,788	\$ 11,844,149
Other revenues	97,624	313	1,032	60	99,029	184,925
Total operating revenues	28,014,807	9,656,051	4,639,631	2,224,328	44,534,817	12,029,074
Operating expenses						
Personal services	7,376,028	230,316	1,110,278	-	8,716,622	2,034,522
Contractual services	3,795,051	7,348,237	860,067	2,080,005	14,083,360	1,181,254
Other operating expenses	8,853,095	413,305	820,898	53,120	10,140,418	3,932,694
Insurance claims and expenses	-	-	-	-	-	739,538
Depreciation	8,448,205	958	1,740,593	155,812	10,345,568	2,022,331
Total operating expenses	28,472,379	7,992,816	4,531,836	2,288,937	43,285,968	9,910,339
Operating income (loss)	(457,572)	1,663,235	107,795	(64,609)	1,248,849	2,118,735
Nonoperating revenues (expenses)						
Investment earnings (loss)	1,259,659	75,854	199,192	40,061	1,574,766	237,545
Intergovernmental grants	516,000	-	-	-	516,000	-
Gain (loss) on disposition of capital assets	-	-	-	-	-	925
Interest and amortization expense	(99,951)	-	(264,436)	-	(364,387)	-
Total nonoperating revenues (expenses)	1,675,708	75,854	(65,244)	40,061	1,726,379	238,470
Income (loss) before contributions and transfers	1,218,136	1,739,089	42,551	(24,548)	2,975,228	2,357,205
Capital contributions	668,301	-	-	-	668,301	-
Transfers in	5,000,000	-	68,485	21,265	5,089,750	333,997
Transfers out	(1,514,576)	(245,048)	(332,500)	-	(2,092,124)	(686,870)
Change in net position	5,371,861	1,494,041	(221,464)	(3,283)	6,641,155	2,004,332
Net position, beginning of year	220,571,212	2,649,755	43,192,016	3,404,601	269,817,584	18,113,134
Net position, end of year	<u>\$ 225,943,073</u>	<u>\$ 4,143,796</u>	<u>\$ 42,970,552</u>	<u>\$ 3,401,318</u>	<u>\$ 276,458,739</u>	<u>\$ 20,117,466</u>
Change in proprietary funds net position					\$ 6,641,155	
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds					667,067	
Change in net position of business-type activities					<u>\$ 7,308,222</u>	

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

**CITY OF PORT ORANGE, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water and Sewer	Solid Waste	Stormwater Utility	Golf Course	Total
Cash flows from operating activities					
Cash received from customers	\$ 27,291,884	\$ 9,542,710	\$ 4,635,892	\$ 2,258,752	\$ 43,729,238
Cash paid to employees	(6,810,518)	(247,022)	(1,044,957)	-	(8,102,497)
Cash paid to suppliers	(12,153,288)	(7,326,528)	(1,342,844)	(2,163,358)	(22,986,018)
Net cash provided by (used in) operating activities	8,328,078	1,969,160	2,248,091	95,394	12,640,723
Cash flows from noncapital financing activities					
Transfers from other funds	5,000,000	-	68,485	21,265	5,089,750
Transfers to other funds	(1,514,576)	(245,048)	(332,500)	-	(2,092,124)
Intergovernmental grant proceeds	516,000	-	-	-	516,000
Interfund loans	-	-	-	-	-
Net cash provided by (used in) noncapital financing activities	4,001,424	(245,048)	(264,015)	21,265	3,513,626
Cash flows from capital and related financing activities					
Impact fees	668,301	-	-	-	668,301
Acquisition and construction of capital assets	(4,927,874)	-	(649,211)	(10,265)	(5,587,350)
Proceeds from sale of capital assets	-	-	-	-	-
Principal payments of long-term debt	(1,596,136)	-	(427,730)	-	(2,023,866)
Interest paid	(102,844)	-	(265,097)	-	(367,941)
Net cash provided by (used in) capital and related financing activities	(5,958,553)	-	(1,342,038)	(10,265)	(7,310,856)
Cash flows from investing activities					
Interest received (loss)	1,259,659	75,854	199,192	40,061	1,574,766
Net change in cash and cash equivalents	7,630,608	1,799,966	841,230	146,455	10,418,259
Cash and cash equivalents, beginning of year	55,432,399	1,678,146	5,833,935	2,081,490	65,025,970
Cash and cash equivalents, end of year	<u>\$ 63,063,007</u>	<u>\$ 3,478,112</u>	<u>\$ 6,675,165</u>	<u>\$ 2,227,945</u>	<u>\$ 75,444,229</u>
Cash and cash equivalents classified as:					
Unrestricted	\$ 27,042,144	\$ 3,478,112	\$ 6,070,419	\$ 2,227,945	\$ 38,818,620
Restricted	36,020,863	-	604,746	-	36,625,609
Total cash and cash equivalents	<u>\$ 63,063,007</u>	<u>\$ 3,478,112</u>	<u>\$ 6,675,165</u>	<u>\$ 2,227,945</u>	<u>\$ 75,444,229</u>
Reconciliation of operating income to net cash provided by operating activities:					
Operating income (loss)	\$ (457,572)	\$ 1,663,235	\$ 107,795	\$ (64,609)	\$ 1,248,849
Adjustments to reconcile net operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	8,448,205	958	1,740,593	155,812	10,345,568
Changes in assets and liabilities:					
Accounts receivable	(766,911)	(114,561)	(3,220)	51,114	(833,578)
Due from other governments	(3,698)	1,220	(519)	-	(2,997)
Lease receivable	12,527	-	-	-	12,527
Inventories	71,785	-	(371)	(78,182)	(6,768)
Prepaid items	-	-	750	(4,696)	(3,946)
Accounts payable and accrued liabilities	423,073	435,014	337,742	52,645	1,248,474
Deposits	25,540	-	-	(8,000)	17,540
Unearned revenue	9,619	-	-	(8,690)	929
Compensated absences	43,070	(28,318)	(14,282)	-	470
Claims liability	-	-	-	-	-
Net pension liability	473,392	13,197	68,949	-	555,538
Total OPEB liability	49,048	(1,585)	10,654	-	58,117
Net cash provided by (used in) operating activities	<u>\$ 8,328,078</u>	<u>\$ 1,969,160</u>	<u>\$ 2,248,091</u>	<u>\$ 95,394</u>	<u>\$ 12,640,723</u>

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

**CITY OF PORT ORANGE, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2023**

	<u>Pension Trust Funds</u>
ASSETS	
Cash and cash equivalents with trustee	\$ 3,885,413
Prepaid benefit payments	<u>730,066</u>
Receivables	
Interest and dividends receivable	<u>263,571</u>
Total receivables	<u>263,571</u>
Investments, at fair value	
U.S. Treasury and agency obligations	9,665,773
Corporate and municipal debt obligations	9,708,402
Corporate equity securities	23,783,371
Mutual funds	61,102,674
Real estate funds	<u>22,969,010</u>
Total investments	127,229,230
Total assets	<u><u>\$ 132,108,280</u></u>
LIABILITIES	
Accounts payable	\$ 1,153,296
Prepaid employer contributions	-
Total liabilities	<u><u>\$ 1,153,296</u></u>
NET POSITION	
Restricted for pensions	<u><u>\$ 130,954,984</u></u>

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

CITY OF PORT ORANGE, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Pension Trust Funds
Additions	
Contributions:	
Employer	\$ 6,832,168
Plan members	1,018,532
State - insurance premium taxes	1,160,147
Total contributions	<u>9,010,847</u>
Investment earnings:	
Net appreciation (depreciation) in fair value of investments	9,575,934
Interest and dividends	3,014,239
Total investment earnings	<u>12,590,173</u>
Less: investment expense	(339,376)
Net investment income (loss)	<u>12,250,797</u>
Total additions	<u>21,261,644</u>
Deductions	
Benefit payments and refunds	8,942,825
Administrative expenses	364,025
Total deductions	<u>9,306,850</u>
Change in net position	<u>11,954,794</u>
Net position restricted for pensions, beginning of year	119,000,190
Net position restricted for pensions, end of year	<u><u>\$ 130,954,984</u></u>

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

CITY OF PORT ORANGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(1) Summary of Significant Accounting Policies:

The financial statements of the City of Port Orange, Florida (the City), 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 and the City has adopted the GASB Codification. The following is a summary of the City's significant accounting policies:

(a) **Reporting entity**—The City is a municipal corporation created by the laws of Florida, Chapter 67-1274, located in Volusia County. The legislative branch of the City is comprised of a five member elected Council. The City Council is governed by the City Charter and by state and local laws and regulations. The City Council is responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the Council-appointed City Manager.

In evaluating the City as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the City may be financially accountable and, as such, should be included within the City's financial statements. The City (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial burden on the City. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The financial statements are formatted to allow the user to clearly distinguish between the primary government and its component units. Because of the closeness of their relationship with the primary government (the City), the current component units are blended as though they are part of the primary government.

(b) **Blended component units**—The City has two blended component units, as follows:

The City of Port Orange, Florida, Eastport Business Center Community Redevelopment Agency (the "Eastport Business Center CRA") was created by Ordinance No. 1995-42 to account for the receipt and expenditure of property tax revenues from the tax increment financing district to support City redevelopment in the designated community redevelopment area. Although legally separate, pursuant to Resolution No. 95-23, the City Council declared itself to be the Eastport Business Center CRA and provided for the appointment of two additional members. Since the City is financially accountable for the activities of the Eastport Business Center CRA, its governing board is the same, and its relationship to the City is significant, its financial activities are reported on a blended basis as if it were part of the primary government as a major special revenue fund. Separate audited financial statements for the Eastport Business Center CRA are available from the City's finance department upon request.

The City of Port Orange, Florida, Town Center Community Redevelopment Agency (the "Town Center CRA") was created by Ordinance No. 1998-79 to account for the receipt and expenditure of property tax revenues from the tax increment financing district to support City redevelopment in the designated community redevelopment area. Although legally separate, pursuant to Resolution No. 98-20, the City Council declared itself to be the Town Center CRA and provided for the appointment of two additional members. Since the City is financially accountable for the activities of the Town Center CRA, its governing board is the same, and its relationship to the City is significant, its financial activities are reported on a blended basis as if it were part of the primary government as a major special revenue fund. Separate audited financial statements for the Town Center CRA are available from the City's finance department upon request.

CITY OF PORT ORANGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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

(c) **Related organizations**—Organizations for which a primary government is accountable because the City appoints a voting majority of the board, but is not financially accountable, are considered to be related organizations. The City Council temporarily appoints a voting majority of the members of the governing board of The Port Orange Business Park Property Owners' Association, Inc. (the Property Owners' Association). The City is not financially accountable for the organization, nor does the City's accountability for this organization extend significantly beyond making the appointments. Accordingly, financial information for this entity is excluded from the City's financial statements.

Cypress Head Golf Club (the Golf Course) is an 18-hole championship course, with lighted practice facility, driving range, maintenance barn, cart barn, clubhouse, pro shop, restaurant, banquet room, and other related facilities wholly owned and operated by the City. Golf Club at Cypress Head, Inc. was incorporated on August 31, 2001, under the laws of the State of Florida and is the successor of Cypress Head Golf Course, Inc. which was incorporated on October 10, 1991. Golf Club at Cypress Head, Inc. is engaged primarily in holding the license authorizing the sale of alcoholic beverages at the Golf Course and is wholly owned by the City. The Golf Course is managed by an independent sports management company, which provides separate financial statements and accounting for the revenues and expenses generated from player fees, pro-shop sales, restaurant sales, and other related financial activities of the Golf Course. The accompanying financial statements combine the financial activities of the Golf Course which is managed pursuant to the Agreement for Golf Course Management at Cypress Head and the City's Golf Course Enterprise fund. All real and other personal property associated with golf course operations are combined with the financial reporting of the operational activities of the Golf Course in the City's Golf Course Enterprise Fund.

(d) **Government-wide and fund financial statements**—The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report aggregated information for the overall government for all of the activities of the primary government. These statements do not report fiduciary funds or fiduciary component units such as retirement trust funds. Those activities are reported only in fund financial statements. 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 are financed wholly or partially by fees charged to external parties for goods or services and are reported in enterprise funds.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect costs are included in the program expense reported for individual functions and activities. 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 segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

CITY OF PORT ORANGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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

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 enterprise funds are reported as separate columns in the fund financial statements.

(e) **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.

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 considers revenues to be available if they are collected within 60 days of the end of the current fiscal period except for grant revenues which are considered earned when expenditures are incurred. 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.

Property taxes, franchise 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.

Nonexchange transactions are grouped into four classes, based on their principal characteristics. The accounting treatment for each type of transaction is as follows:

- Derived Tax Revenues are defined as assessments imposed on exchange transactions. Examples include: sales taxes, franchise tax, utility taxes, etc. Assets from derived tax revenue are recognized in the period when the exchange transaction on which the tax is imposed or when resources are received, whichever occurs first. Revenues are recognized, net of estimated uncollectible amounts, in the same period that the assets are recognized. Resources received in advance are recorded as deferred revenue until the period of the exchange.
- Imposed Nonexchange Revenues result from assessments on nongovernmental entities, other than assessments on exchange transactions. Examples include: ad valorem (property) taxes, fines and penalties, and property forfeitures. Assets from imposed nonexchange revenues are recognized in the period when an enforceable legal claim to the assets arises or when the resources are received, whichever occurs first. Property taxes are recognized in the period for which the taxes are levied. All other imposed nonexchange revenues are recognized in the same period that the assets are recognized.

CITY OF PORT ORANGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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

- Government-mandated Nonexchange Transactions establish eligibility requirements before a transaction can occur. Examples include federal awards and state financial assistance. Until the requirements are met, the recipient does not have a receivable and recognition of revenue received in advance is deferred. The providers (usually federal, state, and county governments) often offer resources on a reimbursement (“expenditure-driven”) basis at the time the recipient has incurred allowable costs under the applicable program.
- Voluntary Nonexchange Transactions result from legislative or contractual agreements other than exchanges, entered into willingly by two or more parties. Examples include certain grants, entitlements, and donations by nongovernmental entities. Principal characteristics of these types of transactions are (1) they are not imposed on the provider or recipient, and (2) fulfillment of eligibility requirements is essential for a transaction to occur. Assets and revenues are recognized when all applicable eligibility requirements, including time requirements, are met. Resources received in advance are reported as deferred revenue.

The City’s accounts are organized on the basis of funds each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The focus of the governmental and proprietary fund financial statements is on major funds.

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 majority of current operating expenditures of the City other than proprietary fund activities are financed through revenues received by the General Fund.

Eastport Business Center Community Redevelopment Area (CRA) Fund—The Eastport CRA Fund accounts for the receipt and expenditure of property tax revenues from the tax increment financing district to support redevelopment in the Eastport Business Center community redevelopment area.

Town Center Community Redevelopment Area (CRA) Fund—The Town Center CRA Fund accounts for the receipt and expenditure of property tax revenues from the tax increment financing district to support redevelopment in the Town Center community redevelopment area.

CITY OF PORT ORANGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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

The City reports the following major proprietary funds:

Water and Sewer System Fund—The Water and Sewer System Fund accounts for the costs and recovery of costs in the form of user charges related to the production, treatment and distribution of potable water, along with the collection, treatment and disposal of sewage waste with the City. The maintenance and improvement of utility plant required to provide these goods and services are financed primarily from user charges. Physical plant expansion is financed primarily from revenue bond obligations and other long-term debt borrowings.

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

Stormwater Utility Fund—The Stormwater Utility Fund accounts for the collection of drainage fees utilized for the expansion and maintenance of drainage facilities.

Golf Course Fund—The Golf Course Fund accounts for the costs and recovery of costs in the form of user charges related to the use of the 18-hole golf course owned and operated by the City. The maintenance and improvement of the golf course required to provide these goods and services are financed primarily from user charges, existing cash resources, and other City funds.

Additionally, the City reports the following fund types:

Special Revenue Funds—These funds account for financial sources and uses that are legally restricted for specific purposes. The City has the following non-major Special Revenue Funds: Business Development; Recreation Facilities; Community Development-Building; and Community Development Block Grant. These financial activities are reported separately in the Combining and Individual Fund Statements and Schedules section of this report.

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 to be used for equipment replacement or the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). The City has the following non-major capital projects funds: General Construction, Transportation Capital Projects, Fire Impact, Transportation Impact, General Obligation Capital Projects, Capital Replacement Funds, Economic Development Capital, 2014 Capital Improvement Bond Projects, and Recreation Impact. These financial activities are reported separately in the Combining and Individual Fund Statements and Schedules section of this report.

Internal Service Funds—The City's Internal Service Funds account for the financial activities of its internal information technology, vehicle maintenance, insurance, lease and replacement, building services to departments of the maintenance, and internal loan pool activities. These type funds provide services to departments of the City on a cost-reimbursement basis.

CITY OF PORT ORANGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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

Pension Trust Funds—Accounts for the net position held in trust for defined pension benefits and the related financial activities of the employees' retirement system, which accumulates resources for defined pension benefit payments to the Municipal Police Officers' Retirement Trust Fund, the Municipal Firefighters' Pension Trust Fund, and the General Employee's Pension Trust Fund. Assets accumulated and held in trust in defined contribution pension plans (deferred compensation and money purchase retirement plans) are not included in the financial statements, since such amounts immediately vest with the employees.

As a general rule, the effect of the City's interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's water and sewer function and various other functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and internal service funds are charges to customers for sales and services. The City recognizes as operating revenue the portion of impact fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds 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.

(f) **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 governmental funds' budgets are prepared on the modified accrual basis of accounting. The proprietary funds' budgets are prepared on a full accrual basis of accounting. 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 Council for the ensuing fiscal year.
- ii. Budget workshop sessions are scheduled by the City Council, as needed.
- iii. A general summary of the budget and notice of public hearing is published in a local newspaper.
- iv. Prior to October 1st, the budget is legally enacted through passage of an ordinance.
- v. The City Council, by resolution, may make supplemental appropriations in excess of those estimated for the year up to the amount of available revenue in accordance with Section 3.08 of the City Charter. Prior to the end of the fiscal year, supplemental appropriations are made for unanticipated spending requirements by the Council.
- vi. The City Council 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.

CITY OF PORT ORANGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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

The budgets for governmental funds that were either adopted or amended during the year by the City Council were prepared using the modified accrual basis of accounting in accordance with generally accepted accounting principles. The general, special revenue, debt service, and capital project funds have legally adopted budgets.

The individual accounts that comprise the water and sewer fund, consisting of the water and sewer revenue account, water and sewer renewal and replacement account, and water and sewer impact fee account, have legally adopted annual budgets. The solid waste, golf course, and stormwater funds also have legally adopted annual budgets.

For the year ended September 30, 2023, total expenditures in the capital replacement fund exceeded appropriations by \$121,720.

(g) Deposits and investments—The City's cash and cash equivalents include cash on hand, demand deposits and short-term 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.

The City's investment policies are governed by state statutes and local resolution. These policies authorize the City to invest in bonds, notes, and 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.

(h) 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." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

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.

All trade and property tax receivables are reported net of an allowance for uncollectible accounts, which is based upon management's analysis of historical trends. Utility operating sales are generally recognized on the basis of cycle billings rendered quarterly. Unbilled accounts receivable are accrued by the City at September 30th, to recognize the sales revenues earned between the last meter reading dates made in mid-September through the end of the fiscal year.

(i) Leases receivable—When engaged in long-term leasing activity as the lessor, the City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

CITY OF PORT ORANGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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

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

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.
- The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

(j) Inventories and prepaid items—The cost of inventory is accounted for on the consumption basis wherein inventories are charged as expenditures when used, rather than when purchased. All inventories are valued at cost, which approximates market, by using the weighted average valuation method. The effect of this method is to flow the costs of the materials and supplies in the order in which they are purchased and to assign a balance sheet inventory valuation more nearly at current replacement value. No required minimum levels of inventory are maintained.

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.

(k) Restricted assets—Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayments, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. Restricted funds are comprised of the following:

Sinking funds – segregated resources generated from operations that are accumulated for making debt service payments over the next twelve months.

Construction funds – segregated resources consisting of net bond proceeds from the issuance of revenue bonds and other long-term debt obligations that are restricted to use in construction.

Renewal and replacement funds – segregated resources that are set aside to meet unexpected repairs or to fund asset renewal and replacement.

Impact fee funds – segregated resources, contributions and development fees paid on new constructions that are restricted for utility system expansion.

(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 columns 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 two years. 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.

Infrastructure assets are being accounted for using different methods. For governmental activities, the cost or estimated cost of roads and sidewalks are presented. The City has compiled this information and has recorded all roads and sidewalks acquired after June 30, 1980. For business-type activities, infrastructure assets have been capitalized at cost. Water and sewer utility and stormwater utility improvements are being depreciated over their useful lives.

CITY OF PORT ORANGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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

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

<u>Assets</u>	<u>Years</u>
Buildings	20 – 50 years
Infrastructure	15 – 30 years
Improvements other than buildings	20 – 50 years
Machinery and equipment	5 – 35 years

The City has historically recorded all easements and rights of way that are determined to have limited useful lives at estimated fair value on the date received. The City has elected to not retroactively report intangible assets that are determined to have indefinite useful lives. The City does not have any intangible assets previously subjected to amortization that have now been determined to have indefinite useful lives.

(m) **Compensated absences**—It is the City’s policy to permit employees to accumulate earned but unused paid time off benefits, which will be paid to employees upon separation from City service if they meet certain criteria. Compensated absences are accrued and reported in the proprietary funds and governmental-wide financial statements and is a reconciling item between the governmental funds and the government-wide presentation.

(n) **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.

CITY OF PORT ORANGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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

(o) **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. It also includes the long-term amount of loans and notes receivable, as well as property acquired for resale unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

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 ordinance of the City Council are reported as committed 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, except for stabilization arrangements. The City Council expressly delegates to the City Manager authority under this policy to assign funds for particular purposes. Such balances must be assigned (encumbered) through a contract or purchase order as provided under Chapter 2, Section 2-294 of the Port Orange Code of Ordinances and Generally Accepted Accounting Principles.

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.

The City would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

The desired net equity reserve maintained by specified funds shall be held at a particular level. The City policy has set an optimal level of at least 30-35% of the respective operating expenditures less transfers in the General Fund. The major enterprise funds (excluding the Golf Course Fund) should retain working capital of between 25% and 30% of operating expenses (less transfers).

CITY OF PORT ORANGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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

(p) **Deferred outflows/inflows of resources**—In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items, deferred loss on bond refunding in the proprietary funds and government-wide statement of net position, and deferred outflows related to pensions and OPEB, which qualify for reporting in this category. A deferred charge on refunding 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. Deferred outflows related to pensions are discussed further in Note (14) and deferred outflows related to OPEB are discussed further in Note (13).

In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The City has three items, deferred inflows related to leases, and deferred inflows related to pensions and OPEB in the proprietary funds and government-wide statement of net position, which qualify for reporting in this category. Unavailable property tax revenues 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 (14) and deferred inflows related to OPEB are discussed further in Note (13).

(q) **Net position flow assumption**—Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to determine amounts reported as restricted and unrestricted net position, it is the City's policy to consider restricted net position to have been used before unrestricted net position is applied.

(r) **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.

CITY OF PORT ORANGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(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 County Finance Director. 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 (2023 levy) assessed by the City were 4.86100 and 0.21000 mills, respectively.

The property tax calendar is as follows:

Valuation Date	January 1, 2022												
Property Appraiser prepares the assessment roll with values as of January 1, 2022, submits this preliminary roll for approval by the State and notifies each taxing authority of their respective valuations.	July 1, 2022												
City Council holds two required public hearings and adopts a budget and ad valorem tax millage rate for the coming fiscal year.	September 2022												
Property Appraiser certifies the assessment roll and all real and tangible personal property taxes are due and payable (Levy date).	November 1, 2022												
A Notice of Taxes is mailed to each property owner on the assessment roll. Taxes may be paid November 2022 through March 2023, with the following applicable discounts:	November 1, 2022												
<table> <tr> <th><u>Month Paid</u></th><th><u>Discount Percent</u></th></tr> <tr> <td>November</td><td>4 %</td></tr> <tr> <td>December</td><td>3</td></tr> <tr> <td>January</td><td>2</td></tr> <tr> <td>February</td><td>1</td></tr> <tr> <td>March</td><td>0</td></tr> </table>	<u>Month Paid</u>	<u>Discount Percent</u>	November	4 %	December	3	January	2	February	1	March	0	through March 31, 2023
<u>Month Paid</u>	<u>Discount Percent</u>												
November	4 %												
December	3												
January	2												
February	1												
March	0												
All unpaid taxes on real and tangible personal property become delinquent.	April 1, 2023												
A list of unpaid tangible personal property taxes and a list of unpaid real property taxes are advertised.	April and May 2023												
Tax certificates are sold on all real estate parcels with unpaid real property taxes (Lien date).	June 1, 2023												
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, 2023												

At September 30, 2023, the City has recorded property taxes receivable of \$70,802.

CITY OF PORT ORANGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(4) Cash Deposits and Investments:

City Deposits and Investments

The City's investment policies are governed by Chapter 280 and 218, Florida Statutes, City Code of Ordinances, and the adopted investment policy. For all investments authorized by statute or policy, the City applies the "Prudent Person" standard when developing investment strategies. The basic allowable investment instruments are as follows:

The Florida PRIME – includes the Florida PRIME and shall be rated "AAAm" by Standard & Poor's or the equivalent by another NRSRO.

United States Government Securities – includes direct negotiable obligations, or obligations the principal and interest of which are unconditionally guaranteed by the United States Government.

United States Government Agencies (full faith and credit of the United States Government) – includes bonds, debentures or notes issued or guaranteed by the United States Government agencies, provided such obligations are back by the full faith and credit of the United States Government.

Federal Instrumentalities (United States Government Sponsored Enterprises ("GSE") which are non-full faith and credit) – includes bonds, debentures or notes issued or guaranteed by the United States Government Sponsored Enterprises which are non-full faith and credit.

Non-Negotiable Interest-Bearing Time Certificates of Deposit – includes non-negotiable interest bearing time certificates of deposit or savings accounts in banks organized under the laws of Florida and/or in national banks organized under the laws of the United States and doing business and situated in Florida, provided that any such deposits are secured by the Florida Security for Public Deposits Act, Section 280, Florida Statutes.

Repurchase Agreements – includes repurchase agreements composed of only those investments based on the requirements set by the City's Master Repurchase Agreement.

Commercial Paper – includes commercial paper of any United States company that is rates, at the time of purchase, "Prime-1" by Moody's and "A-1" by Standard & Poor's (prime commercial paper).

Corporate Notes – includes corporate notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States that have a long term debt rating, at the time of purchase, at a minimum "Aa" by Moody's and a minimum long term debt rating of "AA" by Standard & Poor's.

Bankers' Acceptances – includes bankers' acceptances which are issued by a domestic bank or a federally chartered domestic office of a foreign bank, which is eligible for purchase by the Federal Reserve System, at the time of purchase, the short-term paper is rated, at a minimum, "P-1" by Moody's or "A-1" by Standard & Poor's.

State and/or Local Government Taxable and/or Tax-Exempt Debt – includes state and/or local government taxable and/or tax-exempt debt, general obligation and/or revenue bonds, rated at least "Aa" by Moody's and "AA" by Standard & Poor's for long-term debt, or rate at least "MIG-2" by Moody's and "SP-2" by Standard & Poor's for short-term debt.

CITY OF PORT ORANGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(4) Cash Deposits and Investments: (Continued)

Registered Investment Companies (Money Market Mutual Funds) – includes shares in open-end and no-load fixed-income securities mutual funds provided such funds are registered under the Federal Investment Company Act of 1940 and invest in securities permitted by this policy.

Intergovernmental Investment Pool – includes intergovernmental investment pools that are authorized pursuant to the Florida Interlocal Corporation Act, as provided in Section 163.01, Florida Statutes, and provided that said funds contain no derivatives.

Deposits include cash on hand and amounts held in the City's demand accounts. At September 30, 2023, the carrying amount of the City's deposits was \$54,246,789. Each demand account is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Any balance in excess of FDIC insurance is covered by collateral held by the City's custodial bank, which is pledged to a state trust fund that provides security in accordance with Florida Security for Public Deposits Act, Chapter 280, Florida Statutes.

The Florida Security for Public Deposits Act (the Act) established 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, the qualified public depository must pledge at least 50 percent of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance. Additional collateral, up to a maximum of 125 percent, 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. Under the Act, the pool may assess participating financial institutions on a pro rata basis to fund any shortfall in the event of the failure of a member institution.

The City has funds invested in a money market mutual fund. The fund's portfolio is structured within the confines of Rule 2a-7 under the Investment Company Act of 1940, as amended. SEC Rule 2a-7 is the rule that permits money market funds to use amortized cost to maintain a constant NAV (net asset value) of \$1.00 per share, provided that such funds meet certain criteria. Therefore, the fair value of the City's position in the fund is the same as the value of the fund's shares. The fund invests primarily in short-term, high-quality, fixed-income securities issued by banks, corporations and the U.S. government, rated in the highest short-term category or of comparable quality. As of September 30, 2023, the total invested in the fund was \$34,702,394.

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, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices – Values determined based on quoted market prices for similar assets in active or inactive markets; and,
- *Level 3:* Unobservable inputs – Values determined based on the underlying real estate and other holdings within the noted investments.

The City's investment measured via Level 2 inputs are valued based on the price/yield of similar bonds or other investments.

CITY OF PORT ORANGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(4) Cash Deposits and Investments: (Continued)

As of September 30, 2023, the City's governmental and business-type investment portfolio was composed of the following investments:

Investment Type	Credit Quality Rating (S&P)	Carrying Value	Weighted Average Investment Maturities (in Years)			Fair Value Hierarchy Classification
			Less Than 1	1 - 5	>5	
Cash	NR	\$ 54,246,789	\$ 54,246,789	\$ -	\$ -	N/A
Money Market Funds	NR	34,702,394	34,702,394	-	-	N/A
Municipal Bonds	AAA to AA	632,564	99,629	532,935	-	Level 1
Corporate Bonds	AA+ to A-	12,215,056	1,376,521	10,838,534	-	Level 1
US Government Treasury Notes	AA+	18,653,742	829,514	17,824,228	-	Level 1
Federal Agency Collat. Mortgage Obligations	AA+	1,370,569	99,500	1,244,196	26,874	Level 1
Asset-Backed Securities	NR or AAA	9,199,110	-	8,863,602	335,508	Level 1
Supra-national agency bond	AAA	1,229,676	1,229,676	-	-	Level 1
Bank Note	A+	616,172	-	616,172	-	
Certificates of deposit	NR	316,995	316,995	-	-	N/A
Total Portfolio		<u>\$ 133,183,067</u>	<u>\$ 92,901,018</u>	<u>\$ 39,919,667</u>	<u>\$ 362,382</u>	

Interest Rate Risk: The City's investment policy limits interest rate risk by attempting to match investment maturities with known cash needs and anticipated cash flow requirements. The investment of current operating funds will have maturities of no longer than twenty-four (24) months. Investments of bond reserves, construction funds, and other non-operating funds ("core funds") shall have a term appropriate to the need for funds and in accordance with debt covenants, but should not exceed ten years. From time to time the above parameters may require modification in order to meet specific construction draw schedules or other predetermined operating, capital needs or to satisfy debt obligations but in no event shall exceed thirty (30) years.

Credit Risk: Credit risk is the risk that a debt issuer or other counter-party to an investment will not fulfill its obligations. The City's investment policy utilizes portfolio diversification in order to limit investments to the highest rated securities as rated by nationally recognized rating agencies. The ratings of the investments held at year end are shown above. All are rated within the investment policy guidelines at September 30, 2023.

Concentration of Credit Risk: The City's investment policy has established asset allocation and issuer limits on its investments which are designed to reduce concentration of credit risk of the City's investment portfolio. A maximum of 25% of available funds may be invested in the Florida PRIME, 100% of available funds may be invested in the United States Government Securities, 75% of available funds may be invested in United States Government agencies with a 50% limit on individual issuers, 80% of available funds may be invested in Federal Instrumentalities with a 40% limit on individual issuers, 25% of available funds may be invested in non-negotiable interest bearing time certificates of deposit with a 15% limit on individual issuers, 50% of available funds may be invested in repurchase agreements excluding one (1) business day agreements and overnight sweep agreements with a 25% limit on individual issuers, 30% of available funds may be directly invested in prime commercial paper with a 10% limit on individual issuers, 15% of available funds may be directly invested in corporate notes with a 5% limit on individual issuers, 30% of available funds may be directly invested in Bankers' acceptances with a 10% limit on individual issuers, 20% of available funds may be invested in taxable and tax-exempt debts, 50% of available funds may be invested in mutual funds excluding one (1) business day overnight sweep agreements with a 25% limit on individual issuers, 25% of available funds may be invested in intergovernmental investment pools.

CITY OF PORT ORANGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(4) Cash Deposits and Investments: (Continued)

Custodial Credit Risk—Deposits: In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. Pursuant to the applicable provisions of Chapter 280, Florida Statutes, *The Florida Security for Public Deposits Act*, the State of Florida, Department of Financial Services, Division of Treasury, Bureau of Collateral Management have established specific requirements relative to the security and collateralization for public deposits. Accordingly, banks qualifying as a public depository in the State of Florida must adopt the necessary procedures outlined in these statutes and meet all of the requirements of this chapter to be designated by the State Chief Financial Officer (CFO) as eligible to receive deposits from municipal depositors. Collateral having a fair value equal to 50% of the average daily balance for each month of all public deposits in excess of any applicable depository insurance is required to be pledged or deposited with the State CFO to secure such deposits. Additional collateral, up to a maximum of 125% may be required if deemed necessary under the conditions set forth in the Act. Securities eligible to be pledged as collateral are generally limited to obligations of the United States government and any state thereof and are held in the name of the State CFO's office. Compliance with the provisions of Chapter 280, Florida Statutes, is monitored by a Qualified Public Depository Oversight Board with members appointed by the State CFO.

Custodial Credit Risk—Investments: 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 investments in U.S. Treasury obligations and federal instrumentalities/agency obligations are backed by the full faith and credit of the United States, or explicitly guaranteed by the United States. The City's investment in corporate debt obligations are held in the form of corporate bonds through a financial brokerage firm. The corporate debt obligations are uninsured, unregistered and held by the City's brokerage firm which is also the counterparty for these particular securities.

Foreign Currency Risk: Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The investment policy does not permit general obligations issued by a foreign government and is, therefore, not exposed to foreign currency risk.

Pension Plan Deposits and Investments

The City's Pension Plans are authorized to invest in the following investments:

Investment products and funds provided through insurance companies, including, but not limited to, annuity and life insurance contracts of life insurance companies in amounts sufficient to provide, in whole or in part, the benefits to which all of the members in the fund shall be entitled under the provisions of this system and pay the initial and subsequent premium thereon.

Time or savings accounts of a national bank, a state bank or a savings/building and loan association insured by the Federal Deposit Insurance Corporation.

Obligations of the United States or obligations guaranteed as to principal and interest by the government of the United States.

Open-end non-commission bank or insurance company real estate funds with ability to liquidate every three (3) months.

Foreign securities.

Bonds, stocks, commingled or mutual funds.

State Board of Administration and the investment vehicles it utilizes.

Any other investment which the pension board deems to be prudent

CITY OF PORT ORANGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(4) Cash Deposits and Investments: (Continued)

The pension plan investments measured via Level 2 inputs are valued based on the price/yield of similar bonds or other investments.

The following chart shows the General Employees' Pension fund cash and investment accounts by investment portfolios and their respective maturities (in years):

	<u>Fair Value</u>	<u>Weighted Average Maturity (years)</u>	<u>Credit Rating Range (S&P)</u>	<u>Fair Value Hierarchy Classification</u>
Money Market Funds	\$ 2,141,010	N/A	NR	Level 1
U.S. Treasury Obligations	1,405,258	6.2	NR	Level 2
U.S. Government Obligations	1,567,615	18.3	NR	Level 2
Corporate Debt	1,328,365	4.3	BBB- to AA	Level 2
Municipal Debt	102,136	6.3	NR	Level 2
Equities – Domestic	10,903,653	N/A	NR	Level 1
Equities – International	4,372,275	N/A	NR	Level 1
Florida Municipal Investment Trust	4,172,360	N/A	NR	Level 2
Real Estate Pooled Separate Account	9,925,011	N/A	NR	Level 3
Total Portfolio	<u>\$ 35,917,683</u>			

The following chart shows the Fire Pension fund cash and investment accounts by investment portfolios and their respective maturities (in years):

	<u>Fair Value</u>	<u>Weighted Average Maturity (years)</u>	<u>Credit Rating Range (Moody's)</u>	<u>Fair Value Hierarchy Classification</u>
Money Market Funds	\$ 729,678	N/A	NR	N/A
U.S. General & Agency Obligations	5,476,302	9.3	Aa1-Aaa	Level 2
Corporate Bonds	5,823,792	8.0	Baa3-Aaa	Level 2
Common Stock	5,702,564	N/A	NR	Level 1
Mutual Funds	18,937,140	N/A	NR	Level 1
Real Estate Partnership	2,091,032	N/A	NR	Level 3
Total Portfolio	<u>\$ 38,760,508</u>			

The following chart shows the Police Pension fund cash and investment accounts by investment portfolios and their respective maturities (in years):

	<u>Fair Value</u>	<u>Weighted Average Maturity (years)</u>	<u>Credit Rating Range (S&P)</u>	<u>Fair Value Hierarchy Classification</u>
Money Market Funds	\$ 1,014,725	N/A	NR	N/A
Mutual Funds – equity	33,305,623	N/A	NR	Level 1
Mutual Funds – fixed income	11,681,168	N/A	NR	Level 2
Real Estate Partnership	10,434,936	N/A	NR	Level 3
Total Portfolio	<u>\$ 56,436,452</u>			

CITY OF PORT ORANGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(4) Cash Deposits and Investments: (Continued)

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of investments. Generally, the longer the time to maturity, the greater the exposure to interest rate risk. The established performance objectives of the Pension Plans require investment maturities to provide sufficient liquidity to pay obligations as they become due. At September 30, 2023, the weighted average maturity in years for each investment type is included in the preceding table.

Credit Risk: Credit risk is the risk that a debt issuer or other counter-party to an investment will not fulfill its obligations. The Pension Plans utilize portfolio diversification in order to limit investments to the highest rated securities as rated by nationally recognized rating agencies. The ratings of the investments held at year end are shown above. All are rated within the investment policy guidelines at September 30, 2023.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The Fire Pension trust funds policy does not allow more than five (5) percent of its assets in the common stock, capital stock, or convertible securities of any one issuing company, nor shall the aggregate investment in any one issuing company, exceed five (5) percent of the outstanding stock of that company, nor shall the aggregate of its investments at market in common stock, capital stock and convertible securities exceed seventy (70) percent of the fund's total assets. The Police Pension trust funds policy does not allow more than five (5) percent of its assets in the common stock, capital stock, or convertible securities of any one issuing company, nor shall the aggregate investment in any one issuing company, exceed twelve and one-half (12.5) percent of the outstanding stock of that company. The General Employee Pension trust funds policy does not allow more than five (5) percent of its assets in the common stock, capital stock, or convertible securities of any one issuing company, nor shall the aggregate investment in any one issuing company, exceed fifteen (15) percent of the outstanding stock of that company, nor shall the aggregate of its investments at market in common stock, capital stock and convertible securities exceed seventy-five (75) percent of the fund's total assets. At September 30, 2023, the investment portfolios met the single issuer limitations.

Custodial Credit Risk: Custodial credit risk is the risk that the City may not recover cash and investments held by another party in the event of financial failure. Custodial credit risk is limited since investments are held in independent custodial safekeeping accounts or mutual funds.

Foreign Currency Risk: Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The Pension trust funds policies allow for up to twenty-five (25) percent of its investments in common stock, capital stock and convertible securities at fair value in foreign securities. At September 30, 2023, the investment portfolios met the foreign securities limitations.

A reconciliation of cash and investments as shown in the accompanying financial statements follows:

Government-Wide Statement of Net Position:	
Equity in pooled cash	\$ 86,408,721
Restricted equity in pooled cash	46,963,089
Restricted investments	356,212
Total	<u><u>\$133,728,022</u></u>

CITY OF PORT ORANGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(5) Receivables:

Accounts Receivable

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

	<u>Gross Receivable</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Receivable</u>
Governmental Activities:			
General Fund			
Delinquent taxes receivable	\$ 66,459	\$ -	\$ 66,459
Accounts receivable	5,895,064	(3,390,192)	2,504,872
Eastport CRA Fund			
Accounts receivable	-	-	-
Town Center CRA Fund			
Accounts receivable	-	-	-
Nonmajor Governmental Funds			
Accounts receivable	4,462	-	4,462
	<u>5,965,985</u>	<u>(3,390,192)</u>	<u>2,575,793</u>
Internal Service:			
Accounts receivable	209	-	209
Total – Governmental Activities	<u>5,966,194</u>	<u>(3,390,192)</u>	<u>2,576,002</u>
Business-Type Activities:			
Water and Sewer Fund			
Accounts receivable	4,420,432	(363,259)	4,057,173
Solid Waste Fund			
Accounts receivable	1,371,947	(79,263)	1,292,684
Stormwater Utility Fund			
Accounts receivable	34,429	(402)	34,027
Golf Course Fund			
Accounts receivable	55,565	-	55,565
Totals – Business-Type Activities	<u>5,882,373</u>	<u>(442,924)</u>	<u>5,439,449</u>
Totals	<u>\$ 11,848,567</u>	<u>\$ (3,833,116)</u>	<u>\$ 8,015,451</u>

Leases Receivable

The City has ongoing lease agreements with third parties related to rentals of land, building space, cell towers, and billboards owned by the City. The City has approximately 7 leases, most of which were entered into with 5-year terms that include additional renewal terms of up to two or more years.

A summary of the City's activity surrounding leases receivable as of and for the year ending September 30, 2023, is as follows:

	<u>General Fund</u>	<u>Recreation Facilities</u>	<u>Governmental Activities</u>	<u>Water & Sewer Fund</u>	<u>Business- Type Activities</u>
Lease Revenue	\$ 592,484	\$ 223,442	\$ 815,926	\$ 159,186	\$ 159,186
Lease Receivable	3,059,565	995,334	4,054,899	608,627	608,627
Deferred Inflows	2,980,210	949,628	3,929,838	656,329	656,329

CITY OF PORT ORANGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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

At September 30, 2023, individual fund advances to and from other funds for the primary government were comprised of the following:

	<u>Advance To</u>	<u>Advance From</u>
Governmental Activities:		
General Fund:		
Town Center CRA Fund	\$ 1,962,685	\$ -
Town Center CRA Fund:		
General Fund	-	1,962,685
Business-Type Activities:		
Water and Sewer Fund:		
Golf Course Fund	\$ 1,559,061	\$ -
Golf Course Fund:		
Water and Sewer Fund	-	1,559,061
Totals - All Funds	<u>\$ 3,521,746</u>	<u>\$ 3,521,746</u>

The outstanding balances between funds result mainly from the time lag between the dates reimbursable expenditures occur, when transactions are recorded in the accounting system, and when payments between funds are made. At September 30, 2023, individual fund interfund receivables and payables for the primary government were comprised of the following:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Governmental Activities:		
Town Center CRA Fund:		
Internal Loan Pool	\$ -	\$ 2,465,390
Internal Service Funds:		
Internal Loan Pool Fund:		
Town Center CRA Fund	2,465,390	-
Totals - All Funds	<u>\$ 2,465,390</u>	<u>\$ 2,465,390</u>

Transfers are used to (1) move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due, (2) move restricted amounts from borrowings to the debt service funds to establish and maintain mandatory reserve and sinking fund accounts, (3) move revenues from proprietary fund operations to the general fund for payments in lieu of taxes, and (4) move unrestricted revenues to finance various programs that the City must account for in other funds in accordance with budgetary authorizations, including amounts provided as matching funds for various grant programs.

CITY OF PORT ORANGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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

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

	<u>Transfer From</u>	<u>Transfer To</u>
Governmental Activities:		
General Fund:		
Nonmajor Governmental Funds	\$ -	\$ 664,905
Water and Sewer Fund	1,514,576	5,000,000
Solid Waste Fund	245,048	-
Stormwater Utility Fund	249,540	68,485
Golf Course Fund	-	21,265
Internal Service Funds	14,583	307,073
Town Center CRA Fund:		
Debt Service Funds	-	231,622
Eastport CRA Fund:		
Debt Service Funds	-	236,865
Nonmajor Governmental Funds:		
Capital Projects Funds:		
General Fund	46,854	-
Capital Projects Funds	-	-
Internal Service Funds	23,161	-
Debt Service Funds:		
General Fund	618,051	-
Town Center CRA Fund	231,622	-
Eastport CRA Fund	236,865	-
Internal Service Funds	622,202	-
Stormwater Utility Fund	82,960	-
	<u>3,885,462</u>	<u>6,530,215</u>
Business-Type Activities:		
Water and Sewer Fund:		
General Fund	5,000,000	1,514,576
Solid Waste Fund		
General Fund	-	245,048
Stormwater Utility Fund		
General Fund	68,485	249,540
Debt Service Funds	-	82,960
Golf Course Fund		
General Fund	21,265	-
	<u>5,089,750</u>	<u>2,092,124</u>
Internal Service Funds:		
Data Processing Fund:		
General Fund	289,050	-
Lease and Replacement Fund	26,924	-
Lease and Replacement Fund:		
Data Processing Fund	-	26,924
Building Maintenance Fund:		
General Fund	-	14,583
Debt Service Fund	-	622,202
Capital Projects Fund	-	23,161
Vehicle Maintenance Fund:		
General Fund	18,023	-
	<u>333,997</u>	<u>686,870</u>
Totals - All Funds	<u>\$ 9,309,209</u>	<u>\$ 9,309,209</u>

CITY OF PORT ORANGE, 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:

	Beginning Balance	Increases	Decreases	Ending Balance
<i>Governmental activities:</i>				
Capital assets not being depreciated:				
Land	\$ 24,973,091	\$ -	\$ -	\$ 24,973,091
Easements	14,049,455	121,847	-	14,171,302
Works of art	12,000	-	-	12,000
Construction in progress	4,952,327	1,285,806	(5,187,583)	1,050,550
Total assets not being depreciated	<u>43,986,873</u>	<u>1,407,653</u>	<u>(5,187,583)</u>	<u>40,206,943</u>
Capital assets being depreciated:				
Building & Improvements	87,581,804	4,792,124	-	92,373,928
Infrastructure	86,249,779	93,459	-	86,343,238
Machinery and equipment	36,636,940	2,327,622	-	38,964,562
Total assets being depreciated	<u>210,468,523</u>	<u>7,213,205</u>	<u>-</u>	<u>217,681,728</u>
Less accumulated depreciation	<u>(116,179,863)</u>	<u>(8,643,919)</u>	<u>55</u>	<u>(124,823,727)</u>
Total capital assets being depreciated, net	<u>94,288,660</u>	<u>(1,430,714)</u>	<u>55</u>	<u>92,858,001</u>
Governmental activities capital assets, net	<u>\$ 138,275,533</u>	<u>\$ (23,061)</u>	<u>\$ (5,187,528)</u>	<u>\$ 133,064,944</u>
	Beginning Balance	Increases	Decreases	Ending Balance
<i>Business-type activities:</i>				
Capital assets not being depreciated:				
Land	\$ 29,500,484	\$ -	\$ -	\$ 29,500,484
Construction in progress	2,565,682	4,995,810	(275,722)	7,285,770
Total assets not being depreciated	<u>32,066,166</u>	<u>4,995,810</u>	<u>(275,722)</u>	<u>36,786,254</u>
Capital assets being depreciated:				
Building & Improvements	32,946,925	-	-	32,946,925
Infrastructure	313,380,438	-	-	313,380,438
Machinery and equipment	8,189,481	867,262	(1,646)	9,055,097
Total assets being depreciated	<u>354,516,844</u>	<u>867,262</u>	<u>(1,646)</u>	<u>355,382,460</u>
Less accumulated depreciation	<u>(167,470,085)</u>	<u>(10,345,568)</u>	<u>1,646</u>	<u>(177,814,007)</u>
Total capital assets being depreciated, net	<u>187,046,759</u>	<u>(9,478,306)</u>	<u>-</u>	<u>177,568,453</u>
Business-type activities capital assets, net	<u>\$ 219,112,925</u>	<u>\$ (4,482,496)</u>	<u>\$ (275,722)</u>	<u>\$ 214,354,707</u>

CITY OF PORT ORANGE, 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	\$ 2,938,520
Public safety	1,041,180
Transportation	3,510,799
Culture and recreation	1,153,420
Total depreciation expense - governmental activities	<u>\$ 8,643,919</u>
Business-type activities:	
Water and sewer	\$ 8,448,205
Solid Waste	958
Stormwater Utility	1,740,593
Golf Course	155,812
Total depreciation expense - business-type activities	<u>\$ 10,345,568</u>

(8) Commitments:

The City had active construction projects as of September 30, 2023. The projects included construction of utility improvements, road and right-of-way improvements, recreational facilities, and stormwater drainage improvements. At September 30, 2023, the City's commitments with contractors were as follows:

<u>Project</u>	<u>Total Adjusted Contract Amounts</u>	<u>Remaining Commitment</u>
Water and Sewer Utility Improvements	\$ 13,210,220	\$ 8,708,325
Transportation Infrastructure Improvements	3,370,006	1,336,995
Facility Improvements	2,228,913	1,952,690
Recreational Improvements	626,060	456,544
Vehicle / Equipment Purchase	62,327	62,327
IT Software and Network Improvements	659,379	503,844
Stormwater Drainage Improvements	442,180	226,837
	<u>\$ 20,599,085</u>	<u>\$ 13,247,562</u>

Construction of transportation infrastructure improvements is being funded from gas tax revenues, capital project funds, and grant funding. The commitment for stormwater drainage improvements is being funded from stormwater drainage revenues.

CITY OF PORT ORANGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(9) Long-Term 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>
Governmental activities:					
Bonds and notes payable:					
General obligation bonds and notes	\$ 9,815,000	\$ -	\$ (550,000)	\$ 9,265,000	\$ 570,000
Revenue bonds and notes	15,880,000	-	(1,130,000)	14,750,000	235,000
Less deferred amount:					
Original issue premium	1,070,474	-	(132,552)	937,922	-
Original issue (discount)	(46,332)	-	6,087	(40,245)	-
Total bonds and notes payable	26,719,142	-	(1,806,465)	24,912,677	805,000
Financed purchases	-	1,142,824	(55,042)	1,087,782	113,019
Compensated absences	2,906,119	2,351,584	(2,590,210)	2,667,493	666,874
Governmental activities – Total long-term liabilities	<u>\$ 29,625,261</u>	<u>\$ 3,494,408</u>	<u>\$ (4,451,717)</u>	<u>\$28,667,952</u>	<u>\$ 1,584,893</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-type activities:					
Bonds payable:					
Revenue bonds and notes	\$ 4,965,000	\$ -	\$ -	\$ 4,965,000	\$ -
Loans from other governments	6,126,401	-	(2,025,811)	4,100,590	1,161,148
Less deferred amount:					
Original issue (discount)	(31,024)	-	3,445	(27,579)	-
Total bonds and notes payable	11,060,377	-	(2,022,366)	9,038,011	1,161,148
Compensated absences	738,291	595,597	(595,127)	738,761	184,690
Business-type activities – Total long-term liabilities	<u>\$ 11,798,668</u>	<u>\$ 595,597</u>	<u>\$ (2,617,493)</u>	<u>\$ 9,776,772</u>	<u>\$ 1,345,838</u>

CITY OF PORT ORANGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(9) Long-Term Liabilities: (Continued)

Bonds and notes payable in the City's governmental activities at September 30, 2023, were comprised of the following obligations:

Series 2006 Eastport Community Redevelopment Agency Tax Increment Note, was issued in the amount of \$2,500,000 to fund the construction of infrastructure improvements in the Eastport Community Redevelopment Area, due in payments of principal plus interest at 3.922% semi-annually on April 1 and October 1 of each year until final maturity on October 1, 2024. Pledged by Eastport CRA tax increment revenues.	\$ 230,000
Series 2007 Town Center Community Redevelopment Agency Tax Increment Note, was issued in the amount of \$5,600,000 to fund the construction of infrastructure improvements in the Town Center Community Redevelopment Area, due in payments of principal plus interest ranging from 4.00% to 4.625% semi-annually on April 1 and October 1 of each year until final maturity on April 1, 2036. Pledged by Town Center tax increment revenues.	3,675,000
Series 2014 Capital Improvement Refunding Revenue Bonds were issued in the amount of \$16,350,000 to refund the City's Capital Improvement Revenue Bonds, Series 2004, and to construct certain capital improvements in the Town Center area of the City. Bond is due in payments of principal plus interest ranging from 2.00% to 5.00% in semi-annual installments due on April 1 and October 1 through October 1, 2035. Secured by a lien upon and pledge of public service taxes imposed on certain purchases of electricity and metered or bottled gas, and communication service taxes originating within the corporate limits of the City.	10,845,000
Total revenue bonds	<u>14,750,000</u>
Series 2016 General Obligation Bonds were issued in the amount of \$12,895,000 to refund the City's General Obligation Bonds, Series 2006; payments are due serially with interest rates ranging from 2.00% to 4.00%, payable in semi-annual installments due on April 1 and October 1 through April 1, 2036.	9,265,000
Total revenue and general obligation bonds	<u>24,015,000</u>
Net unamortized premiums/(discounts)	897,677
Total bonds and notes payable, governmental activities	<u><u>\$ 24,912,677</u></u>

Financed purchases in the City's governmental activities at September 30, 2023, were comprised of the following obligations:

On January 31, 2023, the City entered into an agreement through TD Equipment finance, INC., for an Ambulance for \$320,625. The agreement bears interest at 3.610% with semi-annual payments of \$26,122 until January 2030.	\$ 300,291
On January 31, 2023, the City entered into an agreement through TD Equipment finance, INC., for a Fire Truck for \$822,199. The agreement bears interest at 3.490% with semi-annual payments of \$49,054 until January 2033.	\$ 787,491

CITY OF PORT ORANGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(9) Long-Term Liabilities: (Continued)

Annual debt service requirements to maturity for the City's governmental activities bonds and notes payable and financed purchases are as follows:

Year Ending September 30,	General Obligation Bonds		Revenue Bonds		Financed Purchases		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2024	\$ 570,000	\$ 333,619	\$ 235,000	\$ 326,277	\$ 113,019	\$ 37,335	\$ 1,464,896
2025	590,000	310,819	1,190,000	607,304	117,048	33,305	2,698,123
2026	615,000	287,219	1,005,000	563,169	121,222	29,131	2,470,388
2027	625,000	274,150	1,040,000	529,119	125,545	24,809	2,468,269
2028	650,000	249,150	1,075,000	492,906	130,020	20,332	2,467,056
2029-2033	3,670,000	833,550	6,055,000	1,642,227	480,928	38,925	12,200,777
2034-2036	2,545,000	154,200	4,150,000	347,831	-	-	7,197,031
Total	<u>\$ 9,265,000</u>	<u>\$ 2,442,707</u>	<u>\$ 14,750,000</u>	<u>\$ 4,508,833</u>	<u>\$ 1,087,782</u>	<u>\$ 183,837</u>	<u>\$ 30,966,540</u>

Bonds and notes payable in the City's business-type activities at September 30, 2023, were comprised of the following obligations:

Series 2005 Stormwater Utility Revenue Bonds were issued in the amount of \$7,470,000 to provide for the expansion of the City's stormwater drainage system and infrastructure. Due serially with interest rates ranging from 3.00% to 4.30%, payable in semi-annual installments due on April 1 and October 1 through October 1, 2035. Pledged by non-ad valorem stormwater drainage assessments.	\$ 4,965,000
Total revenue bonds and notes payable, business-type activities	<u>\$ 4,965,000</u>

The following is a summary of the City's State Revolving Fund (SRF) loans granted by the State to fund various water, sewer, and drainage projects at September 30, 2023:

Project Loan Number	Original Amounts	Interest Rate	Payment Dates	Final Maturity	Balance
Water and Sewer Fund:					
WWW72514S	\$ 7,230,813	1.425%	2/15; 8/15	2026	\$ 1,397,580
DW6413030	4,365,810	2.580%	3/15; 9/15	2027	1,116,148
Stormwater Utility Fund:					
SW725150	5,116,928	1.195%	1/15; 7/15	2027	1,586,862
Total					<u>\$ 4,100,590</u>

CITY OF PORT ORANGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(9) Long-Term Liabilities: (Continued)

Annual debt service requirements to maturity for the City's business-type activities bonds, notes, and SRF loans payable are as follows:

Year Ending September 30,	Revenue Bonds & Notes		SRF Loans		Total
	Principal	Interest	Principal	Interest	
2024	\$ -	\$ 222,935	\$ 1,161,148	\$ 99,018	\$ 1,483,101
2025	-	222,935	1,191,691	68,474	1,483,100
2026	-	222,935	1,223,042	37,122	1,483,099
2027	-	222,935	524,709	8,428	756,072
2028	245,000	217,668	-	-	462,668
2029-2033	2,755,000	762,864	-	-	3,517,864
2034-2036	1,965,000	135,336	-	-	2,100,336
Total	<u>\$ 4,965,000</u>	<u>\$ 2,007,608</u>	<u>\$ 4,100,590</u>	<u>\$ 213,042</u>	<u>\$ 11,286,240</u>

Conduit Debt Obligation

Pursuant to the provisions of Ordinance No. 2019-17, the City authorized issuance of conduit debt in the total amount not to exceed \$19,000,000 for Palmer College Foundation, a nonprofit corporation organized and existing under the laws of the State of Iowa, also known as Palmer College Foundation, Inc. for the purpose of conducting its affairs in the State of Florida.

On June 28, 2019, the City issued its Private College Facility Revenue Bonds (Palmer Chiropractic of Chiropractic Project), Series 2019B in the aggregate principal amount of \$18,460,000. The proceeds of the bonds were loaned to Palmer College Foundation for the purpose of re-financing the outstanding City of Port Orange, Florida Tax-Exempt Revenue Note, Series 2010 (Palmer College Project) previously issued by the City to finance or re-finance the acquisition and construction of certain educational facilities on the campus of the College at 4777 City Center Parkway, Port Orange, Florida , 32129, paying the swap termination payment in connection with the cancellation of a hedging agreement associated with the prior financing, and paying costs of issuance of the bonds. Principal payments are due in quarterly installments including interest at the effective rate of 0.68% per annum through 2037. At September 30, 2023, the balance of this conduit debt outstanding is \$14,685,294.

Under the financing agreements, the City is not obligated to pay the Series 2010 Note except from the proceeds derived from the repayment of the loan to the Palmer College Foundation, or from the other security pledged thereof by Palmer College Foundation, and neither the faith and credit nor the taxing power of the City, the State or any political subdivision thereof is pledged to the payment of the principal or, premium, if any, or the interest on the obligation.

(10) Contingencies:

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.

CITY OF PORT ORANGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(11) 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 is satisfactorily insured by limited risk, high deductible commercial general liability insurance. Commercial insurance policies are also obtained for other risks of loss, including 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's risk management program is achieved through the optimal combination of the purchase of commercial insurance, loss control and safety programs. The City transfers catastrophic risks of property and casualty losses through insurance policies with deductibles. The limits of these policies are \$100 million for property and \$2 million combined single limit for general and automobile liability. The City also established a limited risk management program for workers' compensation in 1999. Premiums are paid in the Insurance Internal Service Fund by all other funds and are available to pay claims, claim reserves, and the administrative costs of the program. These interfund premiums are used to reduce the amount of claims expenditures reported in the various funds. As of September 30, 2023, such interfund premiums did not exceed reimbursable expenditures.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR) based upon a valuation performed by an independent actuary. The result of the process to estimate claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other social and economic factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries from salvage or subrogation are another component of the claims liability estimate. Excess coverage insurance policies cover individual claims in excess of \$0- for general liability, and \$25,000 for workers' compensation and property, respectively. Settlements have not exceeded coverage limits (e.g., there have been no significant insurance proceeds received) for each of the past three years.

Changes in the balances of general liability and workers' compensation claims liabilities during the past two years are as follows:

	Year ended 9/30/2023	Year ended 9/30/2022
Unpaid claims, beginning of fiscal year	\$ 443,000	\$ 462,000
Incurred (closed) claims (including IBNRs)	120,773	334,603
Claim payments	(191,773)	(353,603)
Unpaid claims, end of fiscal year	<u>\$ 372,000</u>	<u>\$ 443,000</u>

CITY OF PORT ORANGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(12) Jointly-Owned Property:

County of Volusia, Florida. The City and County of Volusia, Florida, jointly purchased additional wellfield and water recharge property during 1995. This jointly-owned land, which is approximately 3,709 acres, is contiguous to the City limits.

In September 2006, the City and County of Volusia, Florida, subsequently purchased additional real property, which is approximately 17 acres of environmentally sensitive, water resource protection, and outdoor recreation lands. Interest in the property has been divided on the pro-rata basis of 75% ownership to the City and 25% ownership to the County.

No joint operating expenses were incurred during fiscal year 2023 on the above properties. These type expenses, if incurred, would have been allocated pro-rata to each joint venture party based on their respective ownership percentages.

(13) Other Postemployment Benefits (OPEB):

Plan Description—City of Port Orange, Florida, Post-Retirement Benefits Plan (the Plan) is a single-employer 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 under one of the pension plans sponsored by the City. 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 liability and does not have any asset accumulated in a GASB-compliant trust.

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.”

CITY OF PORT ORANGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(13) Other Postemployment Benefits (OPEB): (Continued)

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

Active Employees	383
Inactive Employees	49
	<u>432</u>

Total OPEB Liability—The City's total OPEB liability was measured as of September 30, 2022, one year prior to the current reporting period, and was determined by an actuarial valuation as of the date noted in the above Plan Membership section.

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

Inflation	2.60%
Salary increases	4.00%-7.25%
Discount rate	4.40%
Healthcare cost trend rate	Getzen Model 6.50%
	Ultimate rate reached in 2042 3.80%
Retirees' share of benefit-related costs	100.00%

The City does not have a dedicated Trust to pay retiree healthcare benefits. The discount rate was based on the Fidelity 20-Year Municipal GO AA Index.

Mortality rates were based on the various PUB-2010 base tables, generational mortality using gender-specific MP-2018 mortality improvement projection scale.

The actuarial assumptions excluding mortality assumption used in the October 1, 2021 actuarial valuation reflect an Experience Study as of 2018 for the City of Port Orange Police Pension Fund and Experience Study as of 2019 for the City of Port Orange Fire and Rescue Pension Fund. General Employees withdrawal and disability assumption are from results of experience studies conducted by the Florida Retirement System as of 2019 and retirement and salary increased assumptions from the October 1, 2019 Actuarial Valuation. Mortality assumptions are from results of experience studies conducted by the Florida Retirement System as of 2019 for Firefighters, Police Officers and General participants

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

Balance at September 30, 2022	\$ 6,821,039
Changes for a year:	
Service cost	438,664
Interest	156,223
Benefit changes	-
Difference between actual and expected experience	-
Changes of assumptions	(1,566,906)
Benefit payments – implicit rate subsidy	(253,872)
Net changes	<u>(1,225,891)</u>
Balance at September 30, 2023	<u>\$ 5,595,148</u>

CITY OF PORT ORANGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(13) Other Postemployment Benefits (OPEB): (Continued)

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 4.40%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 6,237,335	\$ 5,595,148	\$ 5,043,458

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

The following presents the total OPEB liability of the City as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates (6.50%-3.80%):

	<u>1% Decrease</u>	<u>Current Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 4,923,267	\$ 5,595,148	\$ 6,403,976

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 \$47,373. At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 18,708	\$ 1,105,902
Changes of assumptions	292,827	1,444,841
Total	<u>\$ 311,535</u>	<u>\$ 2,550,743</u>

With the exception of deferred outflows for contributions subsequent to the measurement date, which will be entirely recognized in fiscal year 2024, amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

2024	\$ (551,734)
2025	(529,495)
2026	(422,306)
2027	(194,527)
2028	(197,085)
Thereafter	(344,061)

CITY OF PORT ORANGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(14) Employee Retirement Systems and Pension Funds:

A. Defined Contribution Plans

1. The City Council has adopted the International City Management Association Retirement Corporation Deferred Compensation (ICMA-RC457) Plan. This plan is available to the Mayor, City Council members, City Manager, Assistant City Manager, City Attorney, Assistant City Attorney, department heads, assistant department heads, division heads, and supervisors designated by the City Manager and approved by the City Council, who waive participation in the City of Port Orange General Employees Defined Benefit Retirement Plan as amended and restated effective October 1, 2003, hereinafter the "Plan" and other existing city or state retirement plans to which the city makes contributions, and who enroll in the ICMA-RC457 Plan. The ICMA-RC457 Plan shall also be available to general employees who on or before September 30, 2003, waive participation in the City of Port Orange General Employees Defined Benefit Plan as amended and restated effective October 1, 2003, and other existing city or state retirement plans to which the city makes contributions, and who enroll in the ICMA-RC457 Plan. If the city is not contributing to another retirement plan on behalf of an individual, then contributions by the city to the ICMA-RC457 plan shall be the same percentage or amount as established for the City of Port Orange General Employees Defined Benefit Retirement Plan as amended and restated effective October 1, 2003, or such higher percentage or amount as authorized by the City Council, which is half of employee contribution up to a maximum of 3%. Contributions by the city shall commence immediately upon the person waiving participation in the plan or other existing retirement plan, if any, and enrolling in the ICMA-RC457 Plan. All city employees shall be eligible to enroll in the ICMA-RC457 Plan for the purpose of making voluntary employee contributions to such plan. For the year ended September 30, 2023, actual employer and employee contributions to this plan totaled \$0 and \$871,501, respectively.
2. The City Council has adopted the International City Management Association Retirement Corporation (ICMA-RC) Money Purchase Plan and Trust for management employees. The plan is available to the management employees as follows: City Manager, Assistant City Manager, City Attorney, Assistant City Attorney, and department heads, who waive participation in the City of Port Orange General Employees Defined Benefit Retirement Plan as amended and restated effective October 1, 2003 and other existing city or state retirement plans to which the city makes contributions, and who enroll in the ICMA-RC Money Purchase Plan and Trust. Contributions by the city to the ICMA-RC Money Purchase Plan and Trust for management employees shall be the same percentage or amount as established for the City of Port Orange General Employees Defined Benefit Retirement Plan as amended and restated effective October 1, 2003 or such higher percentage or amount as authorized by the City Council which currently ranges from 10% to 12.5%. Contributions by the city shall commence immediately upon the person waiving participation in the plan or other existing retirement plan and enroll in the ICMA-RC Money Purchase Plan and Trust for management employees. For the year ended September 30, 2023, actual employer and employee contributions to this plan totaled \$108,272 and \$83,286, respectively.
3. The City Council has adopted the International City Management Association Retirement Corporation (ICMA-RC) Money Purchase Plan and Trust effective October 1, 2003, for contract employees. The plan is available to contract employees of the city, including the assistant department heads, division heads, and supervisors designated by the city manager and approved by the City Council, who waive participation in the City of Port Orange General Employees' Defined Benefit Retirement Plan as amended and restated effective October 1, 2003, and other city or state retirement plans to which the city makes contributions, and who enroll in the ICMA-RC Money Purchase Plan and Trust for contract employees. For purposes of this paragraph contract employees shall exclude the mayor, City Council members, city manager, assistant city manager, city attorney, assistant city attorney, and department heads.

**CITY OF PORT ORANGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

(14) Employee Retirement Systems and Pension Funds: (Continued)

City contributions to the ICMARC Money Purchase Plan and Trust for contract employees shall be in such percentages or amounts as are specified in the adoption agreement for such plan, or as otherwise authorized by the City Council which is currently 10%. For the year ended September 30, 2023, actual employer contributions to this plan totaled \$72,242.

4. The City Council has adopted the International City Management Association Retirement Corporation (ICMA-RC) Money Purchase Plan and Trust effective October 1, 2003, for general employees as defined in this article. The plan is available to the general employees of the city who on or before September 30, 2003, waive participation in the City of Port Orange General Employees' Defined Benefit Retirement Plan as amended and restated effective October 1, 2003, and other city or state retirement plans to which the city makes contributions, and who enroll in the ICMA-RC Money Purchase Plan and Trust for general employees. The ICMA-RC Money Purchase Plan for general employees shall also be available to general employees who are not eligible to participate in the City of Port Orange General Employees' Defined Benefit Retirement Plan (effective October 1, 2010) as amended and restated effective October 1, 2003, or any other city or state retirement plans to which the city makes contributions. City contributions to the ICMARC Money Purchase Plan and Trust for general employees shall be in such percentages or amounts as are specified in the adoption agreement for such plan, or as otherwise authorized by the City Council (currently 10%). General employees who are eligible to participate in the City of Port Orange General Employees' Defined Benefit Retirement Plan as amended and restated effective October 1, 2003, and do not waive participation in such plan on or before September 30, 2003, shall not be entitled to waive participation at any time in the future. For the year ended September 30, 2023, actual employer contributions to this plan totaled \$826,490.

Members of the pension plan who have achieved ten years of service with the city shall have the option to continue city contributions on their behalf contributed to the General Employee Retirement System, or waive participation in the General Employee Retirement System and enroll in the ICMA-RC Deferred Compensation Plan and have city contributions made on their behalf contributed to the ICMA-RC Deferred Compensation Plan. Such decisions are irrevocable and employees may not switch back to the General Employee Retirement System if the employee elects to waive participation.

These defined contribution plans were established and authorized by the City however they are monitored and maintained by employees. Benefits are paid directly to employees from ICMA-RC with no contingent liability belonging to the City. As such these assets are not presented in these financial statements. More detailed annual financial reports are available for these pension plans on the City's website.

B. Defined Benefit Plans

Plan Description and Administration

The City maintains three separate single-employer, defined benefit pension plans: The City of Port Orange Fire and Rescue Pension Fund (the Fire Plan) covers all of the City's fire and rescue personnel; the City of Port Orange Police Pension Fund (the Police Plan) covers all of the City's police officers; the City of Port Orange General Employees' Defined Benefit Pension Fund (the General Employees Plan) covers other general employees of the City. These plans contain the assets, liabilities and net position of each respective plan. Each plan is administered by an independent administrator as hired by each of the respective Pension Plan boards.

CITY OF PORT ORANGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(14) Employee Retirement Systems and Pension Funds: (Continued)

Stand-alone financial reports exist for the General Employees and Police Officers pension plans. All financial activity is reported within the accompanying financial statements. Investments are reported at fair value and are managed by third party money managers. The City's independent custodian and the individual money managers price each instrument (using various third-party pricing sources) and reconcile material differences. Investments that do not have an established market are reported at estimated fair value. Performance reporting, manager fees, and the City's asset valuation are based on the custodian's determination of value.

The City also has a Deferred Retirement Option Program for eligible Police and Fire Plan participants. The DROP Plan allows members who have met the eligibility requirement for normal retirement to have their retirement benefits deposited monthly into a DROP account, earning interest, while simultaneously continuing to work (but not earning additional credit for retirement) for up to sixty months (5 years). Employees who enter the DROP Program have an option of either receiving their earned compensated absences when they enter the program in one lump sum, or to receive the lump sum at the end of their employment with the City. The purpose of this program is to provide a way for retirees to accumulate additional savings while continuing employment.

Costs incurred by each of the plans for administration of the plans, which includes legal and actuarial fees, trustee fees and investment advisory fees, are borne by the respective retirement plans and are included in the actuarial analysis of the required funding amounts.

Benefits Provided and Employees Covered

Each Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. Cost of living adjustments are provided to retirees and beneficiaries in accordance with the respective plan provisions. Each of the Plans has contracted with an actuary to provide an actuarial valuation of each plan as of October 1 of each year. Current membership in the employee retirement plans was composed of the following at October 1, 2023:

	General Employees Plan	Police Plan	Fire Plan
Retirees and beneficiaries currently receiving benefits, including DROP participants	115	70	65
Vested terminated employees	24	3	12
Active participants	57	69	60
Total current membership	196	142	137

General Employees Plan

The General Employees Plan originated as a defined contribution plan on April 1, 1979. However, on October 1, 2003, pursuant to Ordinance No. 2003-27, the defined contribution plan was terminated and converted into a defined benefit plan. On September 28, 2010, continued access to this plan by new employees was limited. Under the provisions of Ordinance No. 2010-29, the General Employee Plan was closed to new members effective September 30, 2010. General employees hired on or after October 1, 2010, may participate in the ICMA-RC Money Purchase Plan and Trust for general employees (401A Defined Contribution Plan). Members participating in a bargaining unit will continue to have access to the General Employee Plan unless this option is removed through future collective bargaining processes.

CITY OF PORT ORANGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(14) Employee Retirement Systems and Pension Funds: (Continued)

All general employees of the City hired prior to October 1, 2010 must participate in the General Employee Plan unless they are included in the following group of exceptions; 1) general employees that previously opted out of the plan prior to October 1, 2003; 2) police officers in the Police Plan; 3) fire and rescue personnel in the Fire Plan; 4) members of City Council; 5) temporary employees; or 6) contract employees who have opted for the defined contribution plans mentioned later in this note. New non-union (civil service) employees hired on or after October 1, 2010, are not eligible for participation in the plan.

Employees have a stepped vesting program that requires a minimum of 5 years of service to earn a 25% vested benefit. Vesting percentages are increased at a rate of 15% per year for each successive year and are not achieved in full (100%) until after ten years of credited service. Upon retirement, participants are entitled to a Normal Retirement Benefit equal to 2.00% (2.12% for years up to 9/30/09) of their average monthly compensation for each year of credited service at their normal retirement date. The normal form of benefit is Life Only. Upon retirement at Normal Retirement date or later, or Early Retirement with 25 years of service, participants will be eligible for a supplemental benefit equal to \$16 per year of service completed prior to September 30, 2009. Early Retirement benefits are available, but are reduced 0.25 of 1% for each month by which their commencement of benefits precedes the normal retirement date. However, participants with 25 or 30 years of service at their early retirement are guaranteed a monthly benefit equal to at least 50% or 60%, respectively, of their final average compensation. The General Employees Plan has no provision for cost-of-living (COLA) adjustments.

Pursuant to Section 54-148, the General Employees Plan also contains a voluntary defined contribution component. Under this plan, employees may contribute up to 10% of their base salary. Accumulated contributions plus related earnings under this plan may be accessed by employees one time per fiscal year, or as needed under certain emergency situations. At September 30, 2023, the total voluntary account balance is \$1,072,201 and is contained in the assets as presented in the General Employees Plan.

Police Plan

For the Police Plan, all sworn full-time law enforcement officers are eligible to participate. Credited Service is computed in completed months from date of employment to actual retirement or termination date. Upon retirement, Police Plan participants are entitled to an annual pension benefit equal to 3.0% of their average final compensation (equivalent to the average of the three highest years of service for participants hired prior to January 31, 2011, and average of the five highest years of service for participants hired after January 31, 2011) for each year of credited service at their Normal Retirement Date. For members hired on or before January 31, 2011, the Normal Retirement Date is the first day of the month coincident with or next following the earlier of (i) age 48 and ten years of Credited Service, or (ii) age 45 and 25 years of Credited Service. For members hired after January 31, 2011, the Normal Retirement Date is the first day of the month coincident with or next following the date the member attains age 48 and ten years of Credited Service. Certain eligible participants are also eligible for supplemental benefits of up to \$600 per month based on years of service and age at retirement. Additional benefit election options are available for early retirement, and disability and death benefits are also provided.

Members hired on or before January 31, 2011, are eligible to enter the deferred retirement option program (DROP) upon earning 25 years of Credited Service. The accrued benefit is frozen and no further Employee Contributions are payable at DROP entry. The accrued benefit accumulates with interest at the fund's assumed rate of investment return in the DROP account (credited quarterly) and is payable as a single-lump sum within 60 days following DROP exit. The maximum DROP participation duration is 60 months. DROP participants are not eligible for pre-retirement death or disability benefits. No DROP is available to members hired after January 31, 2011.

CITY OF PORT ORANGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(14) Employee Retirement Systems and Pension Funds: (Continued)

Effective October 1, 2001, Members who retired prior to October 1, 2002 (including disability retirees) are granted a 1% cost-of-living adjustment annually commencing the January 1 following the first anniversary of retirement annuity commencement (1% COLA). For a DROP retiree, the 1% COLA is granted commencing on the January 1 following the first anniversary of actual annuity commencement after the end of the DROP period. The 1% COLA is not payable to any participant eligible to receive the 3% COLA, as described in the following. Effective October 1, 2002, retirees are granted a deferred annual 3% cost-of-living adjustment (3% COLA) as follows: (i) Members who are retired on October 1, 2002, and had earned at least 20 years of Credited Service, (ii) Members who are actively employed on October 1, 2002, and had attained age 50 with ten years of Credited Service at that date, (iii) Members who are actively employed on October 1, 2002, with 20 years of Credited Service at that date, (iv) Members who attain 20 years of Credited Service after October 1, 2002, and who retire or enter the DROP by January 31, 2011, and (v) Members who attain 25 years of Credited Service after January 31, 2011. The deferred 3% COLA is payable annually once eligibility criteria have been met based upon a series of age and years-of-service requirements.

Fire Plan

All firefighters must participate in the Fire Plan immediately upon employment by the City. Fire Plan participants hired before September 25, 2012, are entitled to an annual pension benefit equal to 3.0% of their average final compensation (equivalent to the average of the three highest years of the last ten years of credited service) for each year of credited service at their normal retirement date. Fire Plan participants hired on or after September 25, 2012, are entitled to an annual pension benefit equal to 2.5% of their average final compensation (equivalent to the average of the five highest years of the last ten years of credited service) for each year of credited service at their normal retirement date. Normal retirement date is achieved at the earlier of age 50 and 10 years of credited service or 20 years of credited service for employees hired prior to September 25, 2012. For employees hired on or after September 25, 2012, eligibility for normal retirement occurs at the earlier of age 55 and 10 years of credited services of the completion of 25 years of service (age 52 is also required for employees hired after December 4, 2012). Maximum benefits may not exceed the lesser of 80% (90% for employees hired before December 4, 2012) of average final compensation or \$95,000, unless the benefit calculated based upon 2.0% times credited years of service equates to a greater amount. Early retirement benefits are available, but are actuarially reduced to reflect early payment when the commencement of benefits precedes the normal retirement date. The plan provides supplemental health subsidy benefits that range from \$20 to \$500 per month, based on credited service.

Members hired on or before December 4, 2012, are eligible to enter the deferred retirement option program (DROP) upon meeting the eligibility requirement for normal retirement. The accrued benefit is frozen and no further Employee Contributions are payable at DROP entry. The accrued benefit accumulates with interest at the fund's actual net rate of investment return in the DROP account (credited quarterly). The maximum DROP participation duration is 60 months. DROP participants are not eligible for pre-retirement death or disability benefits. No DROP is available to members hired after December 4, 2012.

Cost-of-living adjustments (COLA's) are provided for with an annual increase of 3.0% commencing upon the 61st month following retirement for members who retired before October 1, 2003. For those who retired after October 1, 2003, with at least 20 years of credited service and who accrued benefits prior to January 1, 2013, the 3.0% annual increase will commence upon the 61st month following retirement. For all other retirees with benefits accrued prior to January 1, 2013, the annual COLA increase is 1.0% and begins on January 1 following one full year of retirement. For members with benefits accrued after January 1, 2013, and at least 25 years of credited service (or 20 years of credited services if first eligible for normal retirement at age 55 and 10 years of service), the annual COLA increase begins at the later of 8 years after retirement or age 59.5 and is equal to the lesser of 3.0% or the amount granted for Social Security benefits, and will only adjusted in years the Fire Plan meets or exceeds the actuarial assumptions, and only when the Fire Plan's plan fiduciary net position as a percentage of total pension liability exceeds 80.0%. No COLA is available to members hired after December 4, 2012.

CITY OF PORT ORANGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(14) Employee Retirement Systems and Pension Funds: (Continued)

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. The Police and General Employees' plans also issue stand-alone financial reports.

Contributions

Local Ordinance No. 1999-40, No. 2002-59 and No. 2003-27 for the Municipal Firemen's, Municipal Police Officers' and General Employees' Pension Plans, respectively provide the authority under which the City establishes or amends pension policies, procedures and/or benefits. The participant contribution rates are established by and may be amended by the City Council. Participant contribution rates for the General Employees Plan, Police Plan, and Fire Plan are 7.50%, 8.00% (7.50% for employees hired prior to January 31, 2011), and 7.50% (8.00% for employees hired prior to December 4, 2012), respectively, of covered payroll. The City's annual required contribution for the current year was determined as part of the October 1, 2021, actuarial valuations. The City is required under the Florida Protection of Public Employee Retirement Benefits Act to meet required contribution amounts. The City's contributions (and if applicable, any liquidations of a net pension obligation) to the Police and Fire Plans are funded by the General Fund, while the General Employees' Plan contributions are funded by the General Fund and various enterprise funds.

The State of Florida also makes contributions to the Firefighters' and Police Officers' Retirement Plans in accordance with Chapter 175 and Chapter 185 of the Florida Statutes as amended by the State Legislature. This contribution by the State of Florida is first recognized as revenue in the General Fund before being transferred to the Pension Fund. The City's actual annual contribution for each plan is determined by subtracting estimated employee contributions and actual State of Florida contributions from the total annual required contribution as determined by the actuary.

For the year ended September 30, 2023, contributions to the City's pension plans were as follows:

	General Employees Plan	Police Plan	Fire Plan	Total
Employee contributions	\$ 266,117	\$ 446,629	\$ 305,786	\$ 1,018,532
City contributions	546,132	2,862,774	3,423,262	6,832,168
State contributions	-	583,717	576,430	1,160,147
Total contributions	<u>\$ 812,249</u>	<u>\$ 3,893,120</u>	<u>\$ 4,305,478</u>	<u>\$ 9,010,847</u>

CITY OF PORT ORANGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(14) Employee Retirement Systems and Pension Funds: (Continued)

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>General Employees Plan</u>	<u>Police Plan</u>	<u>Fire Plan</u>
Domestic equity	45.00%	47.50%	35.00%
International equity	10.00%	15.00%	15.00%
Convertible securities	0.00%	0.00%	10.00%
Domestic fixed income	10.00%	17.50%	30.00%
International fixed income	0.00%	5.00%	0.00%
Real estate	35.00%	15.00%	5.00%
Hedge funds	0.00%	0.00%	5.00%

Net Pension Liability

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

	<u>General Employees Plan</u>	<u>Police Plan</u>	<u>Fire Plan</u>	<u>Total</u>
Total pension liability	\$ 42,990,273	\$ 66,488,538	\$ 59,500,074	\$168,978,885
Plan fiduciary net position	(35,098,329)	(56,729,338)	(39,127,316)	(130,954,983)
Net pension liability (asset)	<u>\$ 7,891,944</u>	<u>\$ 9,759,200</u>	<u>\$ 20,372,758</u>	<u>\$ 38,023,902</u>

Plan fiduciary net position as percentage of total pension liability	81.64%	85.32%	65.76%	77.50%
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The total pension liability was determined by actuarial valuations as of October 1, 2022, and measurement date of September 30, 2023, using the following actuarial assumptions to all measurement periods.

	<u>General Employees Plan</u>	<u>Police Plan</u>	<u>Fire Plan</u>
Inflation	3.00%	2.00%	2.50%
Salary increases	4.00%	7.25%	Service-based
Investment rate of return	6.00%	6.85%	7.25%
Mortality table	Pub 10, Scale MP-21	2021 FRS Special Risk	2021 FRS Special Risk

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.

CITY OF PORT ORANGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(14) Employee Retirement Systems and Pension Funds: (Continued)

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:

Asset Class	Long Term Expected Real Rate of Return		
	General Employees Plan	Police Plan	Fire Plan
Domestic equity	10.20%	7.50%	7.20%
International equity	5.29%	8.50%	2.90%
Domestic fixed income	2.30%	2.50%	1.70%
International fixed income	n/a	3.50%	n/a
Convertibles	0.77%	n/a	5.90%
Real estate	3.79%	4.50%	5.90%
Hedge funds	n/a	n/a	6.10%

Note: While the weighted composite average for the General Employee Plan return does not add up to the return used as the discount rate, recent history of the trust in exceeding the assumed rate, along with prevailing practice among similar public pension systems, has led management to continue to assume the current rate. The long-term expected rates shown above were provided by the Plan's financial advisor using Horizon Survey's 2021 capital markets assumptions. They are presented net of expected inflation.

Discount rate:

The discount rate used to measure the total pension liability for each pension plan varied as discussed on the following pages. 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 plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in net pension liability:

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

	General Employees Plan		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a-b)
Beginning Balance	\$ 43,831,359	\$ 35,435,907	\$ 8,395,452
Changes for year:			
Service cost	518,849	-	518,849
Interest	2,508,868	-	2,508,868
Difference between actual and expected experience	(1,202,665)	-	(1,202,665)
Contributions - employer	-	546,132	(546,132)
Contributions - employee	-	266,117	(266,117)
Net investment income	-	1,612,270	(1,612,270)
Benefit payments including refunds of contributions	(2,666,139)	(2,666,139)	-
Administrative expense	-	(95,958)	95,958
Net changes	(841,087)	(337,578)	(503,509)
Ending Balance	\$ 42,990,272	\$ 35,098,329	\$ 7,891,943

CITY OF PORT ORANGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(14) Employee Retirement Systems and Pension Funds: (Continued)

	Police Plan		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a-b)
Beginning Balance	\$ 61,824,294	\$ 48,598,646	\$ 13,225,648
Changes for year:			
Service cost	1,242,344	-	1,242,344
Interest	4,265,524	-	4,265,524
Changes in benefit terms	(33,931)	-	(33,931)
Difference between actual and expected experience	1,587,115	-	1,587,115
Assumption changes	721,778	-	721,778
Contributions - employer	-	2,862,774	(2,862,774)
Contributions - state	-	583,717	(583,717)
Contributions - employee	-	446,629	(446,629)
Net investment income	-	7,536,983	(7,536,983)
Benefit payments including refunds of contributions	(3,118,586)	(3,118,586)	-
Administrative expense	-	(180,825)	180,825
Net changes	4,664,244	8,130,692	(3,466,448)
Ending Balance	<u>\$ 66,488,538</u>	<u>\$ 56,729,338</u>	<u>\$ 9,759,200</u>

	Fire Plan		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a-b)
Beginning Balance	\$ 56,737,174	\$ 34,965,638	\$ 21,771,536
Changes for year:			
Service cost	651,832	-	651,832
Interest	4,046,331	-	4,046,331
Changes in benefit terms	57,355	-	57,355
Difference between actual and expected experience	1,148,966	-	1,148,966
Contributions - employer	-	3,423,262	(3,423,262)
Contributions - state	-	576,430	(576,430)
Contributions - employee	-	305,786	(305,786)
Contributions - buy back	13,512	13,512	-
Net investment income	-	3,088,030	(3,088,030)
Benefit payments including refunds of contributions	(3,155,096)	(3,155,096)	-
Administrative expense	-	(90,246)	90,246
Net changes	2,762,900	4,161,678	(1,398,778)
Ending Balance	<u>\$ 59,500,074</u>	<u>\$ 39,127,316</u>	<u>\$ 20,372,758</u>

CITY OF PORT ORANGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(14) Employee Retirement Systems and Pension Funds: (Continued)

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>
General Employees	6.00%	\$ 12,601,908	\$ 7,891,944	\$ 3,901,120
Police	6.85%	18,079,327	9,759,200	2,886,195
Fire	7.25%	27,425,372	20,372,758	14,524,133
Total		<u>\$ 58,106,607</u>	<u>\$ 38,023,902</u>	<u>\$ 21,311,448</u>

For the year ended September 30, 2023, the annual-money weighted rate of return on each pension plan investments, net of pension plan investment expense was as follows:

	<u>General Employees Plan</u>	<u>Police Plan</u>	<u>Fire Plan</u>
Annual money-weighted rate of return	4.72%	12.34%	8.83%

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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 \$2,078,254, \$2,925,591, and \$4,219,859 in the General Employees, Police, and Fire pension plans, respectively, for a total of \$9,223,704.

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

	<u>General Employees Plan</u>		<u>Police Plan</u>		<u>Fire Plan</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>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (1,098,060)	\$ 1,378,293	\$ 493,580	\$2,099,748	\$ -
Changes of assumptions	1,522,002	-	1,038,512	59,591	233,168	143,486
Net different between projected and actual investment earnings	2,102,396	-	1,311,357	-	4,049,906	-
	<u>\$ 3,624,398</u>	<u>\$ (1,098,060)</u>	<u>\$ 3,728,162</u>	<u>\$ 553,171</u>	<u>\$ 6,382,822</u>	<u>\$ 143,486</u>

CITY OF PORT ORANGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(14) Employee Retirement Systems and Pension Funds: (Continued)

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:

	General Employees Plan	Police Plan	Fire Plan
2024	\$ 722,873	\$ 949,339	\$ 1,774,445
2025	328,324	967,069	1,882,229
2026	1,384,045	2,090,389	2,455,689
2027	91,096	(831,806)	126,973
2028	-	-	-
Thereafter	-	-	-

C. Pension Fund Financial Statements

The City does not issue separate financial statements for the Fire Plan; separate audits and financial statements have been issued for the Police Plan and the General Employee Plan. 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. 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

	General Plan	Police Plan	Fire Plan	Total
ASSETS				
Cash and cash equivalents with trustee	\$ 2,141,010	\$ 1,014,725	\$ 729,678	\$ 3,885,413
Prepaid benefit payments	215,796	256,609	257,661	730,066
Receivables				
Interest and dividends receivable	43,679	36,277	183,615	263,571
Total receivables	43,679	36,277	183,615	263,571
Investments, at fair value				
U.S. Treasury and agency obligations	2,972,873	-	6,692,900	9,665,773
Corporate and municipal debt obligations	1,430,501	-	8,277,901	9,708,402
Corporate equity securities	15,275,928	-	8,507,443	23,783,371
Mutual funds	4,172,360	44,986,791	11,943,523	61,102,674
Real estate funds	9,925,011	10,434,936	2,609,063	22,969,010
Total investments	33,776,673	55,421,727	38,030,830	127,229,230
Total assets	<u>\$ 36,177,158</u>	<u>\$ 56,729,338</u>	<u>\$ 39,201,784</u>	<u>\$132,108,280</u>
LIABILITIES				
Accounts payable	\$ 1,078,828	\$ -	\$ 74,468	\$ 1,153,296
Prepaid employer contributions	-	-	-	-
Total liabilities	<u>\$ 1,078,828</u>	<u>\$ -</u>	<u>\$ 74,468</u>	<u>\$ 1,153,296</u>
NET POSITION				
Restricted for pensions	<u>\$ 35,098,330</u>	<u>\$ 56,729,338</u>	<u>\$ 39,127,316</u>	<u>\$130,954,984</u>

CITY OF PORT ORANGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(14) Employee Retirement Systems and Pension Funds: (Continued)

COMBINING SCHEDULE OF CHANGES IN NET POSITION – FIDUCIARY FUNDS

	<u>General Plan</u>	<u>Police Plan</u>	<u>Fire Plan</u>	<u>Total</u>
Additions				
Contributions:				
Employer	\$ 546,132	\$ 2,862,774	\$ 3,423,262	\$ 6,832,168
Plan members	266,117	446,629	305,786	1,018,532
State - insurance premium taxes	-	583,717	576,430	1,160,147
Total contributions	<u>812,249</u>	<u>3,893,120</u>	<u>4,305,478</u>	<u>9,010,847</u>
Investment earnings				
Net appreciation (depreciation) in fair value of investments	968,986	6,327,254	2,279,694	9,575,934
Interest and dividends	762,894	1,271,579	979,766	3,014,239
Total investment earnings	<u>1,731,880</u>	<u>7,598,833</u>	<u>3,259,460</u>	<u>12,590,173</u>
Less: investment expense	(119,608)	(61,850)	(157,918)	(339,376)
Net investment income (loss)	<u>1,612,272</u>	<u>7,536,983</u>	<u>3,101,542</u>	<u>12,250,797</u>
Total additions	<u>2,424,521</u>	<u>11,430,103</u>	<u>7,407,020</u>	<u>21,261,644</u>
Deductions				
Benefit payments and refunds	2,669,143	3,118,586	3,155,096	8,942,825
Administrative expenses	92,954	180,825	90,246	364,025
Total deductions	<u>2,762,097</u>	<u>3,299,411</u>	<u>3,245,342</u>	<u>9,306,850</u>
Change in net position	<u>(337,576)</u>	<u>8,130,692</u>	<u>4,161,678</u>	<u>11,954,794</u>
Net position restricted for pensions, beginning of year	35,435,906	48,598,646	34,965,638	119,000,190
Net position restricted for pensions, end of year	<u>\$35,098,330</u>	<u>\$56,729,338</u>	<u>\$39,127,316</u>	<u>\$130,954,984</u>

(15) Tax Abatements:

The City entered into an agreement with a local corporation to abate certain ad valorem taxes in exchange for economic incentives. Article VII, Section 3 of the Florida Constitution and Section 16.1995, Florida Statutes, and the electorate of the City, have granted City Council the authority to grant property tax exemptions for new business and expansions of existing businesses. The City Council approved Resolution 17-14, granting the corporation an ad valorem tax rebate over the life of the agreement. During the year ended September 30, 2023, no taxes were abated.

CITY OF PORT ORANGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(16) Deficit Fund Balances:

At September 30, 2023, the Town Center Community Redevelopment Agency Special Revenue Fund reported a fund balance deficit of (\$4,439,843). This cumulative deficit was the result of making excess capital expenditures that are expected to be recovered from subsequent periods' tax increment revenues and proceeds from sales of capital assets.

In 2022, the Town Center Community Redevelopment Agency entered into a Contract for Sale and Purchase of Real Property with a developer for certain parcels of land for a total sales price of \$9 million, subject to various contingencies related to the development process which were ongoing at September 30, 2023. As such, no adjustments for any potential impacts resulting from this agreement have been provided for in the financial statements.

(17) 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 Statement No. 101 amends the existing guidance related to the calculation and disclosures surrounding 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. GASB Statement No. 102 requires governments to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints. The provisions for GASB 102 are effective for fiscal years beginning after June 15, 2024.

**CITY OF PORT ORANGE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS
LAST 10 FISCAL YEARS
(UNAUDITED)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability						
Service cost	\$ 438,664	\$ 489,884	\$ 431,981	\$ 434,624	\$ 447,656	\$ 463,725
Interest	156,223	164,231	173,379	299,577	269,510	232,930
Benefit changes	-	(1,834)	-	7,391	-	-
Difference between expected and actual experience	-	25,638	-	(2,485,993)	-	(461,907)
Changes of assumptions	(1,566,906)	9,140	31,578	549,891	(284,994)	229,965
Benefit payments - implicit rate subsidy	(253,872)	(267,640)	(260,248)	(332,431)	(263,588)	(261,178)
Net change in total OPEB liability	(1,225,891)	419,419	376,690	(1,526,941)	168,584	203,535
Total OPEB liability - beginning of year	6,821,039	6,401,620	6,024,930	7,551,871	7,383,287	7,179,752
Total OPEB liability - end of year	<u><u>\$ 5,595,148</u></u>	<u><u>\$ 6,821,039</u></u>	<u><u>\$ 6,401,620</u></u>	<u><u>\$ 6,024,930</u></u>	<u><u>\$ 7,551,871</u></u>	<u><u>\$ 7,383,287</u></u>
 Covered-employee payroll	 \$ 20,079,445	 \$ 19,769,785	 \$ 17,955,285	 \$ 17,892,048	 \$ 19,225,613	 \$ 18,572,129
Total OPEB liability as a percentage of covered-employee payroll	27.87%	34.50%	35.65%	33.67%	39.28%	39.75%

Notes to Schedule:

Measurement Date	10/1/2022	10/1/2021	10/1/2020	10/1/2019	10/1/2018	10/1/2017
Valuation date:	10/1/2021	10/1/2021	10/1/2019	10/1/2019	10/1/2017	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:

4.40%	2.19%	2.43%	2.74%	3.83%	3.50%
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The City only reports the total OPEB liability as there are no assets accumulated in a GASB-compliant trust.

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

CITY OF PORT ORANGE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
GENERAL EMPLOYEES PLAN
SEPTEMBER 30, 2023
(UNAUDITED)

Fiscal Year Ending September 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	\$ 518,849	\$ 566,402	\$ 478,569	\$ 466,411	\$ 482,939	\$ 495,961	\$ 573,319	\$ 575,977	\$ 616,351	\$ 632,402
Interest	2,508,868	2,555,475	2,645,885	2,791,733	2,784,226	2,586,918	2,478,603	2,470,374	2,378,040	2,258,110
Difference between actual and expected experience	(1,202,665)	(565,656)	(50,045)	(630,928)	(164,290)	(39,970)	796,937	(903,297)	(63,305)	(20,332)
Assumption changes	-	3,321,080	-	1,506,303	-	-	(69,325)	2,428,892	544,414	390,940
Benefit payments including refunds of contributions	(2,666,139)	(2,630,728)	(2,555,372)	(2,591,963)	(2,600,808)	(2,558,198)	(2,154,821)	(2,043,177)	(1,798,774)	(1,662,044)
Net change in total pension liability	(841,087)	3,246,573	519,037	1,541,556	502,067	484,711	1,624,713	2,528,769	1,676,726	1,599,076
Total pension liability - beginning	43,831,359	40,584,786	40,065,749	38,524,193	38,022,126	37,537,415	35,912,702	33,383,933	31,707,207	30,108,131
Total pension liability - ending (a)	\$ 42,990,272	\$ 43,831,359	\$ 40,584,786	\$ 40,065,749	\$ 38,524,193	\$ 38,022,126	\$ 37,537,415	\$ 35,912,702	\$ 33,383,933	\$ 31,707,207
Total Fiduciary Net Position										
Contributions - employer	\$ 546,132	\$ 812,453	\$ 966,934	\$ 849,692	\$ 866,364	\$ 735,559	\$ 794,333	\$ 880,209	\$ 673,300	\$ 702,741
Contributions - employee	266,117	279,119	292,005	275,875	305,057	318,883	360,185	396,597	397,523	405,427
Net investment income	1,612,270	(3,763,794)	7,340,151	2,927,287	1,138,227	3,846,860	3,368,574	2,811,791	657,572	2,694,117
Benefit payments, including refunds of contributions	(2,666,139)	(2,630,728)	(2,555,372)	(2,591,963)	(2,600,808)	(2,558,198)	(2,154,821)	(2,043,177)	(1,798,774)	(1,662,044)
Administrative expense	(95,958)	(89,740)	(79,548)	(76,184)	(80,128)	(73,629)	(75,902)	(86,458)	(73,962)	(78,229)
Net change in plan fiduciary net position	(337,578)	(5,392,690)	5,964,170	1,384,707	(371,288)	2,269,475	2,292,369	1,958,962	(144,341)	2,062,012
Plan fiduciary net position - beginning	35,435,907	40,828,597	34,864,427	33,479,720	33,851,008	31,581,533	29,289,164	27,330,202	27,474,543	25,412,531
Plan fiduciary net position - ending (b)	\$ 35,098,329	\$ 35,435,907	\$ 40,828,597	\$ 34,864,427	\$ 33,479,720	\$ 33,851,008	\$ 31,581,533	\$ 29,289,164	\$ 27,330,202	\$ 27,474,543
Net pension liability - ending (a) - (b)	\$ 7,891,943	\$ 8,395,452	\$ (243,811)	\$ 5,201,322	\$ 5,044,473	\$ 4,171,118	\$ 5,955,882	\$ 6,623,538	\$ 6,053,731	\$ 4,232,664
Plan fiduciary net position as a percentage of the total pension liability	81.64%	80.85%	100.60%	87.02%	86.91%	89.03%	84.13%	81.56%	81.87%	86.65%
Covered payroll	\$ 3,548,147	\$ 3,696,265	\$ 3,893,292	\$ 3,678,337	\$ 4,067,567	\$ 4,251,780	\$ 4,802,452	\$ 5,287,951	\$ 5,300,301	\$ 5,170,450
Net pension liability as a percentage of covered payroll	222.42%	227.13%	-6.26%	141.40%	124.02%	98.10%	124.02%	125.26%	114.21%	81.86%
Plan fiduciary net position for financial statement purposes also includes the following amounts for voluntary contributions:	\$ 1,078,828	\$ 1,172,202	\$ 1,452,775	\$ 1,659,489	\$ 1,543,336	\$ 1,514,307	\$ 1,445,671	\$ 1,341,946	\$ 1,475,816	\$ 1,508,671

CITY OF PORT ORANGE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
POLICE PLAN
SEPTEMBER 30, 2023
(UNAUDITED)

Fiscal Year Ending September 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	\$ 1,242,344	\$ 1,294,706	\$ 1,141,322	\$ 1,089,767	\$ 1,046,453	\$ 933,544	\$ 820,072	\$ 885,450	\$ 801,785	\$ 753,000
Interest	4,265,524	4,177,676	3,962,353	3,948,829	3,777,855	3,603,240	3,425,372	3,371,771	3,257,812	3,123,215
Changes in benefit terms	(33,931)	-	-	-	-	-	(7,192)	-	-	-
Difference between actual and expected experience	1,587,115	(966,460)	778,405	(512,876)	228,731	413,041	397,703	(950,704)	609,774	557,616
Assumption changes	721,778	690,124	670,075	(854,131)	646,883	485,735	585,900	771,544	568,624	56,887
Benefit payments including refunds of contributions	(3,118,586)	(2,951,165)	(2,778,419)	(2,736,407)	(2,614,086)	(2,425,157)	(2,256,996)	(3,144,461)	(3,415,712)	(2,165,565)
Net change in total pension liability	4,664,244	2,244,881	3,773,736	935,182	3,085,836	3,010,403	2,964,859	933,600	1,822,283	2,325,153
Total pension liability - beginning	61,824,294	59,579,413	55,805,677	54,870,495	51,784,659	48,774,256	45,809,397	44,875,797	43,053,514	40,728,361
Total pension liability - ending (a)	<u>\$ 66,488,538</u>	<u>\$ 61,824,294</u>	<u>\$ 59,579,413</u>	<u>\$ 55,805,677</u>	<u>\$ 54,870,495</u>	<u>\$ 51,784,659</u>	<u>\$ 48,774,256</u>	<u>\$ 45,809,397</u>	<u>\$ 44,875,797</u>	<u>\$ 43,053,514</u>
Total Fiduciary Net Position										
Contributions - employer	\$ 2,862,774	\$ 2,614,761	\$ 2,967,626	\$ 2,846,074	\$ 3,051,552	\$ 2,813,517	\$ 2,824,801	\$ 2,817,806	\$ 2,731,326	\$ 2,670,260
Contributions - state	583,717	511,029	494,738	498,650	485,030	444,090	397,680	373,343	345,822	331,402
Contributions - employee	446,629	410,604	402,855	372,178	378,935	375,306	355,777	336,731	326,566	301,375
Net investment income	7,536,983	(8,209,681)	9,413,959	4,114,436	1,404,369	2,948,620	3,063,317	1,688,832	(21,228)	1,812,759
Benefit payments, including refunds of contributions	(3,118,586)	(2,951,165)	(2,778,419)	(2,736,407)	(2,614,086)	(2,425,157)	(2,256,996)	(3,151,653)	(3,415,712)	(2,165,565)
Administrative expense	(180,825)	(129,154)	(122,327)	(121,286)	(129,585)	(116,145)	(106,538)	(116,769)	(104,276)	(103,311)
Net change in plan fiduciary net position	8,130,692	(7,753,606)	10,378,432	4,973,645	2,576,215	4,040,231	4,278,041	1,948,290	(137,502)	2,846,920
Plan fiduciary net position - beginning	48,598,646	56,352,252	45,973,820	41,000,175	38,423,960	34,383,729	30,105,688	28,157,398	28,294,900	25,447,980
Plan fiduciary net position - ending (b)	<u>\$ 56,729,338</u>	<u>\$ 48,598,646</u>	<u>\$ 56,352,252</u>	<u>\$ 45,973,820</u>	<u>\$ 41,000,175</u>	<u>\$ 38,423,960</u>	<u>\$ 34,383,729</u>	<u>\$ 30,105,688</u>	<u>\$ 28,157,398</u>	<u>\$ 28,294,900</u>
Net pension liability - ending (a) - (b)	<u>\$ 9,759,200</u>	<u>\$ 13,225,648</u>	<u>\$ 3,227,161</u>	<u>\$ 9,831,857</u>	<u>\$ 13,870,320</u>	<u>\$ 13,360,699</u>	<u>\$ 14,390,527</u>	<u>\$ 15,703,709</u>	<u>\$ 16,718,399</u>	<u>\$ 14,758,614</u>
Plan fiduciary net position as a percentage of the total pension liability	85.32%	78.61%	94.58%	82.38%	74.72%	74.20%	70.50%	65.72%	62.75%	65.72%
Covered payroll	\$ 5,712,169	\$ 5,289,979	\$ 5,199,237	\$ 4,798,318	\$ 4,893,948	\$ 4,855,965	\$ 4,622,671	\$ 4,275,349	\$ 4,293,316	\$ 3,944,464
Net pension liability as a percentage of covered payroll	170.85%	250.01%	62.07%	204.90%	283.42%	275.14%	311.30%	367.31%	389.41%	374.16%

CITY OF PORT ORANGE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FIRE PLAN
SEPTEMBER 30, 2023
(UNAUDITED)

Fiscal Year Ending September 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	\$ 651,832	\$ 610,421	\$ 616,749	\$ 570,654	\$ 511,607	\$ 506,131	\$ 468,739	\$ 424,216	\$ 411,997	\$ 379,866
Interest	4,046,331	3,841,890	3,703,649	3,601,516	3,443,468	3,348,084	3,225,607	3,037,757	2,987,593	2,934,569
Changes in benefit terms	57,355	-	156,468	-	(8,591)	-	-	(1,577)	-	-
Difference between actual and expected experience	1,148,966	1,337,174	660,698	569,957	337,913	21,178	367,210	(100,351)	(20,660)	-
Contributions - buy back	13,512	13,238	-	-	-	12,086	-	-	-	-
Assumption changes	-	-	582,920	(717,430)	1,349,692	528,047	549,204	2,361,584	420,007	-
Benefit payments including refunds of contributions	(3,155,096)	(2,893,417)	(3,018,372)	(2,657,008)	(2,571,837)	(2,534,625)	(2,436,218)	(3,208,450)	(2,154,771)	(3,195,972)
Net change in total pension liability	2,762,900	2,909,306	2,702,112	1,367,689	3,062,252	1,880,901	2,174,542	2,513,179	1,644,166	118,463
Total pension liability - beginning	56,737,174	53,827,868	51,125,756	49,758,067	46,695,815	44,814,914	42,640,372	40,127,193	38,483,027	38,364,564
Total pension liability - ending (a)	\$ 59,500,074	\$ 56,737,174	\$ 53,827,868	\$ 51,125,756	\$ 49,758,067	\$ 46,695,815	\$ 44,814,914	\$ 42,640,372	\$ 40,127,193	\$ 38,483,027
Total Fiduciary Net Position										
Contributions - employer	\$ 3,423,262	\$ 2,681,868	\$ 2,314,229	\$ 2,225,281	\$ 2,509,962	\$ 2,582,544	\$ 2,449,781	\$ 2,459,983	\$ 2,321,223	\$ 2,911,058
Contributions - state	576,430	461,979	438,926	427,496	395,108	388,246	351,038	367,918	391,117	386,195
Contributions - employee	305,786	277,724	237,968	226,546	226,090	217,736	209,651	200,780	182,394	176,907
Contributions - buy back	13,512	13,238	-	-	-	12,086	-	-	-	-
Net investment income	3,088,030	(7,261,379)	6,693,113	2,769,135	1,576,221	1,718,519	2,516,903	2,064,410	218,115	1,715,914
Benefit payments, including refunds of contributions	(3,155,096)	(2,893,417)	(3,018,372)	(2,657,008)	(2,571,837)	(2,534,625)	(2,436,218)	(3,208,450)	(2,154,771)	(3,195,972)
Administrative expense	(90,246)	(88,144)	(75,205)	(93,364)	(86,848)	(69,199)	(57,973)	(72,625)	(77,530)	(53,503)
Net change in plan fiduciary net position	4,161,678	(6,808,131)	6,590,659	2,898,086	2,048,696	2,315,307	3,033,182	1,812,016	880,548	1,940,599
Plan fiduciary net position - beginning	34,965,638	41,773,769	35,183,110	32,285,024	30,236,328	27,921,021	24,887,839	23,075,823	22,195,275	20,254,676
Plan fiduciary net position - ending (b)	\$ 39,127,316	\$ 34,965,638	\$ 41,773,769	\$ 35,183,110	\$ 32,285,024	\$ 30,236,328	\$ 27,921,021	\$ 24,887,839	\$ 23,075,823	\$ 22,195,275
Net pension liability - ending (a) - (b)	\$ 20,372,758	\$ 21,771,536	\$ 12,054,099	\$ 15,942,646	\$ 17,473,043	\$ 16,459,487	\$ 16,893,893	\$ 17,752,533	\$ 17,051,370	\$ 16,287,752
Plan fiduciary net position as a percentage of the total pension liability	65.76%	61.63%	77.61%	68.82%	64.88%	64.75%	62.30%	58.37%	57.51%	57.68%
Covered payroll	\$ 3,934,872	\$ 3,585,349	\$ 3,081,159	\$ 2,940,474	\$ 2,936,534	\$ 2,837,507	\$ 2,735,484	\$ 2,629,023	\$ 2,571,913	\$ 2,247,991
Net pension liability as a percentage of covered payroll	517.75%	607.24%	391.22%	542.18%	595.02%	580.07%	617.58%	675.25%	662.98%	724.55%

**CITY OF PORT ORANGE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
GENERAL EMPLOYEES PLAN
SEPTEMBER 30, 2023
(UNAUDITED)**

Fiscal Year	Actuarially Determined Contribution (ADC)	Contributions in Relation to ADC	Contribution Deficiency (Excess)	Covered Payroll	Contributions as Percentage of Employee Payroll
2023	\$ 546,415	\$ 546,132	\$ 283	\$ 3,548,147	15.39%
2022	802,089	812,458	(10,369)	3,696,265	21.98%
2021	965,147	966,934	(1,787)	3,893,292	24.84%
2020	849,696	849,692	4	3,678,337	23.10%
2019	866,392	866,364	28	4,067,567	21.30%
2018	735,558	735,559	(1)	4,251,780	17.30%
2017	744,380	794,333	(49,953)	4,622,671	17.18%
2016	739,845	880,209	(140,364)	4,275,349	20.59%
2015	673,138	673,300	(162)	4,293,316	15.68%
2014	702,741	702,741	-	3,944,464	17.82%

Notes to Schedule:

Valuation Date: 10/1/2023

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method:	Entry Age Normal (as of October 1, 2020)
Amortization Method:	The initial base upon transition will be amortized over 20 years. Thereafter all gains and losses, including amendments and changes in assumptions will be amortized over 10 years.
Asset Valuation Method:	5-year smoothed market
Inflation:	3.00%
Salary Increases:	4.00%, including inflation
Investment Rate of Return:	6.00%, net of pension plan investment expense including inflation The 2022-23 valuation was based on a blend of 60% of the 6.75% contribution amount and 40% of the 6% valuation results
Mortality:	Pub 10 General Rates - projected generationally with Scale MP-2021
Retirement Age:	Normal retirement date (NRD) or on valuation date if past NRD

**CITY OF PORT ORANGE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
POLICE PLAN
SEPTEMBER 30, 2023
(UNAUDITED)**

Fiscal Year	Actuarially Determined Contribution (ADC)	Contributions in Relation to ADC	Contribution Deficiency (Excess)	Covered Payroll	Contributions as Percentage of Employee Payroll
2023	\$ 2,836,107	\$ 3,446,491	\$ (610,384)	\$ 5,712,169	60.34%
2022	2,978,832	3,125,790	(146,958)	5,289,979	59.09%
2021	3,184,038	3,462,364	(278,326)	5,199,237	66.59%
2020	3,344,724	3,344,724	-	4,798,318	69.71%
2019	3,240,623	3,536,582	(295,959)	4,893,948	72.26%
2018	3,197,607	3,257,607	(60,000)	4,855,965	67.08%
2017	3,214,965	3,222,481	(7,516)	4,622,671	69.71%
2016	3,054,694	3,191,149	(136,455)	4,275,349	74.64%
2015	2,916,745	3,077,148	(160,403)	4,293,316	71.67%
2014	2,826,275	3,001,662	(175,387)	3,944,464	76.10%

Notes to Schedule:

Valuation Date: 10/1/2023

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method:	Entry Age
Amortization Method:	Level percent of pay, closed
Remaining Amortization Period:	25 years for change in Plan provisions, assumptions, and methods. (2015 and later) 30 years for plan provisions; 15 years for actuarial gains and losses (prior to 2015)
Asset Valuation Method:	5-year smoothed market
Inflation:	2.00%
Salary Increases:	7.5% (7.25% beginning October 1, 2018)
Investment Rate of Return:	7.75%, net of pension plan investment expense including inflation, as of 10/1/14 (7.65% beginning with 2015 contributions; 7.55% with 2016 contributions) (7.45% beginning with 2017 contributions; 7.35% with 2018 contributions) (7.25% beginning with 2019 contributions, 7.15% with 2020 contributions) (7.05% beginning with 2021 contributions, 6.95% with 2022 contributions) (6.85% with 2023 contributions)
Mortality:	The mortality table was revised with the October 1, 2020 actuarial valuation to be that used for special risk employees in the valuation of the Florida Retirement System (FRS) as of July 1, 2019 and 2020, as required by state statute.
Retirement Age:	Members hired after January 31, 2011 – 100% at age 48 and 10 years of service Members hired before January 31, 2011 – 100% at age 45 with 25 years of service or at age 48 with 10 years of service

CITY OF PORT ORANGE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
FIRE PLAN
SEPTEMBER 30, 2023
(UNAUDITED)

Fiscal Year	Actuarially Determined Contribution (ADC)	Contributions in Relation to ADC	Contribution Deficiency (Excess)	Covered Payroll	Contributions as Percentage of Employee Payroll
2023	\$ 3,702,715	\$ 3,999,692	\$ (296,977)	\$ 3,934,872	101.65%
2022	3,223,229	3,143,847	79,382	3,585,349	87.69%
2021	2,646,715	2,753,155	(106,440)	3,081,159	89.35%
2020	2,619,962	2,652,777	(32,815)	2,940,474	90.22%
2019	2,739,786	2,905,070	(165,284)	2,936,534	98.93%
2018	2,897,095	2,970,790	(73,695)	2,837,507	104.70%
2017	2,776,516	2,800,819	(24,303)	2,735,484	102.39%
2016	2,689,491	2,827,901	(138,410)	2,629,023	107.56%
2015	2,691,757	2,712,340	(20,583)	2,571,913	105.46%
2014	2,888,498	3,190,654	(302,156)	2,247,991	141.93%

Notes to Schedule:

Valuation Date: 10/1/2021

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method: Entry Age Normal
Amortization Method: Level Percentage of Pay, Closed
Remaining Amortization Period: 28 Years (as of 10/1/2017)
Asset Valuation Method: Each year, the prior Actuarial Value of Assets is brought forward utilizing geometric 4-year average Fair Value return (net of fees). It is possible that over time this technique will produce an insignificant bias above or below Fair Value.
Salary Increases: 4.00% to 7.00% based on years of service
Interest Rate: 7.25% per year, compounded annually, net of investment-related expenses.
Payroll Growth: None.
Cost-of-Living Adjustment:
 "Frozen Benefit" At least 20 years at retirement: 3% per year beginning 5 years after retirement. Otherwise, 1% per year beginning 1 year after retirement.
 "Future Service Piece" At least 25 years at retirement: 2.5% per year beginning in 2026 and the later of 8 years after retirement and age 59.5
Retirement Rates:
 "Frozen Benefit" Old Normal Retirement Date (30%); Old Normal Retirement Date + 1 (15%); Old Normal Retirement Date + 2 (15%); Old Normal Retirement Date +3 (15%); Old Normal Retirement Date + 4 (15%); Old Normal Retirement Date + 5 (100%)
 "Future Service Piece" New Normal Retirement Date (100%)
Termination Rates: See table below.
Disability Rates: See table below. 75% of disability occurrences are assumed to be service-connected.
Mortality: RP-2000 Table with no projection – based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements. Disability

Termination and Disability Rate Table

<u>Age</u>	<u>% Terminating During the Year</u>	<u>% Becoming Disabled During the Year</u>
20	9.30%	0.07%
30	7.88%	0.11%
40	4.28%	0.19%
50	1.13%	0.51%

**CITY OF PORT ORANGE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF INVESTMENT RETURNS
SEPTEMBER 30, 2023**

For the Year Ending September 30,	General Employees Plan	Police Plan	Fire Plan
2023	4.72%	12.34%	8.83%
2022	-9.40%	-13.05%	-17.41%
2021	21.52%	21.56%	19.09%
2020	8.78%	9.26%	8.61%
2019	3.44%	3.24%	5.22%
2018	12.47%	8.45%	6.13%
2017	11.72%	10.34%	10.11%
2016	11.50%	6.18%	9.01%
2015	2.43%	-0.49%	0.98%
2014	10.87%	7.48%	8.54%



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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 PORT ORANGE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023**

Special Revenue Funds						
	Business Development	Recreation Facilities	Community Development Building	Community Development Block Grant	Total	Debt Service
ASSETS						
Equity in pooled cash and investments	\$ 119,410	\$ 1,012,132	\$ 4,512,717	\$ 24,418	\$ 5,668,677	\$ 746,733
Receivables, net	-	-	119	-	119	4,343
Due from other governments	-	-	-	-	-	177
Leases receivable	-	995,334	-	-	995,334	-
Prepaid items	-	-	-	-	-	1,402,401
Total assets	<u>\$ 119,410</u>	<u>\$ 2,007,466</u>	<u>\$ 4,512,836</u>	<u>\$ 24,418</u>	<u>\$ 6,664,130</u>	<u>\$ 2,153,654</u>
LIABILITIES						
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 57,127	\$ -	\$ 57,127	\$ -
Customer deposits	-	-	10,060	-	10,060	-
Unearned revenue	-	-	-	-	-	4,343
Due to other funds	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>67,187</u>	<u>-</u>	<u>67,187</u>	<u>4,343</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to leases	-	949,628	-	-	949,628	-
Total deferred inflows of resources	<u>-</u>	<u>949,628</u>	<u>-</u>	<u>-</u>	<u>949,628</u>	<u>-</u>
FUND BALANCES						
Restricted for:						
Public safety	-	-	-	-	-	-
Inspections	-	-	4,445,649	-	4,445,649	-
Debt service	-	-	-	-	-	2,149,311
Capital improvements	-	-	-	-	-	-
Transportation projects	-	-	-	-	-	-
Transportation impact	-	-	-	-	-	-
Committed to:						
Recreation facility improvements	-	1,057,838	-	-	1,057,838	-
Assigned to:						
Capital improvements	-	-	-	-	-	-
Business development	119,410	-	-	-	119,410	-
General government	-	-	-	24,418	24,418	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>119,410</u>	<u>1,057,838</u>	<u>4,445,649</u>	<u>24,418</u>	<u>5,647,315</u>	<u>2,149,311</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 119,410</u>	<u>\$ 2,007,466</u>	<u>\$ 4,512,836</u>	<u>\$ 24,418</u>	<u>\$ 6,664,130</u>	<u>\$ 2,153,654</u>

**CITY OF PORT ORANGE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023**

	Capital Project Funds										Total Nonmajor Governmental Funds
	General Construction	Transportation Capital Projects	Fire Impact	Transportation Impact	General Obligation Capital Projects	Capital Replacement	Economic Development Capital	2014 Capital Improvement Bond Project	Recreation Impact	Total	
ASSETS											
Equity in pooled cash and investments	\$ 3,272,817	\$ 1,498,086	\$ 509,229	\$ 3,477,811	\$ 81,744	\$ 2,208,563	\$ 15,151	\$ 7,648	\$ 2,156,375	\$ 13,227,424	\$ 19,642,834
Receivables, net	-	-	-	-	-	-	-	-	-	-	4,462
Due from other governments	213,374	-	-	-	-	-	-	-	-	213,374	213,551
Leases receivable	-	-	-	-	-	-	-	-	-	-	995,334
Prepaid items	-	-	-	-	-	-	-	-	-	-	1,402,401
Total assets	<u>\$ 3,486,191</u>	<u>\$ 1,498,086</u>	<u>\$ 509,229</u>	<u>\$ 3,477,811</u>	<u>\$ 81,744</u>	<u>\$ 2,208,563</u>	<u>\$ 15,151</u>	<u>\$ 7,648</u>	<u>\$ 2,156,375</u>	<u>\$ 13,440,798</u>	<u>\$ 22,258,582</u>
LIABILITIES											
Accounts payable and accrued liabilities	\$ 15,322	\$ -	\$ -	\$ -	\$ -	\$ 101,959	\$ -	\$ -	\$ -	\$ 117,281	\$ 174,408
Customer deposits	-	1,142,348	-	-	-	-	-	-	-	1,142,348	1,152,408
Unearned revenue	-	-	-	-	-	-	-	-	-	-	4,343
Due to other funds	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	<u>15,322</u>	<u>1,142,348</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>101,959</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,259,629</u>	<u>1,331,159</u>
DEFERRED INFLOWS OF RESOURCES											
Deferred inflows related to leases	-	-	-	-	-	-	-	-	-	-	949,628
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>949,628</u>
FUND BALANCES											
Restricted for:											
Public safety	-	-	509,229	-	-	-	-	-	-	509,229	509,229
Inspections	-	-	-	-	-	-	-	-	-	-	4,445,649
Debt service	-	-	-	-	-	-	-	-	-	-	2,149,311
Capital improvements	-	-	-	-	81,744	-	15,151	7,648	2,156,375	2,260,918	2,260,918
Transportation projects	3,470,869	355,738	-	-	-	-	-	-	-	3,826,607	3,826,607
Transportation impact	-	-	-	3,477,811	-	-	-	-	-	3,477,811	3,477,811
Committed to:											
Recreation facility improvements	-	-	-	-	-	-	-	-	-	-	1,057,838
Assigned to:											
Capital improvements	-	-	-	-	-	2,106,604	-	-	-	2,106,604	2,106,604
Business development	-	-	-	-	-	-	-	-	-	-	119,410
General government	-	-	-	-	-	-	-	-	-	-	24,418
Unassigned	-	-	-	-	-	-	-	-	-	-	-
Total fund balances	<u>3,470,869</u>	<u>355,738</u>	<u>509,229</u>	<u>3,477,811</u>	<u>81,744</u>	<u>2,106,604</u>	<u>15,151</u>	<u>7,648</u>	<u>2,156,375</u>	<u>12,181,169</u>	<u>19,977,795</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,486,191</u>	<u>\$ 1,498,086</u>	<u>\$ 509,229</u>	<u>\$ 3,477,811</u>	<u>\$ 81,744</u>	<u>\$ 2,208,563</u>	<u>\$ 15,151</u>	<u>\$ 7,648</u>	<u>\$ 2,156,375</u>	<u>\$ 13,440,798</u>	<u>\$ 22,258,582</u>

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

	Special Revenue Funds					
	Business Development	Recreation Facilities	Community Development Building	Community Development Block Grant	Total	Debt Service
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 914,736
Permits and fees	-	-	1,835,465	-	1,835,465	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	223,442	-	-	223,442	-
Investment income (loss)	2,602	54,417	102,891	-	159,910	4,075
Miscellaneous	-	-	461	-	461	-
Total revenues	<u>2,602</u>	<u>277,859</u>	<u>1,938,817</u>	<u>-</u>	<u>2,219,278</u>	<u>918,811</u>
Expenditures						
Current:						
General government	-	-	2,215,444	-	2,215,444	-
Public safety	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Culture and recreation	-	27,287	-	-	27,287	-
Capital outlay	-	14,350	21,842	-	36,192	-
Debt service:						
Principal retirement	-	-	-	-	-	1,650,000
Interest and fiscal charges	-	-	-	-	-	1,037,617
Other charges	-	-	-	-	-	2,250
Total expenditures	<u>-</u>	<u>41,637</u>	<u>2,237,286</u>	<u>-</u>	<u>2,278,923</u>	<u>2,689,867</u>
Excess (deficiency) of revenues over expenditures	<u>2,602</u>	<u>236,222</u>	<u>(298,469)</u>	<u>-</u>	<u>(59,645)</u>	<u>(1,771,056)</u>
Other financing sources (uses)						
Transfers in	-	-	-	-	-	1,791,700
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,791,700</u>
Net change in fund balances	<u>2,602</u>	<u>236,222</u>	<u>(298,469)</u>	<u>-</u>	<u>(59,645)</u>	<u>20,644</u>
Fund balances, beginning of year	116,808	821,616	4,744,118	24,418	5,706,960	2,128,667
Fund balances, end of year	<u>\$ 119,410</u>	<u>\$ 1,057,838</u>	<u>\$ 4,445,649</u>	<u>\$ 24,418</u>	<u>\$ 5,647,315</u>	<u>\$ 2,149,311</u>

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

	Capital Project Funds										Total Nonmajor Governmental Funds
	General Construction	Transportation Capital Projects	Fire Impact	Transportation Impact	General Obligation Capital Projects	Capital Replacement	Economic Development Capital	2014 Capital Improvement Bond Project	Recreation Impact	Total	
Revenues											
Taxes	\$ 1,290,745	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,290,745	\$ 2,205,481
Permits and fees	-	98,651	143,049	110,550	-	-	-	-	286,414	638,664	2,474,129
Intergovernmental	-	-	-	-	-	11,064	-	-	-	11,064	11,064
Charges for services	-	-	-	-	-	-	-	-	-	-	223,442
Investment income (loss)	68,610	32,177	10,479	74,742	8,536	50,149	330	167	46,033	291,223	455,208
Miscellaneous	-	-	-	-	-	180,198	-	-	-	180,198	180,659
Total revenues	1,359,355	130,828	153,528	185,292	8,536	241,411	330	167	332,447	2,411,894	5,549,983
Expenditures											
Current:											
General government	158,537	-	-	(2,789)	-	42,345	-	-	(4,272)	193,821	2,409,265
Public safety	-	-	-	-	-	49,394	-	-	-	49,394	49,394
Transportation	431,129	-	-	10,773	-	31,478	-	-	-	473,380	473,380
Culture and recreation	-	-	-	-	-	237,663	-	-	10,000	247,663	274,950
Capital outlay	-	-	-	-	-	834,045	-	-	-	834,045	870,237
Debt service:											
Principal retirement	-	-	-	-	-	-	-	-	-	-	1,650,000
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	1,037,617
Other charges	-	-	-	-	-	-	-	-	-	-	2,250
Total expenditures	589,666	-	-	7,984	-	1,194,925	-	-	5,728	1,798,303	6,767,093
Excess (deficiency) of revenues over expenditures	769,689	130,828	153,528	177,308	8,536	(953,514)	330	167	326,719	613,591	(1,217,110)
Other financing sources (uses)											
Transfers in	-	-	-	-	-	70,015	-	-	-	70,015	1,861,715
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	70,015	-	-	-	70,015	1,861,715
Net change in fund balances	769,689	130,828	153,528	177,308	8,536	(883,499)	330	167	326,719	683,606	644,605
Fund balances, beginning of year	2,701,180	224,910	355,701	3,300,503	73,208	2,990,103	14,821	7,481	1,829,656	11,497,563	19,333,190
Fund balances, end of year	\$ 3,470,869	\$ 355,738	\$ 509,229	\$ 3,477,811	\$ 81,744	\$ 2,106,604	\$ 15,151	\$ 7,648	\$ 2,156,375	\$ 12,181,169	\$ 19,977,795

CITY OF PORT ORANGE, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUSINESS DEVELOPMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues				
Investment income (loss)	\$ -	\$ -	\$ 2,602	\$ 2,602
Net change in fund balances	<u>-</u>	<u>-</u>	<u>2,602</u>	<u>2,602</u>
Fund balances, beginning of year	116,808	116,808	116,808	-
Fund balances, end of year	<u>\$ 116,808</u>	<u>\$ 116,808</u>	<u>\$ 119,410</u>	<u>\$ 2,602</u>

CITY OF PORT ORANGE, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - RECREATION FACILITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Charges for services	\$ 232,700	\$ 232,700	\$ 223,442	\$ (9,258)
Investment income (loss)	3,000	3,000	54,417	51,417
Miscellaneous	-	-	-	-
Total revenues	<u>235,700</u>	<u>235,700</u>	<u>277,859</u>	<u>42,159</u>
Expenditures				
Current:				
Culture and recreation	211,681	212,893	27,287	185,606
Capital outlay	24,019	24,019	14,350	9,669
Total expenditures	<u>235,700</u>	<u>236,912</u>	<u>41,637</u>	<u>195,275</u>
Net change in fund balances	<u>-</u>	<u>(1,212)</u>	<u>236,222</u>	<u>237,434</u>
Fund balances, beginning of year	821,616	821,616	821,616	-
Fund balances, end of year	<u><u>\$ 821,616</u></u>	<u><u>\$ 820,404</u></u>	<u><u>\$ 1,057,838</u></u>	<u><u>\$ 237,434</u></u>

CITY OF PORT ORANGE, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - COMMUNITY DEVELOPMENT BUILDING
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Permits and fees	\$ 1,290,000	\$ 1,850,000	\$ 1,835,465	\$ (14,535)
Investment income (loss)	15,000	15,000	102,891	87,891
Miscellaneous	-	-	461	461
Total revenues	<u>1,305,000</u>	<u>1,865,000</u>	<u>1,938,817</u>	<u>73,817</u>
Expenditures				
Current:				
General government:				
Planning and community development	2,979,775	2,385,015	2,215,444	169,571
Capital outlay	20,000	37,822	21,842	15,980
Total expenditures	<u>2,999,775</u>	<u>2,422,837</u>	<u>2,237,286</u>	<u>185,551</u>
Net change in fund balances	<u>(1,694,775)</u>	<u>(557,837)</u>	<u>(298,469)</u>	<u>259,368</u>
Fund balances, beginning of year	4,744,118	4,744,118	4,744,118	-
Fund balances, end of year	<u><u>\$ 3,049,343</u></u>	<u><u>\$ 4,186,281</u></u>	<u><u>\$ 4,445,649</u></u>	<u><u>\$ 259,368</u></u>

CITY OF PORT ORANGE, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - COMMUNITY DEVELOPMENT BLOCK GRANT
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Intergovernmental	\$ 777,846	\$ 846	\$ -	\$ (846)
Investment income (loss)	-	-	-	-
Total revenues	<u>777,846</u>	<u>846</u>	<u>-</u>	<u>(846)</u>
Expenditures				
Current:				
General government:				
Finance and administration	-	-	-	-
Economic environment	78,802	(198)	-	(198)
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>78,802</u>	<u>(198)</u>	<u>-</u>	<u>(198)</u>
Excess (deficiency) of revenues over expenditures	<u>699,044</u>	<u>1,044</u>	<u>-</u>	<u>(1,044)</u>
Other financing sources (uses)				
Transfers out	(699,044)	(1,044)	-	1,044
Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year	24,418	24,418	24,418	-
Fund balances, end of year	<u>\$ 24,418</u>	<u>\$ 24,418</u>	<u>\$ 24,418</u>	<u>\$ -</u>

CITY OF PORT ORANGE, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Taxes	\$ 900,404	\$ 900,404	\$ 914,736	\$ 14,332
Investment income (loss)	750	750	4,075	3,325
Total revenues	901,154	901,154	918,811	17,657
Expenditures				
Debt service:				
Principal retirement	1,650,000	1,650,000	1,650,000	-
Interest and fiscal charges	1,041,173	1,041,173	1,039,867	1,306
Total expenditures	2,691,173	2,691,173	2,689,867	1,306
Excess (deficiency) of revenues over expenditures	(1,790,019)	(1,790,019)	(1,771,056)	18,963
Other financing sources (uses)				
Transfers in	1,790,019	1,790,020	1,791,700	1,680
Net change in fund balances	-	1	20,644	20,643
Fund balances, beginning of year	2,128,667	2,128,667	2,128,667	-
Fund balances, end of year	<u>\$ 2,128,667</u>	<u>\$ 2,128,668</u>	<u>\$ 2,149,311</u>	<u>\$ 20,643</u>

CITY OF PORT ORANGE, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL CONSTRUCTION
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Taxes	\$ 1,332,518	\$ 1,482,518	\$ 1,290,745	\$ (191,773)
Intergovernmental	346,617	6,791	-	(6,791)
Investment income (loss)	15,000	15,000	68,610	53,610
Miscellaneous	-	-	-	-
Total revenues	1,694,135	1,504,309	1,359,355	(144,954)
Expenditures				
Current:				
General government:				
Planning and community development	-	268,651	158,537	110,114
Transportation	125,318	286,579	431,129	(144,550)
Capital outlay	2,701,591	225,841	-	225,841
Total expenditures	2,826,909	781,071	589,666	191,405
Excess (deficiency) of revenues over expenditures	(1,132,774)	723,238	769,689	46,451
Other financing sources (uses)				
Transfers in	1,007,000	26,967	-	(26,967)
Transfers out	-	(4,857)	-	4,857
Total other financing sources (uses)	1,007,000	22,110	-	(22,110)
Net change in fund balances	(125,774)	745,348	769,689	24,341
Fund balances, beginning of year	2,701,180	2,701,180	2,701,180	-
Fund balances, end of year	<u>\$ 2,575,406</u>	<u>\$ 3,446,528</u>	<u>\$ 3,470,869</u>	<u>\$ 24,341</u>

CITY OF PORT ORANGE, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - TRANSPORTATION CAPITAL PROJECTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Permits and fees	\$ 150,250	\$ 150,250	\$ 98,651	\$ (51,599)
Investment income (loss)	-	-	32,177	32,177
Total revenues	<u>150,250</u>	<u>150,250</u>	<u>130,828</u>	<u>(19,422)</u>
Expenditures				
Current:				
General government:				
Planning and community development	150,250	150,250	-	150,250
Total expenditures	<u>150,250</u>	<u>150,250</u>	<u>-</u>	<u>150,250</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>130,828</u>	<u>130,828</u>
Other financing sources (uses)				
Transfers out	-	(250)	-	250
Total other financing sources (uses)	<u>-</u>	<u>(250)</u>	<u>-</u>	<u>250</u>
Net change in fund balances	<u>-</u>	<u>(250)</u>	<u>130,828</u>	<u>131,078</u>
Fund balances, beginning of year	224,910	224,910	224,910	-
Fund balances, end of year	<u><u>\$ 224,910</u></u>	<u><u>\$ 224,660</u></u>	<u><u>\$ 355,738</u></u>	<u><u>\$ 131,078</u></u>

CITY OF PORT ORANGE, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - FIRE IMPACT
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Permits and fees	\$ 25,000	\$ 140,000	\$ 143,049	\$ 3,049
Investment income (loss)	10,000	10,000	10,479	479
Total revenues	35,000	150,000	153,528	3,528
Expenditures				
Current:				
Public safety:				
Fire safety	2,000	2,000	-	2,000
Excess (deficiency) of revenues over expenditures	33,000	148,000	153,528	5,528
Other financing sources (uses)				
Transfers out	(446,000)	-	-	-
Total other financing sources (uses)	(446,000)	-	-	-
Net change in fund balances	(413,000)	148,000	153,528	5,528
Fund balances, beginning of year	355,701	355,701	355,701	-
Fund balances, end of year	<u>\$ (57,299)</u>	<u>\$ 503,701</u>	<u>\$ 509,229</u>	<u>\$ 5,528</u>

CITY OF PORT ORANGE, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - TRANSPORTATION IMPACT
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Permits and fees	\$ 25,000	\$ 25,000	\$ 110,550	\$ 85,550
Intergovernmental	521,696	696	-	(696)
Investment income (loss)	5,000	5,000	74,742	69,742
Total revenues	551,696	30,696	185,292	154,596
Expenditures				
Current:				
General government:				
Nondepartmental	543,196	543,196	(2,789)	545,985
Transportation	5,000	5,000	10,773	(5,773)
Capital outlay	-	-	-	-
Total expenditures	548,196	548,196	7,984	540,212
Excess (deficiency) of revenues over expenditures	3,500	(517,500)	177,308	694,808
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(3,500)	(34,217)	-	34,217
Total other financing sources (uses)	(3,500)	(34,217)	-	34,217
Net change in fund balances	-	(551,717)	177,308	729,025
Fund balances, beginning of year	3,300,503	3,300,503	3,300,503	-
Fund balances, end of year	<u>\$ 3,300,503</u>	<u>\$ 2,748,786</u>	<u>\$ 3,477,811</u>	<u>\$ 729,025</u>

CITY OF PORT ORANGE, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL OBLIGATION CAPITAL PROJECTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Investment income (loss)	\$ -	\$ -	\$ 8,536	\$ 8,536
Miscellaneous	-	-	-	-
Total revenues	-	-	8,536	8,536
Expenditures				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balances	-	-	8,536	8,536
Fund balances, beginning of year	73,208	73,208	73,208	-
Fund balances, end of year	<u>\$ 73,208</u>	<u>\$ 73,208</u>	<u>\$ 81,744</u>	<u>\$ 8,536</u>

CITY OF PORT ORANGE, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CAPITAL REPLACEMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Intergovernmental	\$ -	\$ -	\$ 11,064	\$ 11,064
Investment income (loss)	2,500	2,500	50,149	47,649
Miscellaneous	-	198	180,198	180,000
Total revenues	2,500	2,698	241,411	238,713
Expenditures				
Current:				
General government:				
Planning and community development	-	117,311	42,345	74,966
Public safety:				
Law enforcement	-	49,394	49,394	-
Transportation	-	3,595	31,478	(27,883)
Culture and recreation	-	325,758	237,663	88,095
Capital outlay	11,037,097	577,147	834,045	(256,898)
Total expenditures	11,037,097	1,073,205	1,194,925	(121,720)
Excess (deficiency) of revenues over expenditures	(11,034,597)	(1,070,507)	(953,514)	116,993
Other financing sources (uses)				
Transfers in	3,034,597	230,398	70,015	(160,383)
Transfers out	-	(8,964)	-	8,964
Proceeds from debt issuance	8,000,000	-	-	-
Total other financing sources (uses)	11,034,597	221,434	70,015	(151,419)
Net change in fund balances	-	(849,073)	(883,499)	(34,426)
Fund balances, beginning of year	2,990,103	2,990,103	2,990,103	-
Fund balances, end of year	<u>\$ 2,990,103</u>	<u>\$ 2,141,030</u>	<u>\$ 2,106,604</u>	<u>\$ (34,426)</u>

CITY OF PORT ORANGE, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - ECONOMIC DEVELOPMENT CAPITAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues				
Investment income (loss)	\$ -	\$ -	\$ 330	\$ 330
Net change in fund balances	<u>-</u>	<u>-</u>	<u>330</u>	<u>330</u>
Fund balances, beginning of year	14,821	14,821	14,821	-
Fund balances, end of year	<u>\$ 14,821</u>	<u>\$ 14,821</u>	<u>\$ 15,151</u>	<u>\$ 330</u>

CITY OF PORT ORANGE, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 2014 CAPITAL IMPROVEMENT BOND PROJECT
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues				
Investment income (loss)	\$ -	\$ -	\$ 167	\$ 167
Net change in fund balances	<u>-</u>	<u>-</u>	<u>167</u>	<u>167</u>
Fund balances, beginning of year	7,481	7,481	7,481	-
Fund balances, end of year	<u>\$ 7,481</u>	<u>\$ 7,481</u>	<u>\$ 7,648</u>	<u>\$ 167</u>

CITY OF PORT ORANGE, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - RECREATION IMPACT
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Permits and fees	\$ 25,000	\$ 25,000	\$ 286,414	\$ 261,414
Investment income (loss)	2,000	2,000	46,033	44,033
Total revenues	27,000	27,000	332,447	305,447
Expenditures				
Current:				
Nondepartmental	-	-	(4,272)	4,272
Total general government	-	-	(4,272)	4,272
Culture and recreation	27,000	27,000	10,000	17,000
Capital outlay	-	50,000	-	50,000
Total expenditures	27,000	77,000	5,728	71,272
Excess (deficiency) of revenues over expenditures	-	(50,000)	326,719	376,719
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	(4,462)	-	4,462
Total other financing sources (uses)	-	(4,462)	-	4,462
Net change in fund balances	-	(54,462)	326,719	381,181
Fund balances, beginning of year	1,829,656	1,829,656	1,829,656	-
Fund balances, end of year	<u>\$ 1,829,656</u>	<u>\$ 1,775,194</u>	<u>\$ 2,156,375</u>	<u>\$ 381,181</u>

CITY OF PORT ORANGE, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2023

	Information Technology	Vehicle Maintenance	Insurance	Lease & Replacement	Building Maintenance	Internal Loan Pool	Total
ASSETS							
Equity in pooled cash	\$ 764,103	\$ 166,285	\$ 1,515,118	\$ 9,102,524	\$ 1,250,365	\$ 18,575	\$ 12,816,970
Accounts receivable, net	209	-	-	-	-	-	209
Due from other governments	-	-	-	-	731	-	731
Prepaid items	206,375	-	101,280	-	-	-	307,655
Due from other funds	-	-	-	-	-	2,465,390	2,465,390
Total current assets	<u>970,687</u>	<u>166,285</u>	<u>1,616,398</u>	<u>9,102,524</u>	<u>1,251,096</u>	<u>2,483,965</u>	<u>15,590,955</u>
Noncurrent assets:							
Capital assets:							
Building and improvements	-	218,655	-	85,545	393,118	-	697,318
Machinery and equipment	1,059,755	264,871	172,962	29,855,709	666,853	-	32,020,150
Construction in progress	72,827	-	-	-	-	-	72,827
Accumulated depreciation	(907,867)	(407,648)	(145,582)	(25,315,320)	(780,721)	-	(27,557,138)
Total capital assets, net	<u>224,715</u>	<u>75,878</u>	<u>27,380</u>	<u>4,625,934</u>	<u>279,250</u>	<u>-</u>	<u>5,233,157</u>
Advances to other funds	-	-	-	-	-	-	-
Total noncurrent assets	<u>224,715</u>	<u>75,878</u>	<u>27,380</u>	<u>4,625,934</u>	<u>279,250</u>	<u>-</u>	<u>5,233,157</u>
Total assets	<u><u>\$ 1,195,402</u></u>	<u><u>\$ 242,163</u></u>	<u><u>\$ 1,643,778</u></u>	<u><u>\$ 13,728,458</u></u>	<u><u>\$ 1,530,346</u></u>	<u><u>\$ 2,483,965</u></u>	<u><u>\$ 20,824,112</u></u>
LIABILITIES							
Current liabilities:							
Accounts payable and accrued liabilities	\$ 17,810	\$ 35,163	\$ 84,138	\$ 32,069	\$ 10,240	\$ -	\$ 179,420
Estimated claims payable	-	-	372,000	-	-	-	372,000
Compensated absences	17,096	9,534	-	-	12,177	-	38,807
Total current liabilities	<u>34,906</u>	<u>44,697</u>	<u>456,138</u>	<u>32,069</u>	<u>22,417</u>	<u>-</u>	<u>590,227</u>
Noncurrent liabilities:							
Compensated absences	51,287	28,602	-	-	36,530	-	116,419
Total liabilities	<u><u>\$ 86,193</u></u>	<u><u>\$ 73,299</u></u>	<u><u>\$ 456,138</u></u>	<u><u>\$ 32,069</u></u>	<u><u>\$ 58,947</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 706,646</u></u>
NET POSITION							
Net investment in capital assets	\$ 224,715	\$ 75,878	\$ 27,380	\$ 4,625,934	\$ 279,250	\$ -	\$ 5,233,157
Unrestricted	884,494	92,986	1,160,260	9,070,455	1,192,149	2,483,965	14,884,309
Total net position	<u><u>\$ 1,109,209</u></u>	<u><u>\$ 168,864</u></u>	<u><u>\$ 1,187,640</u></u>	<u><u>\$ 13,696,389</u></u>	<u><u>\$ 1,471,399</u></u>	<u><u>\$ 2,483,965</u></u>	<u><u>\$ 20,117,466</u></u>

CITY OF PORT ORANGE, FLORIDA
COMBINING STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Information Technology	Vehicle Maintenance	Insurance	Lease & Replacement	Building Maintenance	Internal Loan Pool	Total
Operating revenues							
Charges for services	\$ 2,683,580	\$ 1,527,729	\$ 2,303,924	\$ 2,711,568	\$ 2,617,348	\$ -	\$ 11,844,149
Other revenues	1,930	5,622	175,239	-	2,134	-	184,925
Total operating revenues	<u>2,685,510</u>	<u>1,533,351</u>	<u>2,479,163</u>	<u>2,711,568</u>	<u>2,619,482</u>	<u>-</u>	<u>12,029,074</u>
Operating expenses							
Personal services	931,699	453,201	164,517	-	485,105	-	2,034,522
Contractual services	591,592	217,228	195,642	-	176,792	-	1,181,254
Other operating expenses	849,274	853,818	1,040,907	127,303	1,061,392	-	3,932,694
Insurance claims and expenses	-	-	739,538	-	-	-	739,538
Depreciation	73,857	52,255	-	1,847,228	48,991	-	2,022,331
Total operating expenses	<u>2,446,422</u>	<u>1,576,502</u>	<u>2,140,604</u>	<u>1,974,531</u>	<u>1,772,280</u>	<u>-</u>	<u>9,910,339</u>
Operating income (loss)	<u>239,088</u>	<u>(43,151)</u>	<u>338,559</u>	<u>737,037</u>	<u>847,202</u>	<u>-</u>	<u>2,118,735</u>
Nonoperating revenues (expenses)							
Interest earnings	4,873	215	34,010	175,878	22,165	404	237,545
Gain (loss) on disposition of capital assets	-	-	-	925	-	-	925
Total nonoperating revenues (expenses)	<u>4,873</u>	<u>215</u>	<u>34,010</u>	<u>176,803</u>	<u>22,165</u>	<u>404</u>	<u>238,470</u>
Income (loss) before contributions and transfers	<u>243,961</u>	<u>(42,936)</u>	<u>372,569</u>	<u>913,840</u>	<u>869,367</u>	<u>404</u>	<u>2,357,205</u>
Transfers in	315,974	18,023	-	-	-	-	333,997
Transfers out	-	-	-	(26,924)	(659,946)	-	(686,870)
Change in net position	<u>559,935</u>	<u>(24,913)</u>	<u>372,569</u>	<u>886,916</u>	<u>209,421</u>	<u>404</u>	<u>2,004,332</u>
Net position, beginning of year	549,274	193,777	815,071	12,809,473	1,261,978	2,483,561	18,113,134
Net position, end of year	<u>\$ 1,109,209</u>	<u>\$ 168,864</u>	<u>\$ 1,187,640</u>	<u>\$ 13,696,389</u>	<u>\$ 1,471,399</u>	<u>\$ 2,483,965</u>	<u>\$ 20,117,466</u>

**CITY OF PORT ORANGE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2023**

	Information Technology	Vehicle Maintenance	Insurance	Lease & Replacement	Building Maintenance	Internal Loan Pool	Total
Cash flows from operating activities							
Cash received from customers	\$ 2,685,301	\$ 1,533,552	\$ 2,498,184	\$ 2,711,568	\$ 2,619,482	\$ -	\$ 12,048,087
Cash paid to employees	(989,441)	(428,429)	(283,505)	-	(487,508)	-	(2,188,883)
Cash paid to suppliers	(1,648,352)	(1,045,643)	(2,169,368)	(95,234)	(1,261,701)	-	(6,220,298)
Net cash provided by (used in) operating activities	<u>47,508</u>	<u>59,480</u>	<u>45,311</u>	<u>2,616,334</u>	<u>870,273</u>	<u>-</u>	<u>3,638,906</u>
Cash flows from noncapital financing activities							
Transfers from other funds	315,974	18,023	-	-	-	-	333,997
Transfers to other funds	-	-	-	(26,924)	(610,373)	-	(637,297)
Interfund loans	-	-	-	-	-	1	1
Net cash provided by (used in) noncapital financing activities	<u>315,974</u>	<u>18,023</u>	<u>-</u>	<u>(26,924)</u>	<u>(610,373)</u>	<u>1</u>	<u>(303,299)</u>
Cash flows from capital and related financing activities							
Acquisition and construction of capital assets	(101,649)	(18,023)	-	(831,499)	-	-	(951,171)
Proceeds from sale of capital assets	-	-	-	925	-	-	925
Net cash provided by (used in) capital and related financing activities	<u>(101,649)</u>	<u>(18,023)</u>	<u>-</u>	<u>(830,574)</u>	<u>-</u>	<u>-</u>	<u>(950,246)</u>
Cash flows from investing activities							
Interest received (loss)	4,873	215	34,010	175,878	22,165	404	237,545
Net cash provided by (used in) investment activities	<u>4,873</u>	<u>215</u>	<u>34,010</u>	<u>175,878</u>	<u>22,165</u>	<u>404</u>	<u>237,545</u>
Net change in cash and cash equivalents	<u>266,706</u>	<u>59,695</u>	<u>79,321</u>	<u>1,934,714</u>	<u>282,065</u>	<u>405</u>	<u>2,622,906</u>
Cash and cash equivalents, beginning of year	<u>497,397</u>	<u>106,590</u>	<u>1,435,797</u>	<u>7,167,810</u>	<u>968,300</u>	<u>18,170</u>	<u>10,194,064</u>
Cash and cash equivalents, end of year	<u>\$ 764,103</u>	<u>\$ 166,285</u>	<u>\$ 1,515,118</u>	<u>\$ 9,102,524</u>	<u>\$ 1,250,365</u>	<u>\$ 18,575</u>	<u>\$ 12,816,970</u>
Cash and cash equivalents classified as:							
Unrestricted	<u>\$ 764,103</u>	<u>\$ 166,285</u>	<u>\$ 1,515,118</u>	<u>\$ 9,102,524</u>	<u>\$ 1,250,365</u>	<u>\$ 18,575</u>	<u>\$ 12,816,970</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:							
Operating income (loss)	\$ 239,088	\$ (43,151)	\$ 338,559	\$ 737,037	\$ 847,202	\$ -	\$ 2,118,735
Adjustments to reconcile net operating income to net cash provided by (used in) operating activities:							
Depreciation	73,857	52,255	-	1,847,228	48,991	-	2,022,331
Changes in assets and liabilities:							
Accounts receivable	(209)	-	18,980	-	-	-	18,771
Due from other governments	-	201	41	-	-	-	242
Prepaid items	(206,375)	-	(13,230)	-	-	-	(219,605)
Accounts payable and accrued liabilities	(1,111)	25,403	(180,051)	32,069	(23,517)	-	(147,207)
Compensated absences	(57,742)	24,772	(47,988)	-	(2,403)	-	(83,361)
Claims liability	-	-	(71,000)	-	-	-	(71,000)
Net cash provided by (used in) operating activities	<u>\$ 47,508</u>	<u>\$ 59,480</u>	<u>\$ 45,311</u>	<u>\$ 2,616,334</u>	<u>\$ 870,273</u>	<u>\$ -</u>	<u>\$ 3,638,906</u>

Statistical Section

This part of the City of Port Orange's, Florida's comprehensive annual 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 comprehensive annual financial reports for the relevant year.

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
September 30, 2023
CITY OF PORT ORANGE, FLORIDA
(Accrual basis of accounting)
(Shown in thousands)

Table I

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental Activities:										
Net investment in capital assets.....	\$ 106,867	\$ 111,591	\$ 111,482	\$ 111,157	\$ 109,638	\$ 107,192	\$ 100,978	\$ 99,823	\$ 96,276	\$ 95,288
Restricted.....	16,710	15,211	17,414	16,104	15,822	15,804	14,912	11,769	15,597	18,164
Unrestricted.....	<u>11,854</u>	<u>8,843</u>	<u>(2,717)</u>	<u>(12,169)</u>	<u>(16,286)</u>	<u>(15,824)</u>	<u>(5,988)</u>	<u>(5,457)</u>	<u>(8,215)</u>	<u>24,170</u>
Total governmental activities net position.....	<u>\$ 135,431</u>	<u>\$ 135,645</u>	<u>\$ 126,179</u>	<u>\$ 115,092</u>	<u>\$ 109,174</u>	<u>\$ 107,172</u>	<u>\$ 109,902</u>	<u>\$ 106,135</u>	<u>\$ 103,658</u>	<u>\$ 137,622</u>
Business-type Activities:										
Net investment in capital assets.....	\$ 205,317	\$ 208,052	\$ 208,751	\$ 206,168	\$ 200,127	\$ 194,473	\$ 189,582	\$ 191,186	\$ 180,198	\$ 174,390
Restricted.....	36,306	27,084	25,080	21,143	19,778	18,185	15,090	8,764	14,299	15,142
Unrestricted.....	<u>39,839</u>	<u>39,018</u>	<u>33,974</u>	<u>33,442</u>	<u>32,699</u>	<u>30,596</u>	<u>27,682</u>	<u>22,687</u>	<u>19,633</u>	<u>19,379</u>
Total business-type activities net position.....	<u>\$ 281,462</u>	<u>\$ 274,154</u>	<u>\$ 267,805</u>	<u>\$ 260,753</u>	<u>\$ 252,604</u>	<u>\$ 243,254</u>	<u>\$ 232,354</u>	<u>\$ 222,637</u>	<u>\$ 214,130</u>	<u>\$ 208,911</u>
Primary Government:										
Net investment in capital assets.....	\$ 312,184	\$ 319,643	\$ 320,233	\$ 317,325	\$ 309,765	\$ 301,665	\$ 290,560	\$ 291,009	\$ 276,474	\$ 269,678
Restricted.....	53,016	42,295	42,494	37,247	35,600	33,989	30,002	20,533	29,896	33,306
Unrestricted.....	<u>51,693</u>	<u>47,861</u>	<u>31,257</u>	<u>21,273</u>	<u>16,413</u>	<u>14,772</u>	<u>21,694</u>	<u>17,230</u>	<u>11,418</u>	<u>43,549</u>
Total primary government net position.....	<u>\$ 416,893</u>	<u>\$ 409,799</u>	<u>\$ 393,984</u>	<u>\$ 375,845</u>	<u>\$ 361,778</u>	<u>\$ 350,426</u>	<u>\$ 342,256</u>	<u>\$ 328,772</u>	<u>\$ 317,788</u>	<u>\$ 346,533</u>

* In 2022, GASB #87 was implemented, resulting in the recording of lease receivables, which ultimately impacted unrestricted net position.

* In 2018, GASB #75 was implemented, resulting in the recording of the total OPEB liability, which ultimately impacted unrestricted net position.

* In 2015, GASB #68 was implemented, resulting in the recording of the net pension liability, which ultimately impacted unrestricted net position.

* In 2013, GASB #65 was implemented, resulting in the write-off of unamortized debt issuance costs.

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
September 30, 2023
CITY OF PORT ORANGE, FLORIDA
(Accrual basis of accounting)
(Shown in thousands)

Table II

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses:										
Governmental Activities:										
General government.....	\$ 18,275	\$ 13,306	\$ 10,798	\$ 9,942	\$ 7,320	\$ 8,241	\$ 14,791	\$ 6,418	\$ 5,840	\$ 5,084
Public safety.....	29,410	28,294	19,611	23,586	23,543	22,052	20,330	20,010	18,562	19,807
Transportation.....	6,679	7,715	6,207	6,587	6,989	6,535	6,460	5,934	5,491	2,225
Economic environment.....	22	41	25	422	40	24	36	95	36	95
Culture/recreation.....	6,587	5,350	4,548	4,591	5,654	5,186	4,478	4,264	4,094	3,889
Interest on long-term debt.....	907	942	995	1,099	1,142	1,199	1,263	1,659	1,715	2,100
Total governmental activities expenses.....	<u>61,880</u>	<u>55,648</u>	<u>42,184</u>	<u>46,227</u>	<u>44,688</u>	<u>43,237</u>	<u>47,358</u>	<u>38,380</u>	<u>35,738</u>	<u>33,200</u>
Business-Type Activities:										
Water.....	28,572	25,937	21,701	22,849	20,575	20,215	20,465	20,671	20,800	20,870
Solid waste.....	7,993	7,838	7,770	7,737	7,709	7,098	6,965	6,711	6,573	6,456
Stormwater.....	4,796	4,198	3,852	3,991	3,834	3,456	3,412	3,116	3,165	1,966
Golf course.....	2,289	1,838	1,640	1,598	1,538	1,545	1,492	1,507	1,530	1,638
Total business-type activities expenses.....	<u>43,650</u>	<u>39,811</u>	<u>34,963</u>	<u>36,175</u>	<u>33,656</u>	<u>32,314</u>	<u>32,334</u>	<u>32,005</u>	<u>32,068</u>	<u>30,930</u>
Total primary government expenses.....	<u>\$ 105,530</u>	<u>\$ 95,459</u>	<u>\$ 77,147</u>	<u>\$ 82,402</u>	<u>\$ 78,344</u>	<u>\$ 75,551</u>	<u>\$ 79,692</u>	<u>\$ 70,385</u>	<u>\$ 67,806</u>	<u>\$ 64,130</u>
Program Revenues:										
Governmental Activities:										
Charges for services:										
General government.....	\$ 5,320	\$ 5,934	\$ 5,612	\$ 5,573	\$ 3,259	\$ 3,238	\$ 3,098	\$ 1,934	\$ 2,510	\$ 2,384
Public safety.....	1,995	1,637	916	1,276	826	616	631	1,532	327	444
Transportation.....	193	336	250	243	170	165	160	143	208	42
Economic environment.....	5	52	4	4	3	2	7	28	28	30
Culture/recreation.....	785	754	628	332	733	718	708	736	701	687
Operating grants and contributions.....	8,502	12,039	1,598	1,391	2,191	1,605	7,873	1,313	1,213	1,281
Capital grants and contributions.....	872	2,936	4,989	8,095	3,061	8,348	6,176	4,877	3,768	3,473
Total governmental activities program revenue.....	<u>17,672</u>	<u>23,688</u>	<u>13,997</u>	<u>16,914</u>	<u>10,243</u>	<u>14,692</u>	<u>18,653</u>	<u>10,563</u>	<u>8,755</u>	<u>8,341</u>
Business-Type Activities:										
Charges for services:										
Water and sewer.....	28,015	28,369	28,086	27,784	27,260	27,178	27,379	26,979	25,925	25,133
Solid waste.....	9,656	8,798	7,519	7,414	7,379	7,250	7,129	7,170	7,052	6,984
Stormwater.....	4,640	4,619	4,608	4,569	4,485	4,543	3,924	3,884	3,861	3,808
Golf course.....	2,224	1,816	1,565	1,351	1,232	1,396	1,342	1,245	1,005	1,493
Operating grants and contributions.....	516	1,273	-	-	-	-	156	-	-	-
Capital grants and contributions.....	668	2,288	1,717	1,613	2,734	3,812	3,628	2,003	2,182	2,824
Total business-type activities program revenue.....	<u>45,719</u>	<u>47,163</u>	<u>43,495</u>	<u>42,731</u>	<u>43,090</u>	<u>44,179</u>	<u>43,558</u>	<u>41,281</u>	<u>40,025</u>	<u>40,242</u>
Total primary government program revenue.....	<u>\$ 63,391</u>	<u>\$ 70,851</u>	<u>\$ 57,492</u>	<u>\$ 59,645</u>	<u>\$ 53,333</u>	<u>\$ 58,871</u>	<u>\$ 62,211</u>	<u>\$ 51,844</u>	<u>\$ 48,780</u>	<u>\$ 48,583</u>
Net (Expense)/Revenue:										
Governmental activities.....	\$ (44,208)	\$ (31,960)	\$ (28,187)	\$ (29,313)	\$ (34,445)	\$ (28,545)	\$ (28,705)	\$ (27,817)	\$ (26,983)	\$ (24,859)
Business-type activities.....	<u>2,069</u>	<u>7,352</u>	<u>8,532</u>	<u>6,556</u>	<u>9,434</u>	<u>11,865</u>	<u>11,224</u>	<u>9,276</u>	<u>7,957</u>	<u>9,312</u>
Total primary government net expense.....	<u>\$ (42,139)</u>	<u>\$ (24,608)</u>	<u>\$ (19,655)</u>	<u>\$ (22,757)</u>	<u>\$ (25,011)</u>	<u>\$ (16,680)</u>	<u>\$ (17,481)</u>	<u>\$ (18,541)</u>	<u>\$ (19,026)</u>	<u>\$ (15,547)</u>
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Taxes:										
Property taxes.....	\$ 22,361	\$ 19,736	\$ 17,846	\$ 16,095	\$ 15,380	\$ 14,016	\$ 12,967	\$ 12,181	\$ 11,643	\$ 11,553
Sales taxes.....	4,419	4,377	3,982	3,426	3,472	3,450	3,267	3,117	2,956	2,742
Franchise and utility taxes.....	4,461	12,163	11,078	10,810	11,620	11,479	10,220	10,251	10,297	10,123
Other taxes.....	1,160	973	933	926	120	129	869	889	850	840
Intergovernmental revenues.....	12,800	3,670	2,974	2,522	2,750	2,668	2,553	2,380	2,409	2,131
Investment earnings.....	1,561	(837)	34	945	1,069	225	240	322	335	288
Miscellaneous revenue.....	230	1,254	505	554	245	176	660	144	125	311
Transfers.....	(2,998)	91	1,923	(47)	1,768	-	1,695	1,011	935	1,740
Total governmental activities.....	<u>43,994</u>	<u>41,427</u>	<u>39,275</u>	<u>35,231</u>	<u>36,424</u>	<u>32,143</u>	<u>32,471</u>	<u>30,295</u>	<u>29,550</u>	<u>29,728</u>
Business-Type Activities:										
Investment earnings.....	1,575	(912)	78	1,048	1,474	194	153	233	172	81
Miscellaneous revenue.....	667	(2)	322	376	211	191	38	8	325	246
Transfers.....	2,998	(91)	(1,923)	47	(1,768)	-	(1,695)	(1,011)	(935)	(1,740)
Total business-type activities.....	<u>5,240</u>	<u>(1,005)</u>	<u>(1,523)</u>	<u>1,471</u>	<u>(83)</u>	<u>385</u>	<u>(1,504)</u>	<u>(770)</u>	<u>(438)</u>	<u>(1,413)</u>
Total primary government.....	<u>\$ 49,234</u>	<u>\$ 40,422</u>	<u>\$ 37,752</u>	<u>\$ 36,702</u>	<u>\$ 36,341</u>	<u>\$ 32,528</u>	<u>\$ 30,967</u>	<u>\$ 29,525</u>	<u>\$ 29,112</u>	<u>\$ 28,315</u>
Changes in Net Position:										
Governmental activities.....	\$ (214)	\$ 9,467	\$ 11,088	\$ 5,918	\$ 1,979	\$ 3,598	\$ 3,766	\$ 2,478	\$ 2,567	\$ 4,869
Business-type activities.....	<u>7,309</u>	<u>6,347</u>	<u>7,009</u>	<u>8,027</u>	<u>9,351</u>	<u>12,250</u>	<u>9,720</u>	<u>8,506</u>	<u>7,519</u>	<u>7,899</u>
Total primary government.....	<u>\$ 7,095</u>	<u>\$ 15,814</u>	<u>\$ 18,097</u>	<u>\$ 13,945</u>	<u>\$ 11,330</u>	<u>\$ 15,848</u>	<u>\$ 13,486</u>	<u>\$ 10,984</u>	<u>\$ 10,086</u>	<u>\$ 12,768</u>

*Local option gas taxes reported as transportation operating grants beginning in FY2012.

FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

Table III

September 30, 2023
CITY OF PORT ORANGE, FLORIDA
(Accrual basis of accounting)
(Shown in thousands)

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund:										
Nonspendable.....	\$ 2,544	\$ 2,126	\$ 1,585	\$ 2,072	\$ 1,612	\$ 61	\$ 42	\$ 55	\$ 34	\$ 370
Restricted.....	837	806	842	830	1,076	1,200	1,272	1,087	561	545
Committed.....	8,813	9,306	59	23	-	-	-	-	-	-
Assigned.....	550	608	1,608	2,052	718	914	3,725	3,392	1,742	1,954
Unassigned.....	23,657	21,973	20,612	14,954	13,686	14,079	12,269	14,122	15,465	14,035
Total general fund.....	<u>\$ 36,401</u>	<u>\$ 34,819</u>	<u>\$ 24,706</u>	<u>\$ 19,931</u>	<u>\$ 17,092</u>	<u>\$ 16,254</u>	<u>\$ 17,308</u>	<u>\$ 18,656</u>	<u>\$ 17,802</u>	<u>\$ 16,904</u>
Other Governmental Funds:										
Nonspendable.....	\$ -	\$ -	\$ -	\$ -	\$ 12	\$ 18	\$ 11	\$ 1,266	\$ 10	\$ 10
Restricted.....	17,275	15,808	17,129	15,860	15,359	15,247	14,305	13,261	15,847	14,945
Committed.....	1,058	822	676	487	244	309	-	-	-	-
Assigned.....	2,250	3,131	803	1,153	2,220	2,394	5,150	3,821	2,575	2,989
Unassigned.....	(4,440)	(4,442)	(4,416)	(4,326)	(4,172)	(4,172)	(2,655)	(2,644)	(2,929)	(1,884)
Total all other governmental funds..	<u>\$ 16,143</u>	<u>\$ 15,319</u>	<u>\$ 14,192</u>	<u>\$ 13,174</u>	<u>\$ 13,663</u>	<u>\$ 13,796</u>	<u>\$ 16,811</u>	<u>\$ 15,704</u>	<u>\$ 15,503</u>	<u>\$ 16,060</u>

**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

Table IV

September 30, 2023
CITY OF PORT ORANGE, FLORIDA
(Accrual basis of accounting)
(Shown in thousands)

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenue:										
Taxes.....	\$ 33,664	\$ 30,052	\$ 27,705	\$ 25,888	\$ 25,124	\$ 23,581	\$ 22,127	\$ 21,377	\$ 20,675	\$ 20,463
Permits and fees.....	6,972	7,480	7,489	6,628	6,397	6,364	6,450	5,169	5,101	6,363
Intergovernmental.....	15,690	19,471	8,371	11,694	7,311	7,772	13,401	6,449	6,066	5,967
Charges for services.....	5,123	5,305	4,420	4,333	4,275	3,632	3,871	3,603	3,423	3,122
Fines and forfeitures.....	842	353	242	335	323	432	38	917	127	160
Miscellaneous.....	1,738	143	536	1,033	1,493	508	825	536	634	939
Total revenue.....	64,029	62,804	48,763	49,911	44,923	42,289	46,712	38,051	36,026	37,014
Expenditures:										
Current:										
General government.....	18,298	9,516	9,186	9,231	8,194	9,786	15,551	7,363	6,921	6,340
Public safety.....	28,012	26,272	23,400	23,575	23,049	22,312	20,489	20,109	19,346	19,508
Transportation.....	3,263	4,395	2,775	2,870	3,231	2,875	3,009	2,543	2,287	2,130
Economic environment.....	37	35	32	23	43	30	39	96	44	101
Culture/recreation.....	5,614	4,552	3,818	3,909	4,022	3,637	3,402	3,157	2,825	2,644
Capital outlay.....	2,131	6,443	3,614	5,775	4,386	6,999	5,002	3,877	3,303	6,511
Debt service:										
Principal retirement.....	1,705	1,590	1,535	1,485	1,380	1,330	1,360	1,205	770	960
Interest and fiscal charges.....	1,058	1,098	1,155	1,267	1,309	1,369	1,354	1,695	1,535	1,890
Payment to refunded bond escrow agent.....	-	-	-	-	-	-	-	13,807	-	16,118
Refunding bond issuance costs.....	2	2	2	-	-	-	-	145	-	178
Total expenditures.....	60,120	53,903	45,517	48,135	45,614	48,338	50,206	53,997	37,031	56,380
Excess (deficiency) of revenue over (under) expenditures.....	3,909	8,901	3,246	1,776	(691)	(6,049)	(3,494)	(15,946)	(1,005)	(19,366)
Other Financing Sources (Uses):										
Debt proceeds.....	1,143	-	-	-	-	-	-	13,959	-	17,421
Proceeds from sale of capital assets.....	-	-	-	-	-	-	1,242	1,403	-	-
Transfers in.....	3,885	10,478	3,633	3,648	4,042	4,499	5,742	4,958	3,551	6,672
Transfers out.....	(6,530)	(8,138)	(1,087)	(3,074)	(2,645)	(2,519)	(3,728)	(3,320)	(1,995)	(4,095)
Total other financing sources (uses).....	(1,502)	2,340	2,546	574	1,397	1,980	3,256	17,000	1,556	19,998
Net change in fund balances.....	\$ 2,407	\$ 11,241	\$ 5,792	\$ 2,350	\$ 706	\$ (4,069)	\$ (238)	\$ 1,054	\$ 551	\$ 632
Debt service as a percentage of noncapital expenditures.....	4.76%	5.66%	6.42%	6.50%	6.52%	6.53%	6.00%	5.79%	6.83%	5.71%

**TAX REVENUES BY SOURCE - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

September 30, 2023

CITY OF PORT ORANGE, FLORIDA

(Accrual basis of accounting)

Table V

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Ad Valorem Property Tax:										
City operating and debt service.....	\$ 22,070,754	\$ 19,538,476	\$ 17,644,752	\$ 15,928,774	\$ 15,252,700	\$ 13,801,060	\$ 12,839,236	\$ 12,077,471	\$ 11,534,899	\$ 11,432,100
Tax increment districts ⁽¹⁾	<u>668,888</u>	<u>549,249</u>	<u>453,609</u>	<u>416,867</u>	<u>335,002</u>	<u>341,665</u>	<u>306,246</u>	<u>283,110</u>	<u>267,167</u>	<u>243,250</u>
Total property tax.....	<u>\$ 22,739,642</u>	<u>\$ 20,087,725</u>	<u>\$ 18,098,361</u>	<u>\$ 16,345,641</u>	<u>\$ 15,587,702</u>	<u>\$ 14,142,725</u>	<u>\$ 13,145,482</u>	<u>\$ 12,360,581</u>	<u>\$ 11,802,066</u>	<u>\$ 11,675,350</u>
Sales and use tax.....	\$ 4,419,453	\$ 4,377,233	\$ 3,981,965	\$ 3,425,661	\$ 3,472,065	\$ 3,302,153	\$ 3,266,628	\$ 3,116,961	\$ 2,956,303	\$ 2,741,746
Franchise tax.....	4,460,446	4,020,775	3,408,531	3,206,532	3,303,114	3,303,114	3,230,368	3,195,761	3,256,092	3,148,545
Utility service taxes.....	6,949,302	6,204,935	5,831,407	5,703,323	5,718,089	5,602,896	5,332,884	5,270,749	5,153,922	5,002,092
Communications services tax.....	1,742,804	1,742,804	1,640,897	1,676,838	1,674,912	1,740,753	1,656,402	1,784,375	1,886,648	1,972,034

⁽¹⁾ Includes pro-rata share of other government tax increment reported as intergovernmental revenue in the governmental fund financial statements.

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

Table VI

September 30, 2023

CITY OF PORT ORANGE, FLORIDA

(in thousands)

	Residential Property	Commercial Property	Industrial Property	Other Property	Less: Tax-Exempt Property	Total Just Value	Total Direct Tax Rate	Assessed Taxable Value	Assessed Value as a Percentage of Total Just Value
2014	3,011,211	867,376	116,791	486,258	1,092,756	3,388,880	5.1901	2,296,124	67.75%
2015	3,359,289	967,639	130,292	542,466	1,276,462	3,723,224	4.9209	2,446,762	65.72%
2016	3,727,810	1,119,879	132,782	525,124	1,450,442	4,055,152	4.8270	2,604,710	64.23%
2017	4,025,371	1,253,143	138,262	555,924	1,593,476	4,379,224	4.7944	2,785,748	63.61%
2018	4,388,396	1,356,968	148,033	599,273	1,752,167	4,740,503	4.8055	2,988,336	63.04%
2019	4,736,345	1,500,159	153,736	629,688	1,892,250	5,127,678	4.9211	3,235,428	63.10%
2020	5,062,856	1,581,022	170,356	657,514	1,997,938	5,473,809	4.7965	3,475,870	63.50%
2021	5,407,607	1,740,943	179,156	706,178	2,135,819	5,898,065	4.9141	3,762,246	63.79%
2022	5,741,313	1,843,089	194,233	703,139	2,245,528	6,236,246	5.1356	3,990,718	63.99%
2023	7,357,932	2,374,541	431,735	683,399	3,170,224	7,677,383	5.0710	4,507,159	58.71%

Source: Volusia County Property Tax Appraiser

Note: The total direct tax rate is the rate per thousand dollars of assessed taxable value

**PROPERTY TAX RATES AND TAX LEVIES-
ALL DIRECT AND OVERLAPPING GOVERNMENTS-
LAST TEN FISCAL YEARS**

September 30, 2023

CITY OF PORT ORANGE, FLORIDA

Table VII

Fiscal Year	City of Port Orange			School District	Volusia County	Florida Inland Navigation District	Volusia Hospital District	Halifax Hospital District	Ponce DeLeon Inlet and Port Authority	St. Johns River Water Management District	Mosquito Control District
	Operating	Debt Service	Total								
Tax Levies											
2014	10,789,717	1,127,397	11,917,114	16,952,304	16,751,632	79,486	6,771,476	2,303,928	214,034	756,380	479,217
2015	10,909,866	1,130,404	12,040,270	17,949,446	17,790,162	84,413	6,812,275	2,446,762	227,304	774,155	459,991
2016	11,439,888	1,133,049	12,572,937	18,746,098	18,938,586	83,351	6,860,806	2,487,498	241,978	787,404	489,685
2017	12,408,286	947,712	13,355,998	19,076,813	19,645,106	89,144	6,685,799	2,106,305	258,796	803,689	523,721
2018	13,411,952	948,498	14,360,450	19,483,951	21,073,745	95,627	3,822,082	1,129,890	277,616	814,023	561,807
2019	14,976,151	945,716	15,921,867	20,321,723	21,503,949	103,534	3,877,337	1,147,283	300,571	828,917	608,260
2020	15,729,702	947,175	16,676,877	21,136,765	25,333,531	111,228	3,897,493	1,232,544	322,908	839,075	653,464
2021	17,547,611	948,102	18,495,713	22,223,587	25,074,617	120,392	3,978,199	3,716,723	331,078	860,426	670,056
2022	19,591,711	911,874	20,503,585	23,154,146	27,461,328	127,703	4,020,648	3,802,755	337,216	873,568	710,747
2023	21,925,097	947,186	22,872,283	24,708,246	29,734,179	144,229	4,874,943	3,878,861	342,544	889,713	802,725
Tax Rates per Thousand Dollars of Assessed Valuation											
2014	4.6991	0.4910	5.19010	7.358	7.271	0.0345	2.939	1.000	0.093	0.328	0.2080
2015	4.4589	0.4620	4.92090	7.336	7.271	0.0345	2.784	1.000	0.093	0.316	0.1880
2016	4.3920	0.4350	4.82700	7.197	7.271	0.0320	2.634	0.955	0.093	0.302	0.1880
2017	4.4542	0.3402	4.79440	6.848	7.052	0.0320	2.400	0.756	0.093	0.289	0.1880
2018	4.4881	0.3174	4.80550	6.520	7.052	0.0320	1.279	0.378	0.093	0.272	0.1880
2019	4.6288	0.2923	4.92110	6.281	7.288	0.0320	1.198	0.355	0.093	0.256	0.1880
2020	4.5254	0.2725	4.79790	6.081	7.288	0.0320	1.121	0.355	0.093	0.241	0.1880
2021	4.6622	0.2519	4.91410	5.907	6.665	0.0320	1.057	0.988	0.088	0.229	0.1781
2022	4.9072	0.2284	5.13560	5.802	6.881	0.0320	1.008	0.953	0.085	0.219	0.1781
2023	4.8610	0.2100	5.07100	5.482	6.597	0.0320	1.082	0.861	0.076	0.197	0.1781

Source: Volusia County Property Tax Appraiser
FY2014 Levied Taxes Revised per Final Schedule on County Tax Appraiser Website

**PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND NINE YEARS AGO**
September 30, 2023
CITY OF PORT ORANGE, FLORIDA

Table VIII

Taxpayer	September 30, 2023			September 30, 2013		
	Assessed Taxable Value	Rank	Percent to Total Assessed Taxable Value	Assessed Taxable Value	Rank	Percent to Total Assessed Taxable Value
Florida Power & Light Company.....	\$131,768,971	1	3.5%	\$45,133,393	1	2.0%
Port Orange Apt Assoc II LLC.....	56,341,512	2	1.5%	10,816,997	10	0.5%
POA Development LLC	55,332,527	3	1.5%	11,945,832	9	
Eden GPC Port Orange Owner LLC	48,350,321	4	1.3%			
Edge Cove LLC.....	46,498,490	5	1.2%			
Port Orange Town Center LLC.....	45,519,382	5	1.2%	28,630,306	2	1.3%
Continental 425 Fund LLC	43,803,935	6	1.2%			
Hawthorne Village @Port Orange Inc.....	41,860,711	8	1.1%	18,804,591	3	0.8%
Whitepalm Bay LLC.....	39,064,113	9	1.0%			
Becks Farm LTD.....	34,250,261	10	0.9%	13,846,334	7	0.6%
Ocean Oaks Hat LLC.....			0.0%			
Walmart Stores East LP.....				14,391,947	6	0.6%
Bellsouth Telecommunication Inc.....				12,483,974	8	0.6%
USF Propco II LLC				17,033,840	4	0.8%
Raydon Corporation.....				15,932,899	5	0.7%
Total taxable assessed value of the largest taxpayers.....	<u>\$ 542,790,223</u>			<u>\$ 189,020,113</u>		
Total taxable assessed value of other taxpayers.....	<u>\$ 3,219,455,565</u>			<u>\$ 2,050,727,183</u>		
Total taxable assessed value of all taxpayers.....	<u>\$ 3,762,245,788</u>			<u>\$ 2,239,747,296</u>		

Source: Volusia County Property Tax Appraiser

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
September 30, 2023
CITY OF PORT ORANGE, FLORIDA

Table IX

Fiscal Year Ended September 30,	Taxes Levied For Year (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years (2)	Total Collections to Date	
		Amount (2)	Percent of Levy		Amount	Percent of Levy
2014	\$ 11,917,114	\$ 11,488,291	96.4%	\$ 34,720	\$ 11,523,011	96.7%
2015	12,040,270	11,377,953	94.5%	241,788	11,619,741	96.5%
2016	12,572,937	11,928,757	94.9%	231,859	12,160,615	96.7%
2017	13,355,998	12,680,097	94.9%	248,837	12,928,934	96.8%
2018	14,360,450	13,851,566	96.5%	83,274	13,934,840	97.0%
2019	15,921,867	15,142,867	95.1%	255,325	15,398,191	96.7%
2020	16,676,880	15,835,222	95.0%	264,509	16,099,731	96.5%
2021	18,488,082	17,575,180	95.1%	278,441	17,853,621	96.6%
2022	20,503,585	19,514,674	95.2%	250,125	19,764,799	96.4%
2023	22,872,283	21,714,502	94.9%	356,264	22,070,766	96.5%

Source: (1) Volusia County Property Tax Appraisers Office DR-403
(2) City of Port Orange Finance Department

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

Table X

September 30, 2023

CITY OF PORT ORANGE, FLORIDA

(dollars in thousands, except for per capita)

Fiscal Year Ended September 30,	Governmental Activities			Business-Type Activities			Total Primary Government	Percent of Personal Income (a)	Per Capita
	General Obligation Bonds	Revenue Bonds & Loans	Net Premiums & (Discounts)	Revenue Bonds & Notes	SRF Loans	Net Premiums & (Discounts)			
2014	14,440	23,545	1,139	41,095	24,689	(47)	104,861	0.6126%	1,825
2015	14,055	23,160	1,118	36,100	22,972	(54)	97,351	0.5630%	1,660
2016	12,895	22,355	1,884	26,260	21,209	(52)	84,552	0.4621%	1,425
2017	12,355	21,535	1,741	26,260	18,591	(48)	80,434	0.4109%	1,349
2018	11,870	20,690	1,588	21,755	15,897	(45)	71,755	0.3493%	1,176
2019	11,375	19,805	1,439	17,155	13,127	(41)	62,860	0.2870%	1,020
2020	10,870	18,825	1,292	13,165	10,423	(38)	54,537	0.2231%	868
2021	10,350	17,810	1,157	9,100	8,097	(34)	46,480	0.1781%	735
2022	9,815	16,755	1,024	4,965	6,126	(31)	38,654	0.1293%	602
2023	9,265	15,655	897	4,965	4,099	(28)	34,853	0.1124%	536

Source: City of Port Orange Finance Department

(a) See Table XIV for personal income and population data.

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

September 30, 2023

CITY OF PORT ORANGE, FLORIDA

Table XI

Fiscal Year Ended September 30,	Assessed Taxable Value (1)	Total General Bonded Debt	Accumulated Resources Restricted*	Net General Debt	Assessed Net General Bonded Debt	Estimated Population (2)	Net General Bonded Debt Per Capita
2014	2,296,124,074	14,440,000	61,902	14,378,098	0.63%	57,467	250.20
2015	2,446,761,822	14,055,000	86,352	13,968,648	0.57%	58,656	238.15
2016	2,604,710,345	12,895,000	298,900	12,596,100	0.48%	59,315	212.36
2017	2,785,749,578	12,355,000	260,279	12,094,721	0.43%	59,625	202.85
2018	2,988,336,202	11,870,000	290,414	11,579,586	0.39%	61,009	189.80
2019	3,235,428,328	11,375,000	328,136	11,046,864	0.34%	61,617	179.28
2020	3,475,870,645	10,870,000	358,572	10,511,428	0.30%	62,832	167.29
2021	3,762,245,788	10,350,000	381,663	9,968,337	0.26%	63,275	157.54
2022	3,990,718,832	9,815,000	364,061	9,450,939	0.24%	64,230	147.14
2023	4,507,159,078	9,265,000	393,476	8,871,524	0.20%	65,008	136.47

Source: (1) Volusia County Property Tax Appraiser

(2) University of Florida, Bureau of Economic and Business Research

* Accumulated resources restricted to repaying the principal of general bonded debt.

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**Table XII**

September 30, 2023

CITY OF PORT ORANGE, FLORIDA

Governmental Unit	Net Debt Outstanding	Estimated Percent Applicable to the City of Port Orange (1)	City's Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Volusia County:			
General Obligation Bonds.....	\$ -	9.24%	\$ -
Other Debt:			
District School Board of Volusia County, Florida:			
State School Bonds.....	-	9.24%	-
Sales Tax Revenue Bonds.....	26,695,676	9.24%	2,467,666
Certificates of participation.....	271,474,711	9.24%	25,094,288
Volusia County:			
Revenue Bonds.....	46,540,000	9.24%	4,302,015
Notes Payable.....	<u>17,943,611</u>	9.24%	<u>1,658,652</u>
Total overlapping debt.....			33,522,621
City direct debt			<u>24,920,000</u>
Total direct and overlapping debt.....			<u>\$ 58,442,621</u>

Source: City of Port Orange, Florida Comprehensive Annual Financial Report for Fiscal Year Ended September 30, 2023.

(1) Percentage applicable to City was determined by taking the City's assessed taxable value and dividing it by

Volusia County's assessed taxable value for tax year 2022

**PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS**

Table XIII

September 30, 2023

CITY OF PORT ORANGE, FLORIDA

Fiscal Year Ended	Gross Revenues	Less: Operating Expenses	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
<u>Water and Sewer Bonds</u>						
2014	25,182,564	14,116,531	11,066,033	4,085,000	688,303	2.32
2015	26,030,902	14,067,671	11,963,231	4,115,000	578,419	2.55
2016	27,140,395	13,991,595	13,148,800	5,115,000	476,645	2.35
2017	27,486,455	13,884,287	13,602,168	3,510,000	382,624	3.49
2018	27,307,359	13,754,637	13,552,722	3,860,000	317,768	3.24
2019	28,265,911	14,092,024	14,173,887	3,935,000	249,172	3.39
2020	28,492,273	14,653,123	13,839,150	3,990,000	179,432	3.32
2021	28,064,380	14,393,123	13,671,257	4,065,000	108,548	3.28
2022	27,769,787	16,992,891	10,776,896	4,135,000	36,388	2.58
2023	28,791,659	19,172,019	9,619,640	-	-	0.00
<u>Stormwater Utility Revenue Bonds</u>						
2014	3,805,758	1,493,264	2,312,494	850,000	312,103	1.99
2015	3,860,474	1,556,459	2,304,015	880,000	289,338	1.97
2016	3,884,177	1,489,091	2,395,086	595,000	271,281	2.76
2017	3,923,863	1,723,534	2,200,329	620,000	258,124	2.51
2018	4,542,529	1,754,535	2,787,994	645,000	244,360	3.13
2019	4,484,758	2,092,339	2,392,419	665,000	230,126	2.67
2020	4,568,876	2,289,662	2,279,214	-	222,935	10.22
2021	4,608,238	2,167,361	2,440,877	-	222,935	10.95
2022	4,520,597	2,163,842	2,356,755	-	222,935	10.57
2023	4,438,376	2,680,321	1,758,055	-	222,935	7.89

Note: Water and Sewer gross revenues include operating revenue of the system and interest earnings. Interest earnings from construction funds are excluded. Operating expenses do not include depreciation expense. Stormwater Utility revenue bonds are supported by drainage fees charged. Additional details regarding revenues and expenses can be found in the fund financial statements or the combining schedules of this comprehensive annual financial report.

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
September 30, 2023
CITY OF PORT ORANGE, FLORIDA

Table XIV

Fiscal Year Ended September 30,	City of Port Orange Population(a)	City of Port Orange School Enrollment (b)	City of Port Orange Unemployment Rate (c)	Volusia Personal Income (d) (in thousands)	Volusia Per Capita Personal Income (e)
2014	57,467	9,930	5.1	17,117,508	34,305
2015	58,656	10,149	4.7	17,292,604	34,321
2016	59,315	10,182	4.3	18,297,539	35,364
2017	59,625	10,368	3.8	19,577,196	37,404
2018	61,009	10,473	3.1	20,543,253	38,135
2019	61,617	10,585	3.2	21,902,076	40,001
2020	62,832	9,587	4.7	24,444,162	44,316
2021	63,275	9,629	4.2	26,095,706	47,310
2022	64,230	10,294	2.5	29,893,649	52,964
2023	65,008	10,419	2.8	31,021,130	53,559

Sources:

- (a) University of Florida, Bureau of Economic and Business Research
- (b) Volusia County School Board
- (c) U.S. Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics Program,
in cooperation with the Florida Department of Economic Opportunity, Bureau of Labor Market Statistics
- (d) United States Department of Commerce, Bureau of Economic and Business Research (2006-2011);
Florida Research & Economic Database (2012-2018) via Volusia County Schools FY19 CAFR
- (e) Calculated by dividing Personal Income by the Population

PRINCIPAL EMPLOYERS

Volusia County , Florida
Current Year and Nine Years Ago

Table XV

Fiscal Year 2023				Fiscal Year 2014			
Employer	Total Employees	Rank	Percent of Total	Employer	Total Employees	Rank	Percent of Total
			Employment				Employment
Volusia County School District	8,197	1	2.97%	Volusia County School District	7,340	1	2.84%
Advent Health Systems	7,794	2	2.82%	Halifax Health	4,090	2	1.58%
Halifax Health	4,312	3	1.56%	County of Volusia	3,285	3	1.27%
Publix Supermarkets	4,069	4	1.47%	Florida Hospital	3,834	4	1.48%
Walmart Associates Inc.	3,586	5	1.30%	Publix Supermarkets	3,046	5	1.18%
State of Florida	2,628	6	0.95%	State of Florida	2,661	6	1.03%
County of Volusia	2,464	7	0.89%	Wal-Mart Stores	1,873	7	0.72%
Embry-Riddle Aeronautical University	1,973	9	0.71%	Daytona State College	1,558	8	0.60%
Daytona State College	1,424	10	0.52%	Embry-Riddle Aeronautical University	1,465	9	0.57%
Amazon	1,300	8	0.47%	U.S. Government	1,450	10	0.56%
Florida Healthcare Plan	1,297	11	0.47%		30,602		11.83%
Brunswick Corporation	1,097	12	0.40%				
	40,141		14.55%				
Estimated total workforce	275,965			Estimated total workforce	258,685		

Source: FloridaBusiness.org, County of Volusia CAFR

FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
September 30, 2023
CITY OF PORT ORANGE, FLORIDA

Table XVI

	Full-Time Equivalent Employees at September 30, 20xx									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government:										
Management.....	12.00	16.00	17.00	14.25	13.50	13.50	11.50	11.78	11.00	11.20
Finance.....	17.00	16.00	13.00	17.40	15.40	16.40	15.50	13.77	11.50	9.85
Human Resources.....	6.00	4.00	6.00	5.00	5.00	4.00	4.00	3.00	3.00	3.10
Community Development.....	26.00	24.00	24.50	26.17	26.17	31.30	30.30	27.17	25.67	23.67
Other.....	42.50	35.25	31.50	33.96	33.96	31.13	31.46	29.16	28.36	28.31
Police:										
Officers and civilians.....	101.50	103.50	105.50	104.90	122.88	112.88	110.88	108.79	108.54	104.74
Fire:										
Firefighters, officers and civilians.....	64.50	64.50	63.50	64.20	64.50	60.50	59.50	59.50	58.00	58.00
Solid Waste.....	2.00	3.00	3.00	3.92	3.82	3.50	3.30	3.30	3.30	3.35
Stormwater.....	17.00	15.00	14.00	16.69	17.29	16.40	16.70	16.70	16.70	14.75
Public works-Transportation.....	20.00	21.00	20.00	21.15	19.51	19.60	19.50	18.50	16.50	15.50
Parks and recreation.....	58.50	49.00	44.50	46.95	50.09	49.74	45.81	40.41	33.77	30.19
Water & Sewer	70.50	83.00	88.50	97.23	104.53	102.68	100.71	100.58	101.08	96.63
Total.....	437.50	434.25	431.00	451.82	476.65	461.63	449.16	432.66	417.42	399.29

Source: City Finance Department

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
September 30, 2023
CITY OF PORT ORANGE, FLORIDA

Table XVII

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Police:										
Arrests.....	1,403	1,405	1,497	1,263	2,005	1,858	1,870	1,799	1,787	2,239
Traffic violations.....	4,853	5,269	7,251	6,499	8,269	8,366	7,377	7,927	7,848	7,342
Fire:										
Emergency responses.....	10,612	11,420	10,105	9,188	9,000	9,186	9,421	9,076	8,100	7,200
Fires extinguished.....	137	118	130	118	102	128	143	140	96	93
Inspections/system tests.....	716	651	393	303	220	266	132	577	561	632
Solid Waste:										
Refuse collected (tons per day).....	150	140	184	140	137	124.8	125.4	118.8	121.8	110.8
Recyclables collected (tons per day).....	5	3	3.1	2.9	6.5	7.4	7.1	8.2	8.2	8.3
Number of Customers:										
Residential.....	25,407	25,356	25,173	24,410	24,048	23,834	23,620	23,515	23,386	23,275
Commercial.....	550	341	881	828	907	909	899	889	891	873
Public works-Transportation										
Street resurfacing (miles).....	-	5.78	7.48	4.5	6	7.0	7.0	6.5	7.0	7.0
Parks and recreation										
Number of athletic sign-ups.....	3,400	3,926	4,388	1,266	3,562	3,614	3,215	3,100	3,043	2,811
Water:										
Potable Water Produced (MGD AADF).....	7	6.422	6.236	6.178	6.043	5.789	5.815	5.954	5.948	5.847
Number of customers:										
Inside.....	26,274	26,255	26,240	25,874	25,692	25,575	25,284	25,102	25,014	24,886
Outside.....	2,388	2,379	2,370	2,323	2,313	2,294	2,273	2,268	2,265	2,262
Residential.....	26,985	26,964	26,944	26,566	26,382	26,234	25,933	25,743	25,652	25,540
Commercial.....	1,677	1,670	1,666	1,631	1,623	1,635	1,624	1,627	1,627	1,600
Sewer:										
Wastewater Treated (MGD AADF).....	7	6.665	6.236	6.178	6.043	5.789	5.815	5.627	5.942	6.334
Number of customers:										
Inside.....	25,503	25,489	25,468	25,098	24,927	24,796	24,462	24,244	24,099	23,969
Outside.....	878	874	866	842	829	813	793	784	781	781
Residential.....	25,086	25,071	25,051	24,685	24,505	24,355	24,010	23,799	23,662	23,548
Commercial.....	1,295	1,292	1,283	1,255	1,251	1,254	1,245	1,229	1,218	1,202

MGD AADF = million gallons per day average annual daily flow

*Traffic violations = State citations, parking citations, written warnings & DUI citations

Source: City Finance Department and Department Activity Reports

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
September 30, 2023
CITY OF PORT ORANGE, FLORIDA

Table XVIII

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Police:										
Stations.....	1	1	1	1	1	1	1	1	1	1
Patrol Vehicles and other Fleet.....										
*Vehicles.....	120	120	123	126	124	113	107	105	102	101
*Motorcycles.....	9	9	9	9	9	9	9	7	7	6
*Trailers.....	5	6	6	6	6	4	3	3	6	6
*Boat/Marine Unit.....	1	-	-	-	-	1	1	1	1	1
Fire stations.....	5	5	5	5	5	5	5	5	5	5
Public works-Transportation:										
Paved roads (miles).....	330	330	325	320	320	320	320	319	319	317
Streetlights.....	3919	3409	3,691	3,691	3,691	3,650	3,650	3,300	3,300	3,300
Traffic control devices.....	24	21	22	22	22	22	22	22	20	20
Parks and recreation:										
Acreage.....	489	489	475	475	485	485	485	485	485	491
Playgrounds.....	10	10	10	9	9	10	10	10	10	9
Community centers.....	3	3	3	3	3	-	-	-	-	-
Baseball/softball diamonds.....	11	11	11	11	-	-	-	-	-	-
Soccer/football fields.....	9	9	8	8	-	-	-	-	-	-
Athletic Fields.....	20	20	19	19	18	21	21	24	26	26
Adult Activity Centers.....	1	1	3	3	3	3	3	3	3	2
Boardwalks / Fishing Piers.....	6	6	6	7	7	9	9	10	10	10
Boat Ramps.....	5	5	7	7	7	6	6	6	6	6
Golf Courses.....	1	1	1	1	1	1	1	1	1	1
Gymnasiums.....	1	1	1	1	1	1	2	2	2	2
Tennis Courts.....	20	20	20	18	20	18	18	18	18	18
Pickleball Courts.....	8	8	8	-	-	-	-	-	-	-
Splash Pads.....	2	2	2	-	-	-	-	-	-	-
Water:										
Potable Water mains (miles).....	456	455	454	444	434	434	434	431	431	427
Fire hydrants.....	3,162	3,142	2,900	2,900	2,897	2,897	2,999	2,897	2,887	2,786
Storage capacity (mgd).....	6	6	6	6	6	6	6	6	6	6
Sewer:										
Sanitary sewer force mains (miles).....	73	74	74	72	72	72	72	72	72	71
Gravity sewer mains (miles).....	295	294	292	300	282	282	282	279	279	277
Treatment capacity (mgd).....	12	12	12	12	12	12	12	12	12	12

*Sewer treatment capacity restated as millions of gallons per day (mgd).

*Patrol Vehicles and Other Fleet restated beginning in 2014.

Source: City Finance Department and Department Reports



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**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 and City Council,
City of Port Orange, Florida:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Port Orange, 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 April 5, 2024.

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.

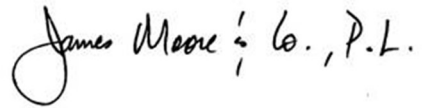
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

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*.

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, flowing style.

Daytona Beach, Florida
April 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 and City Council,
City of Port Orange, Florida:

Report on the Financial Statements

We have audited the basic financial statements of City of Port Orange, Florida (the City), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated April 5, 2024.

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 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 on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Examination 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, which are dated April 5, 2024, should be considered in conjunction with this management letter.

In addition, separate audits were performed on the Agreement for Golf Course Management Services at Cypress Head, which is included in the Golf Course fund, as well as the City of Port Orange General Employees Defined Benefit Pension Plan, the City of Port Orange Police Pension Plan and the City's two Community Redevelopment Agencies. Management comments in those reports should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. No repeat findings exist from the second preceding audit. The following is a summary of prior year recommendations:

2022-001 Accounting System & Conversion Balance Cleanup – Corrective action taken.

2022-002 Unexpended Fund Balance – Building Permits—Corrective action taken.

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 communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific 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 for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we had the following recommendations:

2023-001 Budgetary Compliance – Capital Replacement Fund – We noted expenditures in the transportation capital projects fund exceeded final budget amounts due to a systematic posting in the current accounting system related to ongoing construction projects. While we also noted that the City is in the final stages of an accounting system conversion which will better enable management to perform budget versus actual analysis, we recommend, as part of such conversion, the City ensure budgetary monitoring is included as a key area of focus in implementation and training for the new software.

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.

Specific Special District Information – CRAs

The required reporting items in accordance with Section 218.39(3)(c), Florida Statutes for the City of Port Orange Eastport Business Center Community Redevelopment Agency and the City of Port Orange Town Center Community Redevelopment Agency have been reported in the separately-issued audited financial statements of the respective agencies.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

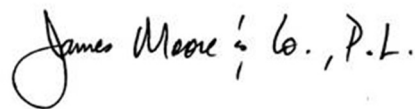
Management's Response to Recommendations

The City's response to the recommendations identified in our audit are outlined as listed in the table of contents. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 Council, 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.

Daytona Beach, Florida
April 5, 2024

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive, flowing style.



INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

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

We have examined the City of Port Orange, Florida's (the City) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies* (the Statute), for the year ended September 30, 2023. Management is responsible for the City's compliance with the Statute. Our responsibility is to obtain reasonable assurance by evaluate the City's compliance with the Statute 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 attestation standards for a direct examination engagement established by the American Institute of Certified Public Accountants (AICPA). Those standards require that we obtain reasonable assurance for evaluating the City's compliance with the Statute, and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of our evaluation of the City's compliance with the Statute. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks that the City was not in compliance with the Statutes in all material respects, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, the City of Port Orange, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2023.

Daytona Beach, Florida
April 5, 2024

James Moore & Co., P.L.

AUDITEE'S RESPONSE TO:
Independent Auditors' Management Letter
April 5, 2024

Response:

2023-001 Budgetary Compliance – Capital Replacement Fund

The finance department will continue to conduct budgetary monitoring procedures and is confident in the applicable modules within the new accounting system to aid in the efficiency and effectiveness of this process on an ongoing basis.



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