



Annual Comprehensive Financial Report

Fiscal Year
October 1, 2023 -
September 30, 2024

City of New
Smyrna Beach,
Florida

CITY OF NEW SMYRNA BEACH, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2024

Prepared by:
The Finance Department

CITY OF NEW SMYRNA BEACH, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2024

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INTRODUCTORY SECTION



**City of New Smyrna Beach, Florida Annual
Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2024**



City Commission

Honorable Fred Cleveland, Mayor

Zone 1 – Valli Perrine

Zone 2 – Lisa Martin

Zone 3 – Jason McGuirk

Zone 4 – Randy Hartman, Vice Mayor

City Manager

Kevin Cowper

City Attorney

Carrie Avallone

Finance Director

Sheliza Bhola



City of New Smyrna Beach

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

June 30, 2025

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

The City Charter and Florida Statutes require that all general-purpose local governments publish a complete set of financial statements presented in accordance with generally accepted accounting principles (GAAP) and be audited in accordance with generally accepted auditing standards (GAAS) by a firm of licensed public accountants. Pursuant to that requirement, we hereby submit the comprehensive annual financial report of the City of New Smyrna Beach, Florida for the fiscal year ended September 30, 2024, as prepared by the City's Finance Department.

Management Representations and Internal Controls

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

Independent Audit

Purvis Gray & Company, a firm of licensed certified public accountants, has issued an unmodified ("clean") opinion on the financial statements for the fiscal year ended September 30, 2024. Their report is presented as the first component of the financial section of this report.

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

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

Financial Reporting Entity

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

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

City Profile

New Smyrna Beach is approximately 41.6 square miles in size and serves a population of approximately 32,542. It is located on Florida's east coast, in the County of Volusia, just north of Cape Canaveral with easy access to both Interstate 95 and Interstate 4 and is:

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

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



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

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

Economic Condition and Outlook

New Smyrna Beach is a charming, historic coastal city known for its laid-back atmosphere, vibrant arts scene, and strong sense of community. It has earned a reputation as a premier tourist destination and artist enclave, with abundant natural preserves that support fishing, eco-tourism, and outdoor recreation. The city's white-sand beaches have received international recognition for exceptional surfing, featured in publications such as National Geographic and Travel + Leisure, as well as on travel platforms like SmarterTravel.com. Residents and visitors enjoy a wide range of amenities, including golf courses, art galleries, boutique shopping, and diverse dining options, all within two walkable historic districts.

Tourism and hospitality remain the foundation of the local economy. In 2024, New Smyrna Beach welcomed approximately 506,900 visitors, generating an estimated \$420 million in economic impact and supporting 2,828 jobs. While tourism continues to thrive, the City and its partners have worked diligently over the past decade to diversify the tax base. In 2024, the civilian labor force in Leisure and Hospitality matched that of Professional and Business Services at 14%, with Wholesale and Retail Trade close behind at 13%. That same year, New Smyrna Beach led Volusia County in both residential (\$5.7 million) and condominium (\$2.6 million) property sales value.

This is a historic shift that highlights the city's growing appeal as a desirable place to live.

The city's top employers span a range of sectors, including health care, retail, education, government, and utilities. Residential properties make up 83% of the city's property tax base (one of the highest proportions in the county) while commercial properties account for 10%. Although Volusia County has seen a gradual shift toward a more commercial tax base, New Smyrna Beach remains largely dependent on residential growth to support its annual budget.

The City continues to collaborate with the NSB Housing Authority to advance its strategic goal of creating innovative housing solutions that help families transition from poverty to prosperity. On July 12, 2024, the City celebrated the opening of Green Lawn Manor, an 80-unit senior affordable housing development in the Historic Westside neighborhood. This project was supported by \$425,000 in local funding from the City's Community Redevelopment Agency (CRA). Looking ahead, the CRA has committed \$460,000 toward Phase II, a 72-unit multi-family affordable housing project, and \$150,000 for demolition and infrastructure to replace the Live Oak Housing complex. Additionally, the CRA continues to invest in revitalization efforts through commercial façade grants, helping property owners enhance their buildings and increase property values within the district.

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

Financial Planning and Budgeting

The City continued to stress expenditure control in preparing FY2025 budget across all funds. The City's operating ad valorem millage rate for FY2024 is 4.415 mills, which is an increase from last year's millage rate of 3.950. The housing market is expected to increase and retain its value. The short to mid-term economic outlook anticipates continued growth focused in residential construction. As homes are built and additional residents move to the City, demand for services will continue to increase.

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

Relevant Financial Policies

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

Cash Management and Emergency Reserves The City administers a cash management and investment program that seeks to maximize, in order of priority, the preservation of funds, liquidity, and interest earnings over its cash and investments. During the fiscal year, the City's cash resources (excluding pension investments) were primarily held by TD Bank. The City did not invest in any derivatives or similar debt and investment instruments. For the General Fund, the City Commission adopted an emergency reserve policy based upon recommendations of management and Government Finance Officers Association (GFOA) recommended practices. The policy states that General Fund unassigned fund balance equal to 25% of the current fiscal year budgeted expenditures less capital outlay and transfers out, will be maintained for emergency purposes and are not otherwise to be appropriated. At the end of fiscal year 2024, unassigned fund balance for the general fund stood at 35% of the current year budgeted expenditures.

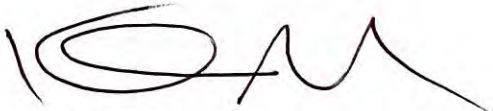
Risk Management The City contracts for all known risk elements through the purchase of insurance from outside insurance companies. The City maintains commercial insurance coverage in amounts that management feels is adequate to protect and safeguard assets of the City. In the opinion of management and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

Other Information

Awards The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to City of New Smyrna Beach, Florida for its comprehensive annual financial report for the fiscal year ended September 30, 2022. This is the 44th year that the City has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report meets the requirements for this program and are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,



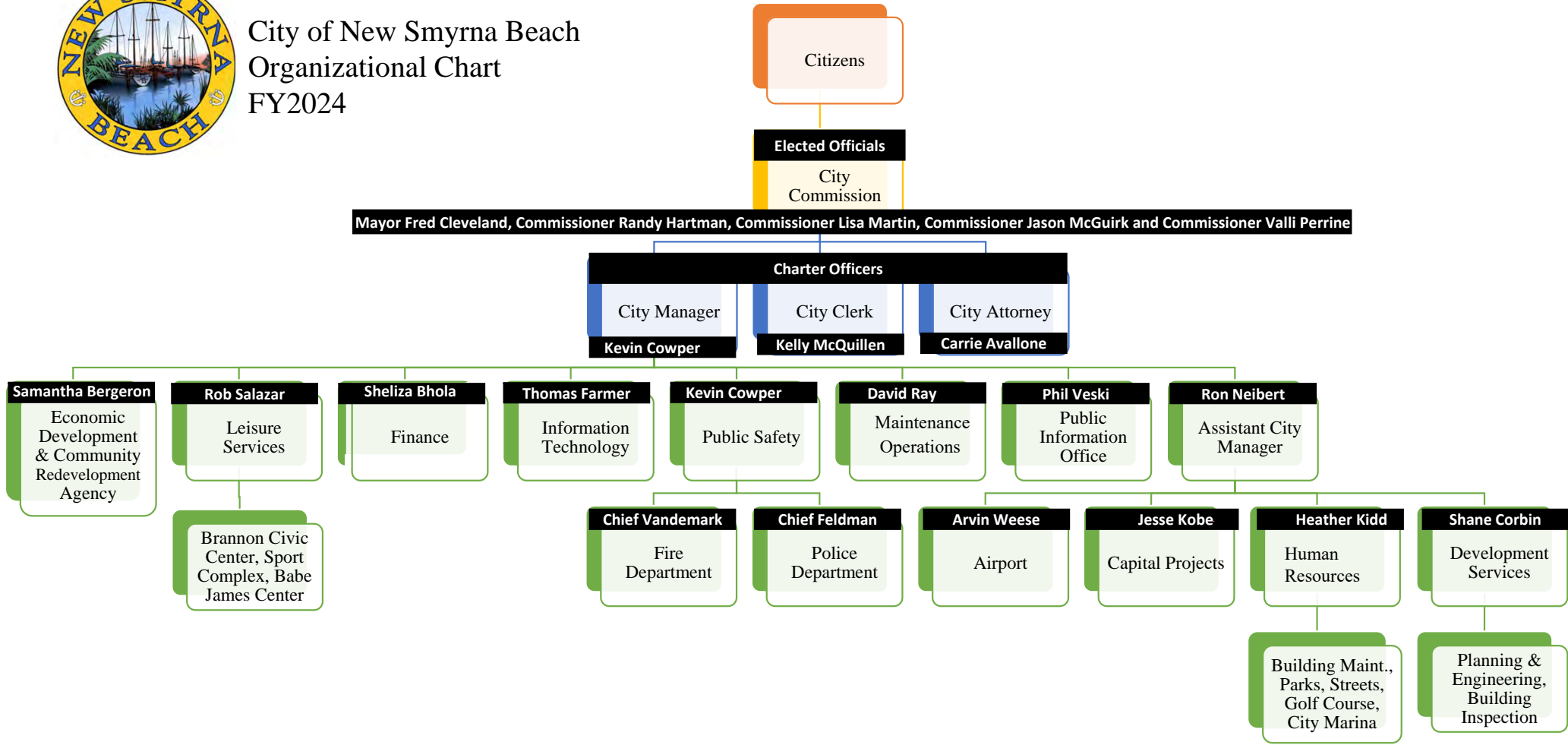
Kevin Cowper
City Manager



Jo Anne Drury, CPA, CGFO
Finance Director



City of New Smyrna Beach
Organizational Chart
FY2024



FINANCIAL SECTION



Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

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

Report on Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of New Smyrna Beach, Florida (the City) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2024, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

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

INDEPENDENT AUDITOR'S REPORT

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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with 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.

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

INDEPENDENT AUDITOR'S REPORT

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 GAAS, 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 non-major fund financial statements and other schedules and the schedule of expenditures of federal awards and state financial assistance, as required by the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Chapter 10.550, *Rules of the Auditor General*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Comprehensive Financial Report

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

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

INDEPENDENT AUDITOR'S REPORT

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Purvis Gray

June 30, 2025
Gainesville, Florida

Management's Discussion and Analysis



MANAGEMENT'S DISCUSSION AND ANALYSIS

On behalf of the City of New Smyrna Beach, Florida (hereinafter referred to as the City), management presents to the readers of the City's financial statements this narrative overview and analysis of the City's financial activities for the fiscal year ended September 30, 2024. We are providing this discussion and analysis to assist the reader in a better understanding of the City's overall financial position. We encourage readers to weigh this discussion and analysis in conjunction with the additional information in the letter of transmittal beginning page ii, and the City's financial statements beginning on page 21.

Financial Highlights

Government-Wide Financial Position: As of September 30, 2024, the City's total assets and deferred outflows of resources exceeded its total liabilities and deferred inflows of resources by \$198.9 million, representing a \$21.4 million increase or 12% in net position compared to the prior fiscal year.

Governmental Funds: At fiscal year-end, the City's governmental funds reported a combined ending fund balance of \$77.9 million, an increase of \$9.1 million or 13% over the previous year. Of this total, approximately \$16.4 million or 21% is classified as unassigned and is available for discretionary spending.

Proprietary Funds: The City's proprietary funds reported a combined ending net position of \$3.3 million, reflecting an increase of \$829,000 due to current year operating activities.

Capital Assets: Government-wide capital assets increased by \$10.8 million during fiscal year 2024, bringing the total to \$165.8 million, net of accumulated depreciation.

Long-Term Debt: The City's total outstanding long-term obligations—including bonds, notes, and leases—decreased by \$372,000, resulting in a year-end balance of \$32.3 million. This net change reflects \$14.6 million in new borrowings and \$15.0 million in principal repayments during the year.

Overview of the Financial Statements

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

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

The *basic financial statements* include two types of statements that present different views of the City. The first two statements consist of entity-wide financial statements that provide both the short and long-term financial information about the City's overall financial status, including its governmental activities and its business-type activities. These statements report information about the City using full accrual accounting methods and economic resources focus as utilized by similar business activities in the private sector. Information concerning all of the City's assets and liabilities, both financial and capital, and short-term and long-term debt are included. Likewise, all revenues and expenses received during the year, regardless of when cash is received or paid, are reported. However, rate-regulated accounting principles applicable to private sector utilities are not used by governmental utilities. The remaining statements are

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business. The basic financial statements of the City include a statement of net position and a statement of activities, which are described as follows:

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

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*government activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government services, public safety (police, fire and building inspection), highways and streets, airport operations, stormwater management, economic development, and recreation and leisure services. The business-type activities of the City include its sanitation and marina. The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate electric, water, wastewater, and telecommunications utility (Utilities Commission, City of New Smyrna Beach) for which the City is financially accountable. Financial information for this *component unit* is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 21 to 24.

Fund Financial Statements

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. These funds are reported using the modified accrual accounting method, which measures cash and all other financial assets that can be readily converted into cash. Such information is useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations can be found on pages 27 and 30.

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

The City adopts an annual appropriations budget for each of its governmental funds in accordance with state statutes. The basic governmental fund financial statements can be found on pages 25 to 30 of this report. Budgetary comparison statements have been provided for each fund to demonstrate compliance with the budget. The General Fund and major special revenue fund budgetary comparison statements are presented as required supplementary information on pages 90 to 94 of this report. Other budgetary comparison schedules are presented as other supplemental information on pages 97 to 106 of this report.

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

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

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate financial information for both Solid Waste (Sanitation) and Marina operations. Conversely, the internal service fund financial activities are presented separately in the proprietary fund financial statements. The basic proprietary fund financial statements can be found on pages 31 to 35 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiduciary Funds. The City is the trustee, or fiduciary, for its public safety employees' pension plans. Fiduciary funds are used to account for resources held for the benefit of parties outside the government and are separately reported in the statements of fiduciary net position and changes in fiduciary net position. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. Rather, the City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The basic fiduciary fund financial statements can be found on pages 36 to 37 of this report.

Notes to the Financial Statements. The financial statements also include notes which provide required disclosures and other information that are essential to a full understanding of material data provided in the statements. The notes present information about the City's significant accounting policies, account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any. The notes to the financial statements can be found on pages 38 to 79 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information concerning the City's progress in funding its obligation for other post-employment benefits and to provide certain pension benefits to its employees. Required supplementary information can be found on pages 80 to 86 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 95 to 106.

Government-Wide Financial Analysis

Reviewing the changes in assets, liabilities, resources and outlays during the fiscal period allows management to assess the City's current financial position and the results of its operations for fiscal year 2024. The following condensed information includes some of the basic data used to measure the City's progress over the last year.

Assets – As of September 30, 2024, the City's government-wide total assets increased by \$22.7 million, bringing the year-end balance to \$269.4 million. This growth was primarily driven by a \$10.8 million or 7% increase in capital assets, net of accumulated depreciation, and a \$11.9 million or 13% increase in cash and cash equivalents. The rise in cash was largely due to drawdowns on the City's capital line of credit and the receipt of advance grant funding for a dredging project.

Liabilities – Total government-wide liabilities decreased by \$732,000, or 1%, compared to the prior year bringing the year-end balance to \$62.5 million. This reduction was primarily the result of a \$3.3 million decrease in the City's pension liability, partially offset by a \$2.6 million increase in unearned revenue.

Net Position – The City's net position—defined as the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources—totaled \$198.9 million at fiscal year-end, reflecting an increase of \$21.4 million from the prior year. Approximately 72% of this net position represents the City's investment in capital assets (including land, buildings, infrastructure, and equipment), net of related debt. These assets are used to provide essential services and are not available for future spending. Although reported net of related debt, the resources required to repay this debt must come from other sources, as the capital assets themselves cannot be liquidated.

MANAGEMENT’S DISCUSSION AND ANALYSIS

Net position for governmental activities increased by \$20.6 million, reaching \$195.6 million at year-end. Of this amount, approximately 84% is either restricted for specific purposes or invested in capital assets. The remaining \$31.1 million represents unrestricted net position, which may be used to support the City’s day-to-day operations, subject to legal and contractual constraints.

The City’s business-type activities experienced a net position increase of \$829,000, bringing the total to \$3.3 million, up from \$2.5 million in the prior year. This improvement was primarily due to increased operating revenues in the Sanitation Fund, which benefited from a consumer price index adjustment incorporated into the rate structure.

Despite facing a range of economic challenges in fiscal year 2024—including the lingering impacts of multiple hurricanes, high inflation, supply chain disruptions, and workforce shortages—the City maintained a strong financial position. Conservative fiscal management and adaptability in response to changing conditions were key to this outcome.

In May 2022, the City Commission approved a series of projects funded through the *American Rescue Plan Act* (ARPA) to address critical stormwater infrastructure needs. During fiscal year 2024, significant progress was made on several initiatives, including the Corbin Park Stormwater infrastructure improvements (design and engineering), the Historic Westside Stormwater infrastructure improvements (design and engineering), and a comprehensive update to the citywide Stormwater Master Plan.

The following is a summary of net position for the years ended September 30, 2024, and 2023:

CITY OF NEW SMYRNA BEACH, FLORIDA						
NET POSITION						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Assets:						
Current and Other Assets	\$ 99,937,960	\$ 88,694,156	\$ 3,624,145	\$ 2,930,727	\$ 103,562,105	\$ 91,624,883
Capital Assets, Net	165,280,141	154,633,193	509,694	348,668	165,789,835	154,981,861
Total Assets	265,218,101	243,327,349	4,133,839	3,279,395	269,351,940	246,606,744
Deferred Outflows of Resources:						
Deferred Outflows Related to						
Pension Costs	2,618,628	5,943,463	-	-	2,618,628	5,943,463
Deferred Outflows - OPEB	261,275	199,557	2,657	2,504	263,932	202,061
Deferred Outflows on Refunding	151,916	200,800	-	-	151,916	200,800
Total Deferred Outflows of Resources	3,031,819	6,343,820	2,657	2,504	3,034,476	6,346,324
Total Assets and Deferred Outflows of Resources	268,249,920	249,671,169	4,136,496	3,281,899	272,386,416	252,953,068
Liabilities:						
Current Liabilities	11,708,715	9,939,654	723,408	695,645	12,432,123	10,635,299
Long-Term Debt Outstanding	32,329,100	32,684,698	31,953	36,819	32,361,053	32,721,517
Other Liabilities	17,694,374	21,096,082	41,663	36,242	17,736,037	21,132,324
Total Liabilities	61,732,189	63,720,434	797,024	768,706	62,529,213	64,489,140
Deferred Inflows of Resources:						
Deferred Inflows Related to						
Pension Costs	1,633,627	906,021	-	-	1,633,627	906,021
Deferred Inflows - OPEB	566,140	738,586	5,757	9,271	571,897	747,857
Deferred Inflows - Leases	8,718,343	9,278,803	-	-	8,718,343	9,278,803
Total Deferred Inflows of Resources	10,918,110	10,923,410	5,757	9,271	10,923,867	10,932,681
Net Position:						
Net Investment in Capital Assets	141,075,990	130,303,910	477,741	311,849	141,553,731	130,615,759
Restricted	45,474,552	23,856,060	-	-	45,474,552	23,856,060
Unrestricted (Deficit)	9,049,079	20,867,355	2,855,974	2,192,073	11,905,053	23,059,428
Total Net Position	\$ 195,599,621	\$ 175,027,325	\$ 3,333,715	\$ 2,503,922	\$ 198,933,336	\$ 177,531,247

MANAGEMENT'S DISCUSSION AND ANALYSIS

Changes in Net Position. While the Statement of Net Position provides a snapshot of the City's financial standing at the close of the fiscal year, the Statement of Changes in Net Position explains the underlying factors driving those changes.

In fiscal year 2024, the City's combined net position increased to \$198.9 million, reflecting a \$21.4 million gain over the prior year's total of \$177.5 million. This growth was primarily driven by increases in both cash reserves and investments in capital assets. City-wide, capital assets rose by \$10.8 million, net of depreciation, while current and other assets increased by \$11.9 million, up from \$91.6 million in the previous year.

Total revenues for the year reached \$88.9 million, an increase of \$16.9 million over fiscal year 2023. This growth was largely attributed to higher property tax collections and increased grant funding. Property taxes accounted for approximately 34% of total revenues (up from 33% in 2023), while 9% came from other taxes and franchise fees (down from 11%). Charges for services contributed 29% (compared to 34% in 2023), and 13% came from operating and capital grants (up from 7%). The remaining revenue was derived from state and federal financial assistance, interest earnings, and other miscellaneous sources.

Government-wide operating expenses increased by \$1.4 million or 2% during the period.

The following is a summary of changes in net position for the years ended September 30, 2024, and 2023:

CITY OF NEW SMYRNA BEACH, FLORIDA CHANGES IN NET POSITION						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Revenues						
Program Revenues:						
Charges for Services	\$ 15,928,312	\$ 15,310,965	\$ 9,751,422	\$ 9,188,045	\$ 25,679,734	\$ 24,499,010
Operating Grants and Contributions	2,277,585	2,583,875	-	-	2,277,585	2,583,875
Capital Grants and Contributions	12,706,773	4,871,145	-	-	12,706,773	4,871,145
General Revenues:						
Property Taxes	29,822,477	23,887,814	-	-	29,822,477	23,887,814
Other Taxes	7,761,247	7,783,789	-	-	7,761,247	7,783,789
Required Payment from Utility Commission	4,675,954	4,850,645	-	-	4,675,954	4,850,645
Intergovernmental Revenues	2,101,890	1,797,009	-	-	2,101,890	1,797,009
Other Revenues	3,637,677	2,254,601	112,173	41,773	3,749,850	2,296,374
Gain on Sale of Capital Assets	187,487	-	-	-	187,487	-
Total Revenues	79,099,402	63,339,843	9,863,595	9,229,818	88,962,997	72,569,661
Expenses						
General Government	9,982,714	9,712,158	-	-	9,982,714	9,712,158
Public Safety	24,027,253	23,538,126	-	-	24,027,253	23,538,126
Transportation	8,498,888	9,345,438	-	-	8,498,888	9,345,438
Economic Environment	1,479,550	770,466	-	-	1,479,550	770,466
Physical Environment	2,236,831	2,257,802	-	-	2,236,831	2,257,802
Culture and Recreation	8,659,348	7,921,978	-	-	8,659,348	7,921,978
Buildings and Maintenance	-	490,924	-	-	-	490,924
Interest on Long-Term Debt	1,049,565	904,904	-	-	1,049,565	904,904
Marina Operations	-	-	358,695	373,528	358,695	373,528
Solid Waste Operations	-	-	8,675,107	8,295,820	8,675,107	8,295,820
Total Expenses	55,934,149	54,941,796	9,033,802	8,669,348	64,967,951	63,611,144
Changes in Net Position	23,165,253	8,398,047	829,793	560,470	23,995,046	8,958,517
Net Position, Beginning of Year	175,027,325	166,629,278	2,503,922	1,943,452	177,531,247	168,572,730
Prior Period Adjustment	(2,592,957)	-	-	-	(2,592,957)	-
Net Position, Beginning of Year, Restated	172,434,368	166,629,278	2,503,922	1,943,452	174,938,290	168,572,730
Net Position, End of Year	\$ 195,599,621	\$ 175,027,325	\$ 3,333,715	\$ 2,503,922	\$ 198,933,336	\$ 177,531,247

MANAGEMENT’S DISCUSSION AND ANALYSIS

Governmental Activities

In fiscal year 2024, the net position for governmental activities increased by \$20.6 million, representing 96% of the total growth in the City’s overall net position. This marks a significant improvement over the prior year’s increase of \$8.4 million, reflecting a year-over-year gain of \$12.2 million. The primary drivers of this growth were higher property tax revenues and an increase in grants and contributions.

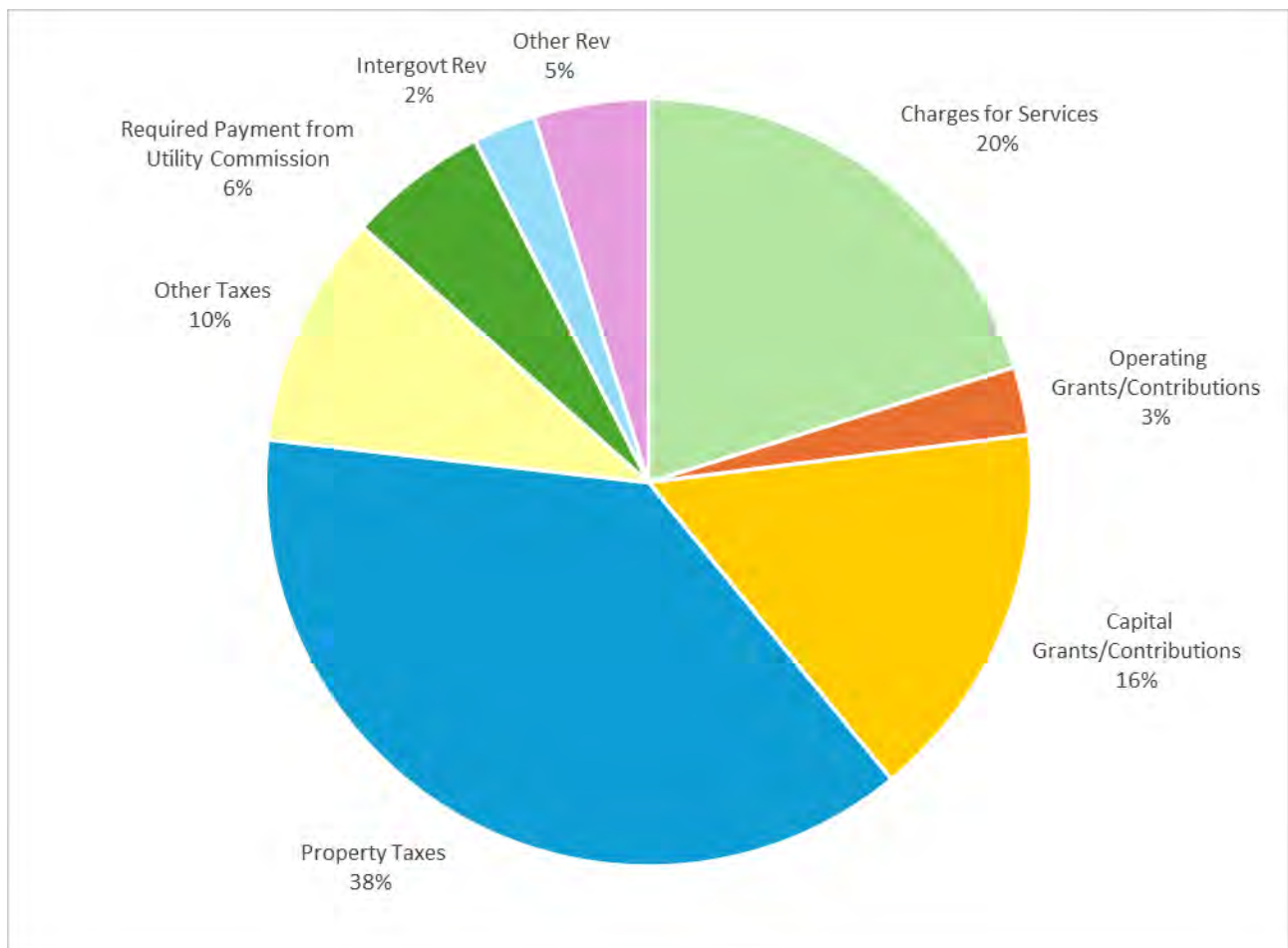
Total revenues from governmental activities rose by approximately \$15.8 million compared to the previous year. Property tax revenue alone increased by \$5.9 million, or 25%, due to both rising property values and an approved increase in the millage rate.

Additional revenue growth included:

- \$7.8 million increase in capital grants and contributions.
- \$1.5 million increase in other revenues, largely attributed to improved interest earnings.

The following is a summary of the City’s governmental revenues - by source for fiscal year 2024:

Revenues by Source – Governmental Activities



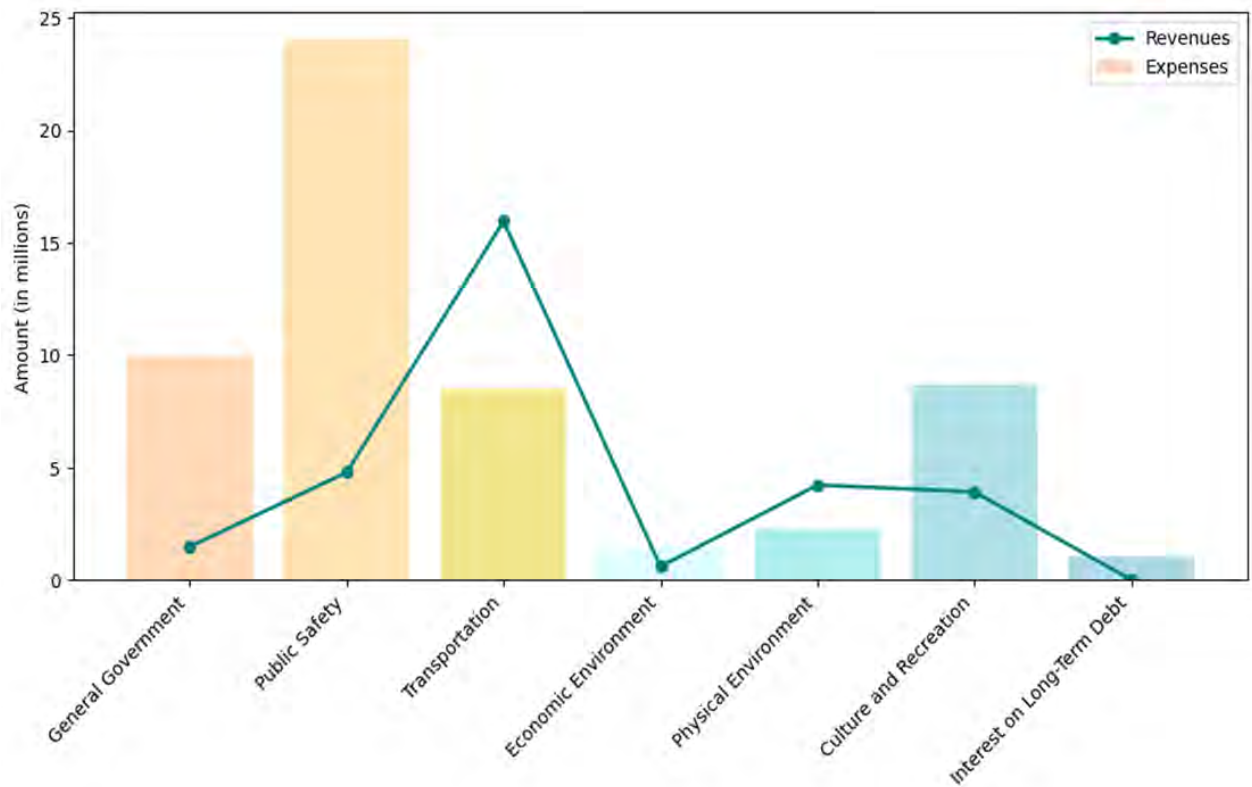
MANAGEMENT’S DISCUSSION AND ANALYSIS

Governmental Activities

An individual comparison of the City’s functional program revenues and costs of providing program services to its citizens during fiscal year 2024 is useful in identifying the program, and the extent of which each are dependent on taxes and other non-exchange revenues to subsidize their program operations.

This information is presented in the following graph:

Expenses and Program Revenues – Governmental Activities



Combined expenses for governmental activities totaled \$55.9 million in fiscal year 2024, representing an increase of \$992,000, or 2%, compared to the prior year’s total of \$55.0 million. The most significant year-over-year variances occurred in the areas of public safety, economic environment, culture and recreation, and transportation.

Public safety expenses increased by \$489,000, primarily due to the addition of five new positions: two lieutenants, one school resource officer, and two mental health professionals. The mental health professionals were hired to support a new, innovative policing initiative in which they accompany officers on calls to assist individuals experiencing mental health crises.

MANAGEMENT’S DISCUSSION AND ANALYSIS

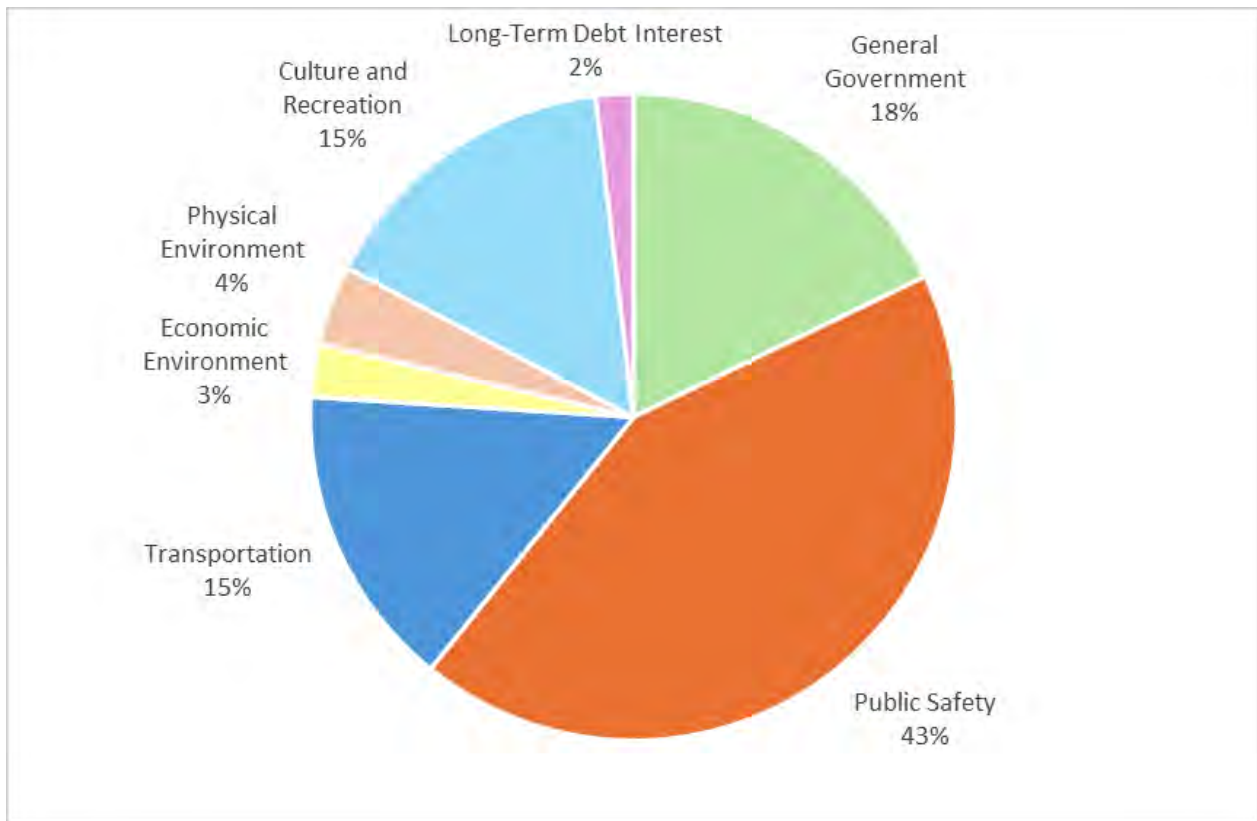
Economic environment expenses rose by \$709,000, largely due to the reclassification of a department from general government to economic environment.

Culture and recreation expenses increased by \$737,000, driven by investments in quality-of-life capital projects, including improvements to tennis courts, enhancements to the skate park, and the construction of a pier.

These increases were partially offset by a \$846,000 decrease in transportation expenses, which resulted from a temporary reduction in street resurfacing activities while the City conducted a comprehensive pavement assessment.

The following is a summary of the City’s governmental expenses - by function for fiscal year 2024:

Expenses by Function - Governmental Activities



Business-Type Activities

The results of the City’s business-type activities for the current fiscal year were positive in that overall net position increased to an ending balance of \$3.3 million in fiscal year 2024, an increase of \$829,000 from the prior year. Overall, net position from the City’s business-type activities accounts for only 1.7% and 1.4% of the City’s combined total net position on September 30, 2024 and 2023, respectively.

MANAGEMENT’S DISCUSSION AND ANALYSIS

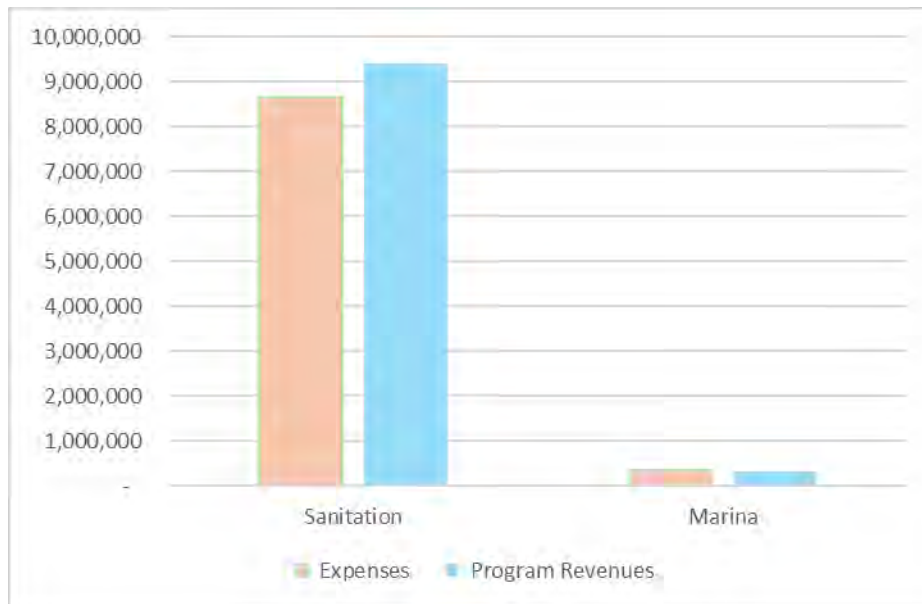
The Sanitation Fund reported operating income of \$832,000 in fiscal year 2024, reflecting an increase of \$254,000 over the prior year’s operating income of \$578,000. This improvement was primarily driven by a \$610,000 increase in charges for services. Although cost of sales and supplies and materials rose by \$419,000 and \$14,000, respectively, these increases were partially offset by a \$55,000 reduction in other services and charges compared to fiscal year 2023. The primary components of cost of sales include contractual services with Waste Pro USA, Inc. for the collection and disposal of residential and commercial solid waste, and landfill charges paid to Volusia County.

The Marina Fund experienced a small operating loss \$2,000 in fiscal year 2024, a \$15,000 improvement from the prior year’s operating loss of \$18,000. While charges for services declined by \$6,000, the fund benefited from cost reductions in several areas, including a \$16,000 decrease in buildings and maintenance and a \$7,000 reduction in utility expenses.

The City remains committed to the ongoing evaluation of its Enterprise Fund operations. Efforts continue to focus on identifying cost-saving strategies and revenue-enhancing opportunities to strengthen the financial performance and long-term sustainability of its business-type activities.

A comparison of the City’s functional program revenues and costs of providing business-type services to its customers in fiscal year 2024 is useful in identifying the capabilities of producing revenues sufficient to operate their programs. This information is presented in the following graph:

Program Expenses and Revenue - Business-Type Activities



Financial Analysis of the City’s Funds

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

As of the close of fiscal year 2024, the City's governmental funds reported a combined fund balance of \$77.9 million—an increase of \$9.1 million, or 13.2%, over the prior year's balance of \$68.8 million. Of this total, approximately 21% or \$16.4 million represents unassigned fund balance, which is available for discretionary use. The remaining fund balance is categorized as restricted, committed, or assigned for specific purposes.

Restricted fund balance totaled \$45.5 million and is subject to legal constraints imposed by external parties. These funds are designated for uses such as public safety, debt service, capital projects, community redevelopment, airport operations and improvements, and stormwater system maintenance.

Committed fund balance includes amounts formally designated by the City Commission through resolution or ordinance. These funds, while not legally restricted, are pledged for specific purposes, including \$3.7 million for parking operations.

Assigned fund balance reflects resources earmarked by the City for specific uses in the upcoming fiscal year. This includes \$9.2 million designated for capital projects, \$1.6 million for multi-year contracts/encumbrances and \$312,000 allocated for a particular purpose in the subsequent year's budget.

As of September 30, 2024, the General Fund's unassigned fund balance stood at \$18.2 million, contributing to a total General Fund balance of \$21.2 million. This represents an increase of \$7.6 million, or 70%, from the prior year's unassigned balance of \$10.7 million.

To assess the General Fund's liquidity, it is helpful to compare fund balances to total expenditures. At the end of fiscal year 2024, the unassigned fund balance represented 37.7% of total General Fund expenditures and transfers out, while the total fund balance represented 43.8%.

Stormwater Utility Fund. The Stormwater Utility Fund is used to account for the ongoing maintenance and enhancement of the City's stormwater management infrastructure. Revenues are derived from stormwater utility fees assessed to City residents and collected through the property tax bill as a non-ad valorem assessment. These fees are adjusted annually based on the Consumer Price Index, with an annual cap of 3%. At the close of fiscal year 2024, the fund reported a balance of \$9.6 million, representing an increase of \$2.5 million over the prior year. This increase is primarily attributable to a \$1.8 million rise in transfers to support capital project cash flow needs, with the related expenditures expected to be reimbursed through a federal grant. Additionally, the fund benefited from a \$1.1 million reduction in capital outlay, as the initial phase of the hazardous mitigation projects was completed in the prior year, while the next phase remained in the planning stage during fiscal year 2024. These gains were partially offset by a \$300,000 decrease in grant reimbursements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

American Rescue Plan Fund. This fund was established in fiscal year 2021 to provide a dedicated mechanism for tracking revenues and expenditures associated with the City's allocation under ARPA. The City was awarded a total of \$13.9 million in prior fiscal years. In fiscal year 2024, the City recognized \$825,000 in ARPA-related revenue as eligible expenditures were incurred and reported in accordance with federal guidelines.

Airport Fund. New Smyrna Beach Municipal Airport continues to prioritize the safety and security of the general aviation community it serves. Revenues generated through rental agreements and user fees are reinvested into the maintenance and enhancement of airport facilities. Significant capital improvements are supported through funding partnerships with the Florida Department of Transportation (FDOT) and the Federal Aviation Administration (FAA).

As of the end of fiscal year 2024, the Airport Fund reported a total fund balance of \$1.8 million, a slight decrease from \$1.9 million in the prior year. During fiscal year 2024, capital outlay increased by \$4.6 million as several major projects transitioned from the design and engineering phase into active construction. This increase in expenditures was largely offset by \$4.1 million in grant revenues, along with higher interest earnings and cost savings in areas such as bad debt expense and repair and maintenance.

Capital Projects Fund. As of the end of fiscal year 2024, this fund reported a total fund balance of \$22.3 million, an increase of \$2.0 million compared to the \$20.3 million reported at the end of the prior fiscal year. This growth primarily reflects the net impact of \$7.0 million in transfers from other funds, \$1.3 million in gas tax revenues and interest earnings, and \$4.6 million in grant reimbursements. These resources were utilized to support \$10.9 million in capital project expenditures.

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Please refer to the government-wide analysis on page 14 for more information on the City's Sanitation and Marina funds.

General Fund Budgetary Highlights

Accurate revenue forecasting is essential to responsible financial planning. The availability of resources for appropriation forms the foundation of the City's budget and guides decision-making throughout the budgeting process. The City Commission routinely amends the budget during the fiscal year to account for projects carried forward from the prior year, newly awarded grants, and adjustments based on actual financial conditions.

For fiscal year 2024, the General Fund's final expenditure budget, including transfers out, increased by approximately \$3.1 million, or 5.8%, over the originally adopted budget. Key amendments included: \$2.1 million for expenditures related to Hurricanes Ian and Nicole, \$416,000 for an ambulance, and \$400,000 for personnel and operating costs.

Actual General Fund revenues exceeded final budgeted amounts by \$4.2 million. Notable revenue increases included: \$1.4 million in franchise fees and utility taxes, \$1.0 million from equipment financing and lease proceeds, \$353,000 in state-shared revenues such as sales tax and revenue sharing, \$200,000 in court fines, \$273,000 in development services and golf cart rental fees, and \$700,000 in investment income.

MANAGEMENT’S DISCUSSION AND ANALYSIS

Actual expenditures were \$7.2 million below final budgeted appropriations. Nearly all departments reported favorable expenditure variances. Hurricane Ian related costs were approximately \$1.9 million less than anticipated. Additionally, several capital projects were not completed by year-end and will be carried forward into future fiscal years for completion.

Capital Assets and Debt Administration

Capital Assets. As of September 30, 2024, the City’s total investment in capital assets for both governmental and business-type activities amounted to \$165.8 million, net of accumulated depreciation of \$84.6 million. These capital assets include land, buildings, improvements other than buildings, machinery and equipment, infrastructure, and right-to-use land assets. The net investment in capital assets is summarized in the following comparative schedule.

CITY OF NEW SMYRNA BEACH, FLORIDA CAPITAL ASSETS (NET OF DEPRECIATION)						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Land Improvements	\$ 43,136,981	\$ 42,872,113	\$ -	\$ -	\$ 43,136,981	\$ 42,872,113
Construction in Progress	17,924,939	20,221,726	246,532	71,882	18,171,471	20,293,608
Buildings	56,452,439	54,886,010	10,710	-	56,463,149	54,886,010
Improvements Other Than Buildings	40,378,823	31,390,830	-	-	40,378,823	31,390,830
Machinery and Equipment	24,785,968	22,226,112	65,454	65,454	24,851,422	22,291,566
Infrastructure	65,857,003	61,147,458	288,323	288,323	66,145,326	61,435,781
Right-to-Use Equipment	985,185	136,426	-	-	985,185	136,426
Right-to-Use Subscription Asset	221,895	-	-	-	221,895	-
Right-to-Use Land	-	-	47,079	47,079	47,079	47,079
Accumulated Depreciation	(84,463,093)	(78,247,482)	(148,404)	(124,070)	(84,611,497)	(78,371,552)
Total Capital Assets Net of Accumulated Depreciation	\$ 165,280,140	\$ 154,633,193	\$ 509,694	\$ 348,668	\$ 165,789,834	\$ 154,981,861

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

General Government

Buena Vista Pier (In Progress) \$ 576,112

Culture and Recreation

Old Fort Wall Restoration 936,915

Women's Club Renovations 428,360

Corbin Park Stormwater Improvements (In Progress) 471,534

Sports Complex Resurfacing 500,000

Physical Environment

Historic Westside Stormwater Improvements (In Progress) 475,523

Transportation

Airport Projects (In Progress) 8,651,013

5th Street Bridge (In Progress) 6,970,644

US 1 & SR 44 Meridian Landscaping (In Progress) 1,016,163

Traffic Signal 864,824

Significant Additions **\$ 20,891,087**

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Leases. As of the end of fiscal year 2024, the City was a lessee in ten lease agreements. Corresponding right-to-use assets were recognized and included in the City's capital assets—classified as right-to-use leased equipment under governmental activities and right-to-use leased land under business-type activities. The net book value of these right-to-use assets totaled \$725,000 for governmental activities and \$32,000 for business-type activities. Related lease liabilities amounted to \$230,000 and \$31,000, respectively.

The City also serves as a lessor in seven lease agreements involving land, buildings, and airport facilities. As of year-end, lease receivables and deferred inflows totaled \$94,000 and \$89,000, respectively, in the General Fund, and \$9.0 million and \$8.6 million, respectively, in the Airport Fund.

Additional details regarding the City's lease arrangements are provided in Note 9 to the financial statements.

Subscription-Based Software. In accordance with Governmental Accounting Standards Board Statement No. 96, the City recognizes an intangible right-to-use asset and a corresponding liability for subscription-based information technology arrangements, including various security software, server software subscriptions, and fleet management software. As of September 30, 2024, the net book value of these right-to-use assets totaled \$146,000 under governmental activities. No liability was reported at year-end, as the full cost of the arrangements was paid at the inception of the contracts.

Long-Term Debt. At year-end, the City reported \$32.1 million in outstanding notes and financed purchases. Additional details on the City's long-term obligations are provided in Note 9 to the financial statements.

Key long-term debt obligations include:

- The City has a promissory note payable to the Florida Department of Environmental Protection under the State Revolving Fund Loan Program, originally issued for \$457,000 to finance stormwater drainage improvements. The outstanding balance at year-end was \$75,000, and the note is secured by stormwater utility revenues, with payments due through 2028.
- In September 2014, the City issued a Capital Improvement Refunding Revenue Note in the amount of \$6.1 million to refund the 2005 Capital Improvement Bonds. This note is secured by a pledge of non-ad valorem tax revenues and other appropriated revenues, with a remaining balance of \$2.6 million and a final maturity in 2029.
- In 2016, the City financed one fire truck and two fire engines through TD Equipment Finance, with an original amount of \$1.9 million. As of year-end, the outstanding balance was \$424,000, and the final payment is due in 2026.
- In March 2017, the City issued a \$5.0 million note to fund stormwater improvements in the Islesboro Subdivision. The note is secured by stormwater revenues, with a remaining balance of \$1.6 million and final maturity in 2027.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- In May 2018, the City issued a Capital Improvement Revenue and Refunding Note to finance various capital projects and to refund the 2013 Capital Improvement Note. The note is secured by non-ad valorem tax revenues and other appropriated revenues, with a year-end balance of \$7.5 million and a final maturity in 2033.
- In August 2019, the City issued a \$9.5 million general obligation note to acquire environmentally sensitive land along the Turnbull Creek Watershed. This note is secured by the full faith, credit, and taxing power of the City, with a remaining balance of \$7.6 million and a final maturity in 2039.
- In January 2024, the City entered into a financing agreement with Axon to purchase tasers and body cameras for the Police Department. The original amount financed was \$608,000, with \$478,000 outstanding at year-end and final maturity in 2028.
- In July 2024, the City financed three vehicles for the Fire Department through Bancorp, with an original amount of \$194,000. The outstanding balance at year-end was \$187,000, with final maturity in 2028.
- In April 2024, the City issued the Capital Improvement Note, Series 2024, to advance refund the 2021 Capital Improvement Revenue Note and to provide interim financing for transportation and other capital projects. The City drew \$11,550,001 from the authorized \$18.0 million non-revolving draw-down loan. This note is secured by non-ad valorem and other appropriated revenues, with principal due at final maturity on April 1, 2027.

Economic Factors and Next Year's Budgets and Rates

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

- Local Governments (cities, counties, and school boards) primarily rely on property and a limited array of other permitted taxes (sales, gas, utilities services, etc.) and fees (franchise, business taxes, etc.) for their governmental activities. There are a limited number of state-shared revenues and recurring and non-recurring (one-time) grants from both the state and federal governments. For the business-type and certain governmental activities (permitting, recreational programs, etc.) the user pays a related fee associated with the services.
- The most recent estimates available for unemployment data in Volusia County, Florida are compiled by the Florida Agency for Workforce Innovation on the Florida Research and Economic Database. This agency estimates a countywide unemployment rate of 3.3% at the end of September 2024, which is a slight decrease from the 3.5% rate experienced one year earlier.
- Total taxable assessed property values for 2024 (revenues to be collected during fiscal year 2025) saw an increase of 10.5%. Total property tax values increased to \$7.0 billion, up from \$6.4 billion. For the fiscal year 2025, the City Commission voted to adopt an operating millage rate of 4.6370. This is an increase from the fiscal year 2024 operating millage rate of 4.4150.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Requests for Information

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

Basic Financial Statements



CITY OF NEW SMYRNA BEACH, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Utilities Commission
Total Assets				
Equity in Pooled Cash and Investments	\$ 83,787,755	\$ 2,835,267	\$ 86,623,022	\$ 39,622,440
Receivables, Net	1,275,936	1,073	1,277,009	10,019,011
Leases Receivable	9,120,793	-	9,120,793	549,844
Due from Other Governments	3,692,821	-	3,692,821	-
Due from Primary Government	-	-	-	341,370
Due from Component Unit	762,392	785,008	1,547,400	-
Inventories	190,942	-	190,942	4,339,176
Prepays	1,107,321	2,797	1,110,118	810,150
Restricted Assets:				
Equity in Pooled Cash and Investments	-	-	-	21,810,155
Capital Assets:				
Capital Assets, not Being Depreciated	61,061,920	246,533	61,308,453	75,412,720
Other Capital Assets, Net of Depreciation	104,218,221	263,161	104,481,382	175,432,754
Total Assets	265,218,101	4,133,839	269,351,940	328,337,620
Deferred Outflows of Resources				
Deferred Outflows Related to Pensions	2,618,628	-	2,618,628	223,555
Deferred Outflows Related to OPEB	261,275	2,657	263,932	39,566
Deferred Amounts on Bond Refunding	151,916	-	151,916	40,148
Total Deferred Outflows of Resources	3,031,819	2,657	3,034,476	303,269
Liabilities				
Accounts Payable and Accrued Liabilities	4,235,795	705,924	4,941,719	5,628,448
Energy Cost and Fuel Adjustments Payable				8,631,814
Due to Other Governments	-	-	-	239,800
Due to Component Unit	341,370	-	341,370	-
Due to Primary Government				1,547,400
Unearned Revenue	6,539,820	6,579	6,546,399	-
Deposits	390,622	17,484	408,106	3,744,093
Payable from Restricted Assets:				
Accrued Interest Payable	201,108	-	201,108	1,251,063

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

CITY OF NEW SMYRNA BEACH, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024
(Concluded)

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Utilities Commission
Non-Current Liabilities:				
Due Within One Year:				
Bonds and Notes Payable	\$ 1,869,431	\$ -	\$ 1,869,431	\$ 1,675,000
Financed Purchases	358,176	-	358,176	-
Leases Liability	96,696	4,993	101,689	28,912
Subscription Arrangements Liability	-	-	-	99,454
Compensated Absences	393,363	3,698	397,061	633,479
Due in More Than One Year:				
Bonds and Notes Payable	29,128,590	-	29,128,590	69,736,287
Financed Purchases	731,111	-	731,111	-
Leases Liability	145,096	26,960	172,056	26,013
Subscription Arrangements Liability	-	-	-	28,301
Compensated Absences	1,704,187	13,793	1,717,980	633,479
Total OPEB Liability	1,730,058	17,593	1,747,651	720,090
Net Pension Liability	13,866,766	-	13,866,766	1,081,439
Total Liabilities	61,732,189	797,024	62,529,213	95,705,072
Deferred Inflows of Resources				
Deferred Inflows Related to Pensions	1,633,627	-	1,633,627	780,426
Deferred Inflows Related to OPEB	566,140	5,757	571,897	155,389
Deferred Inflows Related to Leases	8,718,343	-	8,718,343	530,235
Total Deferred Inflows of Resources	10,918,110	5,757	10,923,867	1,466,050
Net Position				
Net Investment in Capital Assets	141,075,990	477,741	141,553,731	179,291,655
Restricted for:				
Public Safety	1,593,846	-	1,593,846	-
Debt Service	5,691,519	-	5,691,519	1,675,000
Capital Projects	20,664,126	-	20,664,126	-
Community Redevelopment	5,996,430	-	5,996,430	-
Tree Replacement	120,304	-	120,304	-
Airport	1,778,186	-	1,778,186	-
Systems Maintenance and Improvements	9,630,141	-	9,630,141	-
Renewal and Replacement	-	-	-	15,140,274
Unrestricted	9,049,079	2,855,974	11,905,053	35,362,838
Total Net Position	\$ 195,599,621	\$ 3,333,715	\$ 198,933,336	\$ 231,469,767

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

CITY OF NEW SMYRNA BEACH, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government:				
Governmental Activities:				
General Government	\$ 9,982,714	\$ 1,231,971	\$ 125,407	\$ 114,248
Public Safety	24,027,253	4,395,618	56,801	325,867
Transportation	8,498,888	3,879,474	1,267,588	10,793,625
Physical Environment	2,236,831	2,815,032	816,537	585,818
Economic Environment	1,479,550	-	-	591,945
Culture and Recreation	8,659,348	3,606,217	11,252	295,270
Interest on Long-Term Debt	1,049,565	-	-	-
Total Governmental Activities	55,934,149	15,928,312	2,277,585	12,706,773
Business-Type Activities:				
Sanitation	8,675,107	9,416,727	-	-
City Marina	358,695	334,695	-	-
Total Business-Type Activities	9,033,802	9,751,422	-	-
Total Primary Government	64,967,951	25,679,734	2,277,585	12,706,773
Component Unit:				
Utilities Commission	\$ 76,206,042	\$ 71,876,578	\$ -	\$ 3,392,203

General Revenues:
Property Taxes
Sales Taxes
Public Service Taxes
Intergovernmental Revenues not Restricted to Specific Programs
Franchise Fees
Required Payment from Component Unit
Investment Earnings
Miscellaneous Revenues
Gain on Sale of Capital Assets
Total General Revenues
Change in Net Position
Net Position - Beginning of Year
Prior Period Adjustment
Net Position - Beginning of Year, Restated
Net Position - Ending of Year

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

Primary Government			Component Unit
Net (Expense) Revenue and Changes in Net Position			
Governmental Activities	Business-Type Activities	Total	Utilities Commission
\$ (8,511,088)	\$ -	\$ (8,511,088)	\$ -
(19,248,967)	-	(19,248,967)	-
7,441,799	-	7,441,799	-
1,980,556	-	1,980,556	-
(887,605)	-	(887,605)	-
(4,746,609)	-	(4,746,609)	-
(1,049,565)	-	(1,049,565)	-
<u>(25,021,479)</u>	<u>-</u>	<u>(25,021,479)</u>	<u>-</u>
-	741,620	741,620	-
-	(24,000)	(24,000)	-
-	<u>717,620</u>	<u>717,620</u>	-
<u>(25,021,479)</u>	<u>717,620</u>	<u>(24,303,859)</u>	-
-	-	-	(937,261)
29,822,477	-	29,822,477	-
2,067,835	-	2,067,835	-
4,837,337	-	4,837,337	-
2,101,890	-	2,101,890	-
856,075	-	856,075	-
4,675,954	-	4,675,954	-
3,340,215	63,935	3,404,150	3,109,448
297,462	48,238	345,700	3,430,875
187,487	-	187,487	12,860
<u>48,186,732</u>	<u>112,173</u>	<u>48,298,905</u>	<u>6,553,183</u>
<u>23,165,253</u>	<u>829,793</u>	<u>23,995,046</u>	<u>5,615,922</u>
175,027,325	2,503,922	177,531,247	225,853,845
<u>(2,592,957)</u>	<u>-</u>	<u>(2,592,957)</u>	<u>-</u>
<u>172,434,368</u>	<u>2,503,922</u>	<u>174,938,290</u>	<u>225,853,845</u>
<u>\$ 195,599,621</u>	<u>\$ 3,333,715</u>	<u>\$ 198,933,336</u>	<u>\$ 231,469,767</u>

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

CITY OF NEW SMYRNA BEACH, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

	<u>General Fund</u>	<u>Stormwater Utility</u>	<u>American Rescue Plan</u>	<u>Airport Industrial Park</u>
Assets				
Equity in Pooled Cash	\$ 20,492,606	\$ 10,360,900	\$ 832,972	\$ 1,615,544
Receivables, Net	863,422	-	-	219,189
Leases Receivable	94,448	-	-	9,026,345
Due from Component Unit	762,392	-	-	-
Due from Other Governments	1,035,092	598,153	-	467,483
Inventories	55,090	-	-	51,069
Prepaid Items	803,020	-	-	33,396
Total Assets	<u>\$ 24,106,070</u>	<u>\$ 10,959,053</u>	<u>\$ 832,972</u>	<u>\$ 11,413,026</u>
Liabilities				
Accounts Payable and Accrued Liabilities	\$ 1,755,961	\$ 670,913	\$ -	\$ 828,640
Customer Deposits	226,017	72,181	-	92,424
Unearned Revenue	282,719	-	2,732,747	-
Due to Component Unit	341,370	-	-	-
Total Liabilities	<u>2,606,067</u>	<u>743,094</u>	<u>2,732,747</u>	<u>921,064</u>
Deferred Inflows of Resources				
Unavailable Revenue - Taxes	12,073	-	-	-
Unavailable Revenue - Special Assessments	178,531	-	-	-
Unavailable Revenue - Grants	-	585,818	-	-
Deferred Inflows Related to Leases	89,032	-	-	8,629,311
Total Deferred Inflows of Resources	<u>279,636</u>	<u>585,818</u>	<u>-</u>	<u>8,629,311</u>
Fund Balances				
Non-Spendable:				
Inventories and Prepaid Items	858,110	-	-	84,465
Restricted for:				
Public Safety	-	-	-	-
Debt Service	-	-	-	-
Capital Projects	-	-	-	-
Community Redevelopment	-	-	-	-
Airport	-	-	-	1,778,186
Tree Replacement	120,304	-	-	-
Systems Maintenance and Improvements	-	9,630,141	-	-
Committed to:				
Parking	-	-	-	-
Assigned to:				
General Government	107,871	-	-	-
Public Safety	1,395,277	-	-	-
Transportation	26,767	-	-	-
Economic Development	26,263	-	-	-
Culture and Recreation	91,605	-	-	-
Capital Projects	-	-	-	-
Subsequent Year's Budget	312,000	-	-	-
Unassigned	18,282,170	-	(1,899,775)	-
Total Fund Balances (Deficit)	<u>21,220,367</u>	<u>9,630,141</u>	<u>(1,899,775)</u>	<u>1,862,651</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 24,106,070</u>	<u>\$ 10,959,053</u>	<u>\$ 832,972</u>	<u>\$ 11,413,026</u>

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

Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
\$ 23,006,380	\$ 26,669,086	\$ 82,977,488
-	199,626	1,282,237
-	-	9,120,793
-	-	762,392
1,584,097	7,996	3,692,821
-	-	106,159
188,959	72,330	1,097,705
<u>\$ 24,779,436</u>	<u>\$ 26,949,038</u>	<u>\$ 99,039,595</u>
\$ 732,695	\$ 183,489	\$ 4,171,698
-	-	390,622
3,524,354	-	6,539,820
-	-	341,370
<u>4,257,049</u>	<u>183,489</u>	<u>11,443,510</u>
-	979	13,052
-	-	178,531
211,270	-	797,088
-	-	8,718,343
<u>211,270</u>	<u>979</u>	<u>9,707,014</u>
188,959	72,330	1,203,864
-	1,593,846	1,593,846
-	5,691,519	5,691,519
10,910,044	9,754,082	20,664,126
-	5,996,430	5,996,430
-	-	1,778,186
-	-	120,304
-	-	9,630,141
-	3,656,363	3,656,363
-	-	107,871
-	-	1,395,277
-	-	26,767
-	-	26,263
-	-	91,605
9,212,114	-	9,212,114
-	-	312,000
-	-	16,382,395
<u>20,311,117</u>	<u>26,764,570</u>	<u>77,889,071</u>
<u>\$ 24,779,436</u>	<u>\$ 26,949,038</u>	<u>\$ 99,039,595</u>

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

CITY OF NEW SMYRNA BEACH, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

Fund Balances - Total Governmental Funds		\$ 77,889,071
Amounts reported for governmental activities in the statement of net position 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	249,743,233	
Less: Accumulated Depreciation	(84,463,093)	
Less: Internal Service Funds, Net Capital Assets	(276,243)	165,003,897
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 non-current liability. Additionally, deferred outflows and deferred inflows related to pensions are also reported.		
Net Pension Liability	(13,866,766)	
Deferred Outflows Related to Pensions	2,618,628	
Deferred Inflows Related to Pensions	(1,633,627)	(12,881,765)
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 non-current liability. Additionally, deferred outflows and deferred inflows related to OPEB are also reported.		
Total OPEB Liability	(1,730,058)	
Less: Internal Service Fund OPEB Liability	23,459	
Deferred Outflows Related to OPEB	261,275	
Less: Internal Service Fund Deferred Outflows Related to OPEB	(3,543)	
Deferred Inflows Related to OPEB	(566,140)	
Less: Internal Service Fund Deferred Inflows Related to OPEB	7,676	(2,007,331)
Internal service funds are used by management to charge the costs of fleet lease and maintenance to individual funds. These assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		
		1,055,314
Because some property taxes and special assessments revenues will not be collected for several months after the close of the City's fiscal year-end, they are not considered as "available" revenues in the governmental funds and, therefore, reported as deferred inflows of unavailable revenues. In the statement of net position, which is presented on an accrual basis, no deferral is reported since the revenue is fully recognized in the statement of activities.		
Unavailable Revenue - Taxes	13,052	
Unavailable Revenue - Grants	797,088	
Unavailable Revenue - Special Assessments	178,531	988,671
Long-term liabilities, including bonds and notes payable and leases, are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities, deferred outflows, and other debt-related deferred charges consist of the following:		
Bonds and Notes Payable	(30,998,021)	
Financed Purchases	(1,089,287)	
Leases Payable	(241,792)	
Accrued Interest Payable	(201,108)	
Deferred Amounts on Refunding	151,916	
Compensated Absences	(2,097,550)	
Less: Internal Service Fund Compensated Absences	27,606	(34,448,236)
Net Position of Governmental Activities		\$ 195,599,621

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

CITY OF NEW SMYRNA BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>General Fund</u>	<u>Stormwater Utility</u>	<u>Building Inspections</u>	<u>American Rescue Plan</u>
Revenues				
Taxes	\$ 32,198,951	\$ -	\$ -	\$ -
Licenses and Fees	5,935,561	-	-	-
Intergovernmental	3,848,099	816,536	-	825,082
Charges for Services	6,699,951	2,810,792	-	-
Fines and Forfeitures	806,438	-	-	-
Investment Income	858,235	386,599	-	45,286
Miscellaneous	188,668	-	-	-
Total Revenues	<u>50,535,903</u>	<u>4,013,927</u>	<u>-</u>	<u>870,368</u>
Expenditures				
Current:				
General Government	10,550,009	-	-	-
Public Safety	17,636,645	-	-	-
Transportation	1,871,291	-	-	-
Physical Environment	-	1,641,294	-	-
Economic Environment	433,031	-	-	-
Culture and Recreation	7,538,904	-	-	-
Capital Outlay	3,067,870	1,604,302	-	-
Debt Service:				
Principal	438,280	-	-	-
Interest and Fiscal Charges	39,039	-	-	-
Total Expenditures	<u>41,575,069</u>	<u>3,245,596</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>8,960,834</u>	<u>768,331</u>	<u>-</u>	<u>870,368</u>
Other Financing Sources (Uses)				
Transfers In	15,460	2,291,330	-	-
Transfers Out	(6,927,426)	(614,182)	-	(300,000)
Insurance Recoveries	76,991	-	-	-
Sale of Capital Assets	110,452	55,337	-	-
Financed Purchase Proceeds	802,995	-	-	-
Leases (as Lessee)	239,834	-	-	-
Line of Credit Proceeds	-	-	-	-
Total Other Financing Sources (Uses)	<u>(5,681,694)</u>	<u>1,732,485</u>	<u>-</u>	<u>(300,000)</u>
Net Change in Fund Balances	<u>3,279,140</u>	<u>2,500,816</u>	<u>-</u>	<u>570,368</u>
Fund Balances (Deficits), Beginning of Year	17,941,227	7,129,325	2,755,206	(2,470,143)
Change Within Financial Reporting Entity	<u>-</u>	<u>-</u>	<u>(2,755,206)</u>	<u>-</u>
Fund Balances (Deficits), Beginning of Year, Adjusted	<u>17,941,227</u>	<u>7,129,325</u>	<u>-</u>	<u>(2,470,143)</u>
Fund Balances (Deficits), End of Year	<u>\$ 21,220,367</u>	<u>\$ 9,630,141</u>	<u>\$ -</u>	<u>\$ (1,899,775)</u>

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

Community Redevelopment Agency, 2015	Airport Industrial Park	Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 407,974	\$ 3,946,860	\$ 36,553,785
-	-	-	3,896,876	9,832,437
-	4,550,027	4,598,967	75,000	14,713,711
-	2,267,752	-	1,461,854	13,240,349
-	-	-	54,697	861,135
-	291,980	757,133	1,000,980	3,340,213
-	1,567,018	113,501	17,279	1,886,466
-	<u>8,676,777</u>	<u>5,877,575</u>	<u>10,453,546</u>	<u>80,428,096</u>
-	-	294,731	-	10,844,740
-	-	-	4,165,053	21,801,698
-	3,375,992	55,184	1,241,351	6,543,818
-	-	25,363	-	1,666,657
-	-	-	384,633	817,664
-	-	20,500	-	7,559,404
-	5,325,384	10,500,934	483,669	20,982,159
-	-	-	14,559,951	14,998,231
-	-	-	1,010,526	1,049,565
-	<u>8,701,376</u>	<u>10,896,712</u>	<u>21,845,183</u>	<u>86,263,936</u>
-	<u>(24,599)</u>	<u>(5,019,137)</u>	<u>(11,391,637)</u>	<u>(5,835,840)</u>
-	-	5,023,540	1,738,972	9,069,302
-	-	(15,460)	(1,212,234)	(9,069,302)
-	-	-	-	76,991
-	7,874	-	13,824	187,487
-	-	-	-	802,995
-	-	-	-	239,834
-	-	-	13,597,501	13,597,501
-	<u>7,874</u>	<u>5,008,080</u>	<u>14,138,063</u>	<u>14,904,808</u>
-	<u>(16,725)</u>	<u>(11,057)</u>	<u>2,746,426</u>	<u>9,068,968</u>
4,090,128	1,879,376	20,322,174	17,172,810	68,820,103
<u>(4,090,128)</u>	-	-	<u>6,845,334</u>	-
-	<u>1,879,376</u>	<u>20,322,174</u>	<u>24,018,144</u>	<u>68,820,103</u>
<u>\$ -</u>	<u>\$ 1,862,651</u>	<u>\$ 20,311,117</u>	<u>\$ 26,764,570</u>	<u>\$ 77,889,071</u>

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

CITY OF NEW SMYRNA BEACH, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Net Change in Fund Balances - Total Governmental Funds	\$	9,068,968
Differences in amounts reported for governmental activities in the statement of net position 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		20,816,911
Depreciation Expense		(6,954,844)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations, CIP project abandoned) is to decrease net position.		
		(710,512)
Bond, loan, and lease proceeds are reported as financing sources in the governmental funds. However, the issuance of debt is reported as long-term debt payable in the statement of net position. Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment of debt principal reduces long-term liabilities in the statement of net position. These amounts are as follows:		
Principal Repayment of General Long-Term Debt		14,995,929
Issuance of Governmental Long-Term Debt		(14,640,330)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds (special assessments, property taxes, and grants).		
		761,623
Governmental funds report contributions to defined benefit pension plans as expenditures. However, in the statement of activities, the amount contributed to defined benefit pension/OPEB plans reduces future net pension/total OPEB liability. Also included in pension/OPEB expense in the statement of activities are amounts required to be amortized.		
Change in Net Pension Liability and Deferred Inflows/Outflows Related to Pensions		(654,391)
Change in Total OPEB Liability and Deferred Inflows/Outflows Related to OPEB		273,931
Less: Internal Service Fund Change in Total OPEB Liability and Related Items		(11,049)
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. These adjustments are as follows:		
Amortization of Deferred Amounts on Refunding		(48,884)
Change in Accrued Interest on Long-Term Debt		197,786
Change in Compensated Absences Liability		(36,109)
Less: Internal Service Fund Change in Compensated Absences Liability		6,282
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.		
		99,942
Change in Net Position of Governmental Activities	\$	23,165,253

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

CITY OF NEW SMYRNA BEACH, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2024

	<u>Sanitation</u>	<u>Non-Major City Marina</u>	<u>Total</u>	<u>Governmental Activities Internal Service Fund - Garage</u>
Assets				
Current Assets:				
Equity in Pooled Cash	\$ 2,459,410	\$ 375,857	\$ 2,835,267	\$ 810,267
Accounts Receivable, Net	-	1,073	1,073	23,291
Due from Component Unit	785,008	-	785,008	-
Inventories	-	-	-	84,783
Prepaid Items	-	2,797	2,797	9,616
Total Current Assets	<u>3,244,418</u>	<u>379,727</u>	<u>3,624,145</u>	<u>927,957</u>
Non-Current Assets:				
Capital Assets:				
Construction in Progress	-	246,533	246,533	-
Building and Improvements	-	10,710	10,710	249,477
Improvements Other Than Buildings	-	288,323	288,323	216,823
Machinery and Equipment	25,928	39,526	65,454	359,667
Right-to-Use Lease Asset	-	47,079	47,079	48,384
Accumulated Depreciation	(6,482)	(141,923)	(148,405)	(598,107)
Total Capital Assets, Net	<u>19,446</u>	<u>490,248</u>	<u>509,694</u>	<u>276,244</u>
Total Non-Current Assets	<u>19,446</u>	<u>490,248</u>	<u>509,694</u>	<u>276,244</u>
Total Assets	<u>3,263,864</u>	<u>869,975</u>	<u>4,133,839</u>	<u>1,204,201</u>
Deferred Outflows of Resources				
Deferred Outflows Related to OPEB	1,771	886	2,657	3,543
Total Deferred Outflows of Resources	<u>1,771</u>	<u>886</u>	<u>2,657</u>	<u>3,543</u>

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

CITY OF NEW SMYRNA BEACH, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2024
(Concluded)

	<u>Sanitation</u>	<u>Non-Major City Marina</u>	<u>Total</u>	<u>Governmental Activities Internal Service Fund - Garage</u>
Liabilities				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	\$ 692,666	\$ 13,258	\$ 705,924	\$ 93,689
Deposits	499	16,985	17,484	-
Leases Payable	-	4,993	4,993	-
Compensated Absences	2,126	1,572	3,698	4,434
Unearned Revenue	-	6,579	6,579	-
Total Current Liabilities	<u>695,291</u>	<u>43,387</u>	<u>738,678</u>	<u>98,123</u>
Non-Current Liabilities:				
Leases Payable	-	26,960	26,960	-
Compensated Absences	5,281	8,512	13,793	23,172
Total OPEB Liability	<u>11,728</u>	<u>5,865</u>	<u>17,593</u>	<u>23,459</u>
Total Non-Current Liabilities	<u>17,009</u>	<u>41,337</u>	<u>58,346</u>	<u>46,631</u>
Total Liabilities	<u>712,300</u>	<u>84,724</u>	<u>797,024</u>	<u>144,754</u>
Deferred Inflows of Resources				
Deferred Inflows Related to OPEB	<u>3,838</u>	<u>1,919</u>	<u>5,757</u>	<u>7,676</u>
Total Deferred Inflows of Resources	<u>3,838</u>	<u>1,919</u>	<u>5,757</u>	<u>7,676</u>
Net Position				
Net Investment in Capital Assets	19,446	458,295	477,741	276,244
Unrestricted	<u>2,530,051</u>	<u>325,923</u>	<u>2,855,974</u>	<u>779,070</u>
Total Net Position	<u>\$ 2,549,497</u>	<u>\$ 784,218</u>	<u>\$ 3,333,715</u>	<u>\$ 1,055,314</u>

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

CITY OF NEW SMYRNA BEACH, FLORIDA
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>Sanitation</u>	<u>Non-Major City Marina</u>	<u>Total</u>	<u>Governmental Activities Internal Service Fund - Garage</u>
Operating Revenues				
Charges for Services	\$ 9,416,727	\$ 334,695	\$ 9,751,422	\$ 1,670,997
Miscellaneous Revenues	46,585	1,653	48,238	1,088
Total Operating Revenues	<u>9,463,312</u>	<u>336,348</u>	<u>9,799,660</u>	<u>1,672,085</u>
Operating Expenses				
Personnel Services	124,779	166,960	291,739	308,644
Contractual Services	-	-	-	7,958
Utilities	-	28,156	28,156	8,891
Cost of Sales	8,374,142	-	8,374,142	1,173,605
Buildings and Maintenance	2,625	2,110	4,735	2,582
Supplies and Materials	161,537	5,149	166,686	25,711
Other Services and Charges	9,431	133,723	143,154	37,756
Depreciation	2,593	21,741	24,334	35,746
Total Operating Expenses	<u>8,675,107</u>	<u>357,839</u>	<u>9,032,946</u>	<u>1,600,893</u>
Operating Income (Loss)	<u>788,205</u>	<u>(21,491)</u>	<u>766,714</u>	<u>71,192</u>
Non-Operating Revenues				
Interest Earnings	44,076	19,859	63,935	28,750
Interest and Amortization Expense	-	(856)	(856)	-
Total Non-Operating Revenues	<u>44,076</u>	<u>19,003</u>	<u>63,079</u>	<u>28,750</u>
Change in Net Position	832,281	(2,488)	829,793	99,942
Net Position, Beginning of Year	<u>1,717,216</u>	<u>786,706</u>	<u>2,503,922</u>	<u>955,372</u>
Net Position, End of Year	<u>\$ 2,549,497</u>	<u>\$ 784,218</u>	<u>\$ 3,333,715</u>	<u>\$ 1,055,314</u>

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

CITY OF NEW SMYRNA BEACH, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>Sanitation</u>	<u>Non-Major City Marina</u>	<u>Total</u>	<u>Governmental Activities Internal Service Fund - Garage</u>
Cash Flows from Operating Activities				
Cash Received from Customers	\$ 9,463,848	\$ 339,223	\$ 9,803,071	\$ 1,674,609
Cash Paid to Employees	(127,440)	(164,404)	(291,844)	(313,411)
Cash Paid to Suppliers	(8,521,451)	(169,124)	(8,690,575)	(1,247,903)
Other Receipts	-	-	-	-
Net Cash Provided by (Used in) Operating Activities	<u>814,957</u>	<u>5,695</u>	<u>820,652</u>	<u>113,295</u>
Cash Flows from Non-Capital Financing Activities				
Transfers from Other Funds	687,034	-	687,034	1,747
Net Cash Provided by (Used in) Non-Capital Financing Activities	<u>687,034</u>	<u>-</u>	<u>687,034</u>	<u>1,747</u>
Cash Flows from Capital and Related Financing Activities				
Acquisition and Construction of Capital Assets	-	(185,360)	(185,360)	(124,095)
Principal Payments of Long-Term Debt	-	(4,866)	(4,866)	-
Interest Paid	-	(856)	(856)	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>-</u>	<u>(191,082)</u>	<u>(191,082)</u>	<u>(124,095)</u>
Cash Flows from Investing Activities				
Interest Received	44,076	19,859	63,935	28,750
Net Cash Provided by (Used in) Investing Activities	<u>44,076</u>	<u>19,859</u>	<u>63,935</u>	<u>28,750</u>
Net Change in Cash and Cash Equivalents	1,546,067	(165,528)	1,380,539	19,697
Cash and Cash Equivalents, Beginning of Year	<u>913,343</u>	<u>541,385</u>	<u>1,454,728</u>	<u>790,570</u>
Cash and Cash Equivalents, End of Year	<u>\$ 2,459,410</u>	<u>\$ 375,857</u>	<u>\$ 2,835,267</u>	<u>\$ 810,267</u>
Cash and Cash Equivalents Classified as:				
Equity in Pooled Cash and Cash Equivalents	\$ 2,459,410	\$ 375,857	\$ 2,835,267	\$ 810,267
Total Cash and Cash Equivalents	<u>\$ 2,459,410</u>	<u>\$ 375,857</u>	<u>\$ 2,835,267</u>	<u>\$ 810,267</u>

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

CITY OF NEW SMYRNA BEACH, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024
(Concluded)

	<u>Sanitation</u>	<u>Non-Major City Marina</u>	<u>Total</u>	<u>Governmental Activities Internal Service Fund - Garage</u>
<u>Reconciliation of Operating Income to Net Cash</u>				
<u>Provided by (Used in) Operating Activities:</u>				
Operating Income (Loss)	\$ 788,205	\$ (21,491)	\$ 766,714	\$ 71,192
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Depreciation	2,593	21,741	24,334	35,746
Changes in Assets and Liabilities:				
Accounts Receivable	37	230	267	2,524
Inventories	-	-	-	12,439
Prepaid Items	-	(180)	(180)	(9,616)
Accounts Payable and Accrued Liabilities	26,284	4,914	31,198	-
Deposits	499	(3,934)	(3,435)	-
Unearned Revenue	-	6,579	6,579	5,777
Compensated Absences	2,865	599	3,464	6,282
Total OPEB Liability and Related Items	(5,526)	(2,763)	(8,289)	(11,049)
Net Cash Provided by (Used in) Operating Activities	<u>\$ 814,957</u>	<u>\$ 5,695</u>	<u>\$ 820,652</u>	<u>\$ 113,295</u>
<u>Non-Cash Investing, Capital, and Financing Activities:</u>				
Capital Assets Acquired by a SBITA	\$ -	\$ -	-	\$ 48,384

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

CITY OF NEW SMYRNA BEACH, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2024

	<u>Pension Trust Funds</u>
Assets	
Cash and Cash Equivalents	\$ 397,230
Prepaid Benefit Payments	<u>175,041</u>
Receivables:	
Employer Contributions Receivable	114,379
Interest and Dividends Receivable	<u>103,066</u>
Total Receivables	<u>217,445</u>
Investments, at Fair Value:	
Money Market Funds	828,946
Common Stock	12,868,524
Government Agency Obligations	4,903,192
Corporate Debt Securities	2,394,601
Mutual Funds - Fixed Income	3,865,988
Mutual Funds - Equity	16,319,911
Exchange Traded Funds	4,944,559
Private Equity	1,501,460
Real Estate Funds	2,241,926
Annuity Contracts	<u>2,254,571</u>
Total Investments	<u>52,123,678</u>
Total Assets	<u>52,913,394</u>
Liabilities	
Accounts Payable	<u>118,977</u>
Total Liabilities	<u>118,977</u>
Net Position	
Restricted for Pensions	<u>\$ 52,794,417</u>

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

CITY OF NEW SMYRNA BEACH, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>Pension Trust Funds</u>
Additions	
Contributions:	
Employer	\$ 1,572,434
Employees	663,567
State - Insurance Premium Taxes	928,354
Total Contributions	<u>3,164,355</u>
Investment Earnings:	
Net Appreciation in Fair Value of Investments	8,029,321
Interest and Dividends	1,116,655
Total Investment Earnings	<u>9,145,976</u>
Less: Investment Expense	<u>(179,994)</u>
Net Investment Income	<u>8,965,982</u>
Total Additions	<u>12,130,337</u>
Deductions	
Benefit Payments and Refunds	4,120,830
Administrative Expenses	155,798
Total Deductions	<u>4,276,628</u>
Change in Net Position	7,853,709
Net Position Restricted for Pensions, Beginning of Year	<u>44,940,708</u>
Net Position Restricted for Pensions, End of Year	<u>\$ 52,794,417</u>

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

Notes to Financial Statements



CITY OF NEW SMYRNA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Note 1 - Summary of Significant Accounting Policies

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

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

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

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

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

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

- (c) **Blended Component Units**—The following component unit is blended with the primary government for financial statement purposes. A blended component unit is, in substance, part of the primary government's operations, even though it is a legally separate entity. Thus, the blended component unit is appropriately presented as a fund of the primary government in the City's Annual Comprehensive Financial Report for the year ended September 30, 2024. The blended component unit also issues separate financial statements.

CITY OF NEW SMYRNA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

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

- (d) **Related Organizations**—The City Commission is also responsible for appointing the members of the board of directors for the Housing Authority of New Smyrna Beach (the Housing Authority). The City's accountability for this organization does not extend beyond making the appointments. The board members do not serve at the discretion of the City Commission and can only be removed for cause. The City cannot impose its will on the Housing Authority and does not derive any financial benefit or burden from the relationship.
- (e) **Government-Wide and Fund Financial Statements**—The government-wide financial statements, comprised of the statement of net position and the statement of activities, report aggregated information for the overall government for all of the activities of the primary government and the discretely presented component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other non-exchange revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties for goods or services for support. Likewise, the primary government is reported separately from the legally separate component unit, for which the primary government is financially accountable.

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

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

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

CITY OF NEW SMYRNA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

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

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

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

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

The City reports the following major governmental funds:

- **General Fund**—The General Fund is the principal fund of the City which accounts for all financial transactions not accounted for in other funds.
- **Stormwater Utility Fund**—The Stormwater Utility Fund is a special revenue fund used to maintain, repair, and improve the stormwater systems in the City. The fees are added to properly tax bills as non-ad valorem fees.
- **American Rescue Plan**—The American Rescue Plan Fund is a special revenue fund used to account for revenues and expenditures funded by the *American Rescue Plan Act of 2021*.
- **Airport Industrial Park Fund**—The Airport Industrial Park Fund is a special revenue fund used to account for user charges for those using the airport facilities and to account for user charges assessed for the use of industrial park area facilities. Federal awards and state financial assistance is also often a major source of revenue to assist with the maintenance and improvements of these facilities.
- **Capital Projects Fund**—The Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary and trust funds).

CITY OF NEW SMYRNA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
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The City reports the following major proprietary fund:

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

Additionally, the City reports the following non-major funds and fund types:

- **Special Revenue Funds**—These funds account for the proceeds of specific revenue sources (other than special assessments or capital projects) which are legally restricted to finance particular functions or activities of the City.
- **Debt Service Funds**—These funds are used to account for the accumulation of resources for, and payment of, general long-term debt principal, interest, and related costs. This fund type is used to provide for the debt service requirements of the City’s governmental long-term debt.
- **Capital Projects Funds**—These funds are used to account for financial resources that are restricted for capital projects and expansion.
- **Enterprise Fund**—The City’s only non-major enterprise fund accounts for the financial activities of the City-owned and operated Marina. Revenues are derived from fees charged to customers.
- **Internal Service Fund**—The City’s only internal service fund accounts for the financial activities of the Municipal Garage that provides fleet management services to other departments and agencies of the City, or to other governments, on a cost-reimbursement basis.
- **Pension Trust Funds**—Pension trust funds are accounted for by the City to provide data on the accumulation of financial resources to pay pension benefits to qualified participants in the City’s Police and Fire pension trust funds.

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

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

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

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- (g) **Budgets and Budgetary Accounting**—Annual budgets for all governmental and proprietary funds were adopted in compliance with Florida law. The basis on which the budgets are prepared is consistent with the basis of accounting utilized by the various fund types. The City uses the following procedures in establishing the budgetary data reflected in the accompanying financial statements:
- i. On or before July 1st, the City Manager submits a preliminary budget to the City Commission for the ensuing fiscal year.
 - ii. Budget workshop sessions are scheduled by the City Manager, as needed.
 - iii. A general summary of the budget and notice of public hearing is published in a local newspaper.
 - iv. Prior to October 1, the budget is legally enacted through passage of an ordinance.
 - v. The City Commission, by resolution, may make supplemental appropriations in excess of those estimated for the year up to the amount of available revenue in accordance with Sections 54 to 57 of the City Charter. Prior to the end of the fiscal year, supplemental appropriations are made for unanticipated spending requirements by the Commission.
 - vi. The City Commission must approve all inter-departmental budget amendments and/or appropriations transfers. Budgetary control is exercised at the department level.
 - vii. Every appropriation lapses at the close of the fiscal year.

For the year ended September 30, 2024, expenditures exceeded appropriations as approved by the City Commission within the General Fund and Debt Service Funds. General Fund expenditures exceed the budget in the Mayor and City Council Department by \$26,912, Leisure Services/Recreation Dept by \$9,053, and principal and interest expense by \$474,103. It should be noted the General Fund principal and interest expense overage was due to the addition of GASB Statement No. 87, *Leases*. Debt service expenditures exceeded the budgeted amount by \$1,999,961.

- (h) **Cash and Cash Equivalents**—Cash and cash equivalents include amounts in demand deposits as well as investments that are readily convertible to known amounts of cash. Investments with original maturities of three months or less are considered to be cash equivalents.
- (i) **Deposits and Investments**—The City’s investment policies are governed by state statutes and local resolution. These policies authorize the City to invest in bonds, notes, certificates of indebtedness, treasury bills, or other securities which are guaranteed by the full faith and credit of the United States of America, interest-bearing savings accounts, interest-bearing certificates of deposit, and interest-bearing time deposits.

Within the pension trust fund, the City of New Smyrna Beach’s Police Officers’ and Firefighters’ Retirement System is authorized within certain limitations by its governing board to invest in items as noted in Note 4 of the financial statements.

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

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

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

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

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

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

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings	10 – 40 Years
Infrastructure	10 – 50 Years
Improvements Other Than Buildings	6 - 40 Years
Machinery and Equipment	1 - 30 Years
Right-to-Use Leased Equipment and Land	4 – 10 Years

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- (m) **Restricted Assets**—Certain proceeds of the City’s revenue note obligations, as well as certain resources set aside for their repayment, are classified as restricted assets in the government-wide financial statements because their use is limited by applicable bond covenants or laws/regulations imposed by other governmental agencies. The restricted assets are used to report resources set aside to: (1) provide a reserve for debt service, (2) provide a reserve for maintenance and replacement costs, and (3) acquire capital assets.
- (n) **Unearned Revenues**—Cash received but for which the revenue recognition criteria have not been met are reported as unearned revenue in the government-wide, governmental, enterprise, and fiduciary fund financial statements. Unearned revenues recorded on the government-wide statement of net position and governmental funds balance sheet primarily consisted of business service taxes collected in advance and memberships, rentals paid in advance, and grant revenues received in advance as of year-end.
- (o) **Compensated Absences**—It is the City’s policy to permit employees to accumulate earned but unused compensatory time, vacation, and sick pay benefits, subject to limits based on date of hire. Compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements.
- (p) **Long-Term Obligations**—In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Original issue bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize premiums and discounts, during the current period. The face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.
- (q) **Leases**—*Lessor*: The City is the lessor of land, buildings, and airport facilities and determines if an arrangement is a lease at inception. The City recognizes lease receivables and corresponding deferred inflows for all leases that are not considered short-term. Lease receivables represent the City’s right to receive lease payments arising from the lease. Deferred inflows represent resources recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods. Subsequently, the lease receivable is reduced by the principal portion of lease payments received, and deferred inflow of resources are recognized as revenue over the life of the lease term. The City’s lessor agreements do not contain any material residual value guarantees or material restrictive covenants.

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

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

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

Discount Rate: Unless explicitly stated in the lease agreement, known by the City, or the City is able to determine the rate implicit within the lease, the discount rate used to calculate the lease receivable will be the City's incremental borrowing rate (IBR), which will be the rate utilized for the subsequent fiscal year.

- (r) **Deferred Outflows/Inflows of Resources**—In addition to assets, the statement of net position and balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The City presents a deferred amount on refunding which is reported in the proprietary funds and government-wide statement of net position and results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The City also has deferred outflows related to pensions as discussed further in Note 16 and deferred outflows related to other postemployment benefits (OPEB) as discussed further in Note 15.

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

The City has four items, unavailable revenues and deferred inflows related to leases in the governmental fund balance sheets and deferred inflows related to pensions and OPEB in the proprietary funds and government-wide statement of net position, which qualify for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet and is from three sources: property taxes, special assessments, and grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows related to pensions are discussed further in Note 16, deferred inflows related to OPEB are discussed further in Note 15, and deferred inflows related to leases are discussed further in Note 9.

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

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

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

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

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

Unassigned – Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned. Disbursements of fund equity will first be made from restricted amounts when both restricted and unrestricted fund balance is available. Additionally, in the governmental funds the City will first use committed fund balance, followed by assigned fund balance, and then unassigned fund balance when expenditures are incurred for purposes which amounts in any of the unrestricted fund balance classifications could be used.

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

At September 30, 2024, the American Rescue Plan Fund, a major fund, has a deficit fund balance of \$1,899,775. The deficit is due to \$3,000,000 of project-specific funds received in advance under the Coronavirus State and Local Fiscal Recovery Funds grant that were transferred in the prior year to capital projects funds in anticipation of the project expenditures occurring in the recipient funds. However, since the expenditures have not yet been incurred, the revenue has not yet been recognized, resulting in the fund deficit. As project expenditures are incurred, grant revenue will be recognized, and the deficit will be eliminated.

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During the year, \$825,082 of revenues were recognized.

- (t) **Pensions**—For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City’s Police Officers’ and Firefighters’ pension trust funds and the Florida Retirement System Pension (FRS) Plan and Health Insurance Subsidy (HIS) Program and additions to and deductions from the plans’ fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.
- (u) **Use of Estimates**—Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates assumed in preparing the financial statements.

Note 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.

Note 3 - Property Tax Calendar

Under Florida law, the assessment of all properties and the collection of all county, municipal, and school district property taxes are consolidated in the offices of the County Property Appraiser and Chief Financial Officer. The laws of the state regulating tax assessment are also designed to assure a consistent property valuation method statewide. State Statutes permit municipalities to levy property taxes at a rate of up to 10 mills. For the year ended September 30, 2024, the operating and combined debt service millage rates (2023 levy) assessed by the City were 4.4150 and 0.1900 mills, respectively.

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The property tax calendar is as follows:

Valuation Date	January 1	
Property Appraiser prepares the assessment roll with values as of January 1, submits this preliminary roll for approval by the State and notifies each taxing authority of their respective valuations.	July 1	
City Commission holds two required public hearings and adopts a budget and ad valorem tax millage rate for the coming fiscal year.	September	
Property Appraiser certifies the assessment roll and all real and tangible personal property taxes are due and payable (Levy date).	November 1	
Taxes may be paid November through March, with the following applicable discounts:		
<u>Month Paid</u>	<u>Discount Percent</u>	November 1, 2023 through March 31, 2024
November	4%	
December	3%	
January	2%	
February	1%	
March	0%	
All unpaid taxes on real and tangible personal property become delinquent.	April 1	
A list of unpaid tangible personal property taxes and a list of unpaid real property taxes are advertised.	April and May	
Tax certificates are sold on all real estate parcels with unpaid real property taxes (lien date).	June 1	
A court order is obtained authorizing the seizure and sale of personal property if the taxpayer fails to pay the delinquent personal property taxes.	June 1	

Note 4 - Cash Deposits and Investments

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

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

The Act establishes guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements, and characteristics of eligible collateral. Under the Act, City deposits in qualified public depositories are fully insured. The qualified public depository must pledge 50% of the average daily balance for each month of all public deposits in excess

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of any applicable depository insurance. Additional collateral, up to a maximum of 125% may be required if deemed necessary under the conditions set forth in the Act. Obligations pledged to secure deposits must be delivered to the State Treasurer, or with the approval of the State Treasurer, to a bank, savings association, or trust company provided a power of attorney is delivered to the Treasurer.

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

Investments administered by the trustees of the City's Municipal Firefighters' Pension Trust Fund Board and Municipal Police Officers' Pension Trust Fund Board are restricted to investments as defined under state statutes; specifically, Section 175.071(a) and (b), Florida Statutes, and Section 185.06(a) and (b), Florida Statutes, respectively. The City revised the policy for the Firefighters' Pension Trust Board on October 12, 2023, and a policy for the Municipal Police Officers' Pension Trust Fund on October 14, 2023. The provision under both statutes limit investments to: investment in annuity and life insurance contracts of life insurance companies; time or savings accounts of a national bank, a state bank insured by the Bank Insurance Fund, or savings, building, and loan association insured by the Savings Association Insurance Fund, which is administered by the Federal Deposit Insurance Corporation or a state or federal chartered credit union with share accounts insured by the National Credit Union Share Insurance Fund; obligations of the United States or obligations guaranteed as to principal and interest by the government of the United States; bonds issued by the State of Israel; and bonds, stocks, or other evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia, provided that the corporation is listed on any one or more of the recognized national stock exchanges or on the National Market System of the NASDAQ Stock Market and, in case of bonds only, holds a rating in of the three highest classifications by a major rating service. Both policies allow for investment in Real Estate Funds. However, only the Fire Fighters' Fund allows for investment in hedge/private equity funds. Also, the board of trustees shall not invest more than five percent of its assets in the common stock or capital stock of any one issuing company, nor shall the aggregate investment in any one issuing company exceed 12 percent of the outstanding capital stock of that company.

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

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

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

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Custodial Credit Risk: In the case of investments, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of September 30, 2024, the City's investment in the guaranteed annuity contract is not subject to custodial credit risk. The City's investments are held in street name in the form of stock, corporate bonds, and U.S. Government bonds through a financial brokerage firm segregated out from the assets and investments held by other clients of the investment firm and their own assets.

Foreign Currency Risk: Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The City has no investments in foreign currencies.

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

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

- **Level 1:** Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.
- **Level 2:** Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- **Level 3:** Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

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The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2024.

- **Debt and Equity Securities** – Debt and equity securities are classified in Level 1 of the fair value hierarchy and are valued using quoted market prices for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique based on the price or yield of similar debt securities.
- **Mutual Funds** – Equity Mutual funds are classified in Level 1 of the fair value hierarchy and are valued using quoted market prices for those investments. Fixed Income Mutual funds are classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique based on the price or yield of similar debt securities.
- **Fixed Income Annuity Contracts** – Fixed Income Annuity Contracts are classified in Level 2 of the fair value hierarchy and are valued using a matrix pricing technique based on the price or yield of similar debt securities.
- **Real Estate Funds and Private Investment Fund** – Real estate funds and the private investment fund are valued at net asset value (NAV), which approximates fair value.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the City believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. As of September 30, 2024, the City had the following deposits and investments:

Investment Type	Carrying Value	Weighted Average Investment Maturities (in Years)				Fair Value Hierarchy Classification
		Less Than 1	1 - 5	6 - 10	More Than 10	
Common Stock	\$ 12,868,524	\$ 12,868,524	\$ -	\$ -	\$ -	Level 1
Money Market Funds	828,946	828,946	-	-	-	Level 1
Government Bonds	4,903,192	-	432,328	4,149,779	321,085	Level 2
Corporate Bonds	2,394,601	-	352,567	2,042,034	-	Level 2
Exchange-Traded Funds	4,944,559	4,944,559	-	-	-	Level 1
Mutual Funds - Fixed Income	3,865,988	3,865,988	-	-	-	Level 2
Mutual Funds - Equity	16,319,911	16,319,911	-	-	-	Level 1
Fixed Income Annuity Contracts	2,254,571	2,254,571	-	-	-	Level 2
Real Estate Investments	2,241,926	2,241,926	-	-	-	NAV
Private Equity	1,501,460	1,501,460	-	-	-	NAV
Total Fiduciary Fund Investments	52,123,678	44,825,885	784,895	6,191,813	321,085	
City Cash and Cash Equivalents	86,623,022	N/A	N/A	N/A	N/A	N/A
Pension Cash and Cash Equivalents	397,230	N/A	N/A	N/A	N/A	N/A
Total Carrying Value of Cash and Cash Equivalents and Investments	\$ 139,143,930	\$ 44,825,885	\$ 784,895	\$ 6,191,813	\$ 321,085	

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

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

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

The following table summarizes investments measured at fair value based on NAV per share as of September 30, 2024:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (If Currently Eligible)</u>	<u>Redemption Notice Period</u>
Real Estate Fund	\$ 2,241,926	None	Quarterly	60 days prior to the end of the quarter
Private Equity	\$ 1,501,460	None	Quarterly	Last day of the calendar quarter during which the fund receives notice

Note 5 - Accounts Receivable

The City’s receivables consisted of the following at September 30, 2024:

	<u>Special Assessments Receivable</u>	<u>Other Receivables</u>	<u>Gross Accounts Receivable</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Receivables</u>
Governmental Activities					
General Fund	\$ 489,905	\$ 429	\$ 789,028	\$ (415,940)	\$ 863,422
Special Revenue Funds:					
Airport Industrial Park	-	19,180	452,702	(252,693)	219,189
Non-Major Governmental Funds	-	-	219,734	(49,700)	170,034
Internal Service Fund	-	-	23,291	-	23,291
Total Governmental Activities	<u>489,905</u>	<u>19,609</u>	<u>1,484,755</u>	<u>(718,333)</u>	<u>1,275,936</u>
Business-Type Activities					
Municipal Marina	-	-	1,174	(101)	1,073
Total Business-Type Activities	<u>-</u>	<u>-</u>	<u>1,174</u>	<u>(101)</u>	<u>1,073</u>
Totals	<u>\$ 489,905</u>	<u>\$ 19,609</u>	<u>\$ 1,485,929</u>	<u>\$ (718,434)</u>	<u>\$ 1,277,009</u>
Component Unit	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,071,270</u>	<u>\$ (52,259)</u>	<u>\$ 10,019,011</u>

Note 6 - Interfund Lones, Advances, Fees, and Transfers

At September 30, 2024, there were no individual fund advances or amount due to and from other funds for the primary government. Amounts due from component units were comprised of the following:

	<u>Due from Component Unit</u>	<u>Due to Primary Government</u>
Primary Government:		
General Fund	\$ 762,392	\$ -
Sanitation Fund	785,008	-
Component Unit:		
Utilities Commission	-	1,547,400
Total	<u>\$ 1,547,400</u>	<u>\$ 1,547,400</u>

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

In fiscal year 2018, pursuant to Ordinance No. 31-18, the City levied a special assessment for certain benefiting property owners to fund sanitary sewer improvements along State Road 44. The sanitary sewer improvements will be constructed by the Utilities Commission and the Utilities Commission will retain ownership of the improvements. Related to the special assessment, the City entered into an agreement with the Utilities Commission under which the City, with the exception of \$20,000 to reimburse the City for initial costs incurred, will remit all funds collected from this special assessment to the Utilities Commission to fund these improvements. At September 30, 2024, \$341,370 of the principal portion of the special assessment is reported as due to component unit.

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

During the year ended September 30, 2024, individual fund transfers to and from other funds for the primary government were comprised of the following:

	Governmental Activities				Total Transfers Out
	General Fund	Capital Projects Fund	Stormwater Fund	Non-Major Funds	
Governmental Activities					
General Fund	\$ -	\$ 3,511,306	\$ 2,291,330	\$ 1,124,790	\$ 6,927,426
Stormwater Utility Fund	-	-	-	614,182	614,182
American Rescue Plan Fund	-	300,000	-	-	300,000
Capital Projects Fund	15,460	-	-	-	15,460
Non-Major Governmental Funds	-	1,212,234	-	-	1,212,234
Total Transfers In	\$ 15,460	\$ 5,023,540	\$ 2,291,330	\$ 1,738,972	\$ 9,069,302

The general fund and stormwater utility fund transferred funds to the debt service fund for debt service payments. The general fund transferred funds to the capital projects fund and stormwater fund to transfer for capital projects. The non-major debt service fund transferred funds to the capital projects fund which represented cash from unspent proceeds of the 2024 line of credit. The American Rescue Plan fund transferred funds to the capital projects to distribute funds received from the revenue loss standard allowance and specific project awards under the Coronavirus State and Local Fiscal Recovery Funds grant.

CITY OF NEW SMYRNA BEACH, FLORIDA
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Note 7 - Capital Assets

Capital asset activity for the fiscal year ended September 30, 2024, is as follows:

	(Restated) Beginning Balance	Increases	Decreases	Adjustments/ Transfers	Ending Balance
Governmental Activities					
Capital Assets, Not Being Depreciated:					
Land	\$ 42,631,166	\$ -	\$ (102,616)	\$ 367,484	\$ 42,896,034
Easements	240,947	-	-	-	240,947
Construction in Progress	17,628,769	14,593,245	(520,620)	(13,776,455)	17,924,939
Total Capital Assets, Not Being Depreciated	60,500,882	14,593,245	(623,236)	(13,408,971)	61,061,920
Capital Assets, Being Depreciated:					
Buildings and Improvements	54,886,010	118,738	(37,872)	1,485,563	56,452,439
Improvements Other Than Buildings	31,390,830	313,916	-	8,674,077	40,378,823
Infrastructure	61,147,458	1,502,633	-	3,206,912	65,857,003
Machinery and Equipment	22,226,112	3,354,492	(837,055)	42,419	24,785,968
Leases	136,426	848,759	-	-	985,185
SBITAs	-	221,895	-	-	221,895
Total Capital Assets, Being Depreciated	169,786,836	6,360,433	(874,927)	13,408,971	188,681,313
Less Accumulated Depreciation for:					
Buildings and Improvements	(19,159,348)	(1,194,068)	9,152	-	(20,344,264)
Improvements Other Than Buildings	(21,358,065)	(1,140,384)	-	-	(22,498,449)
Infrastructure	(24,711,889)	(2,591,149)	-	-	(27,303,038)
Machinery and Equipment	(12,970,247)	(1,789,731)	778,500	-	(13,981,478)
Leases	(47,933)	(212,153)	-	-	(260,086)
SBITAs	-	(75,778)	-	-	(75,778)
Total Accumulated Depreciation	(78,247,482)	(7,003,263)	787,652	-	(84,463,093)
Total Capital Assets, Being Depreciated, Net	91,539,354	(642,830)	(87,275)	13,408,971	104,218,220
Governmental Activities Capital Assets, Net	\$ 152,040,236	\$ 13,950,415	\$ (710,511)	\$ -	\$ 165,280,140
Business-Type Activities					
Capital Assets, Not Being Depreciated:					
Construction in Progress	\$ 71,882	\$ 185,424	\$ (64)	\$ (10,710)	\$ 246,532
Total Capital Assets, Not Being Depreciated	71,882	185,424	(64)	(10,710)	246,532
Capital Assets, Being Depreciated:					
Right-to-Use Land	47,079	-	-	-	47,079
Buildings and Improvements	-	-	-	10,710	10,710
Infrastructure	288,323	-	-	-	288,323
Machinery and Equipment	65,454	-	-	-	65,454
Total Capital Assets, Being Depreciated	400,856	-	-	10,710	411,566
Less Accumulated Depreciation for:					
Right-to-Use Land	(10,088)	(5,044)	-	-	(15,132)
Buildings and Improvements	-	(536)	-	-	(536)
Infrastructure	(84,094)	(14,416)	-	-	(98,510)
Machinery and Equipment	(29,888)	(4,338)	-	-	(34,226)
Total Accumulated Depreciation	(124,070)	(24,334)	-	-	(148,404)
Total Capital Assets, Being Depreciated, Net	276,786	(24,334)	-	10,710	263,162
Business-Type Activities Capital Assets, Net	\$ 348,668	\$ 161,090	\$ (64)	\$ -	\$ 509,694

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Depreciation expense was charged to functions/programs as follows:

Governmental Activities	
General Governmental	\$ 879,496
Public Safety	1,532,300
Transportation	1,984,088
Economic Environment	661,886
Physical Environment	723,287
Culture and Recreation	1,173,788
Garage – Internal Service Fund	<u>38,338</u>
Total Depreciation Expense – Governmental Activities	<u>\$ 6,993,183</u>
Business-Type Activities	
Sanitation	\$ 2,593
City Marina	<u>21,741</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 24,334</u>

Note 8 - Commitments and Contingencies

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

The City had active construction projects encumbered as of September 30, 2024. At year-end the City's encumbered commitments with contractors were as follows:

	<u>Outstanding</u>
	<u>Encumbrances</u>
General Fund	\$ 1,644,347
Stormwater Utility Fund	1,972,061
Airport Industrial Park Fund	510,436
Capital Projects Fund	5,098,983
Non-Major Governmental Funds	381,553
City Marina Fund	450,531
Internal Service Fund	<u>750,000</u>
Total Outstanding Commitments	<u>\$ 10,807,911</u>

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

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

The City is engaged in various liability claims incidental to the conduct of its general government operations at September 30, 2024. 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.

Note 9 - Leases

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

In September 2022, the City entered into a lease agreement with Yamaha Motor Finance Corporation as lessee for 55 golf carts and one golf cart picker. The general fund is responsible for all payments on the lease, which are due in quarterly installments of \$12,078, including interest of 4.20%. The right-to-use assets, which have a 4-year useful life, and associated lease liability are included in governmental activities. As of September 30, 2024, the right-to-use leased equipment was recorded with a cost of \$136,426 and accumulated amortization of \$92,179, resulting in a net book value of \$44,247. The present value of the future minimum lease payments is \$47,065 at September 30, 2024.

During fiscal year 2023, the City had lease agreements with Enterprise Fleet for 7 vehicles. There terms of these leases range from October 1, 2023 through January 31, 2026. The general fund is responsible for all payments on the lease, which are due in monthly installments of 5,541, including interest at the implicit rate ranging from 7.60% to 10.87%. The right-to-use assets have 5-year useful life, and the associated lease liabilities are included in government-activities. As of September 30, 2024, the right-to-use leased assets were recorded with a cost of \$239,834 and accumulated amortization of \$53,733, resulting in a net book value of \$186,101. The present value of the future minimum lease payments is \$194,726 at September 30, 2024.

In January 2021, the City entered into a lease agreement with the Florida Bureau of Public Land Administration as lessee for a 43-slip commercial docking facility and upland municipal marina. The marina fund is responsible for all payments on the lease, which are due in annual installments of \$5,817, including interest at an effective interest rate of 2.55%. The right-to-use land, which has a 10-year useful life, and the associated lease liability are included in business-type activities. As of September 30, 2024, the right-to-use leased land was recorded with a cost of \$47,079 and accumulated amortization of \$15,133, resulting in a net book value of \$31,946. The present value of the future minimum lease payments is \$31,953 at September 30, 2024.

CITY OF NEW SMYRNA BEACH, FLORIDA
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The future lease payments under lease agreements are as follows:

Year Ending September 30,	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 96,696	\$ 17,608	\$ 114,304	\$ 4,992	\$ 856	\$ 5,848
2026	51,124	11,949	63,073	5,121	728	5,849
2027	54,531	6,835	61,366	5,253	462	5,715
2028	39,440	1,471	40,911	5,388	324	5,712
2029	-	-	-	5,528	182	5,710
2030-2032	-	-	-	5,670	37	5,707
Total	\$ 241,791	\$ 37,863	\$ 279,654	\$ 31,952	\$ 2,589	\$ 34,541

- (b) **Lessors**—The City is a lessor in seven lease agreements involving land, buildings, and airport facilities within the general and airport funds ending between 2026 and 2048. As of and for the year ended September 30, 2024, the City recognized the following amounts of inflows of resources, including lease revenue, interest revenue, and other lease-related inflows that include variable and other payments not previously included in the measurement of the lease receivable:

	General Fund	Airport Fund	Total Governmental Activities
Lease Revenue:			
Land	\$ 6,266	\$ 500,742	\$ 507,008
Building	19,851	33,601	53,452
Total Lease Revenue	26,117	534,343	560,460
Interest Revenue	2,672	233,921	236,593
Total Lease-Related Revenues	<u>\$ 28,789</u>	<u>\$ 768,264</u>	<u>\$ 797,053</u>
Lease Receivable	\$ 94,448	\$ 9,026,344	\$ 9,120,792
Deferred Inflows - Leases	\$ 89,032	\$ 8,629,311	\$ 8,718,343

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

Year Ending September 30,	General Fund			Airport Fund		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 26,565	\$ 1,879	\$ 28,444	\$ 326,576	\$ 226,097	\$ 552,673
2026	27,910	1,310	29,220	314,706	217,514	532,220
2027	29,309	577	29,886	313,500	209,236	522,736
2028	3,367	226	3,593	204,470	203,012	407,482
2029	3,454	139	3,593	222,127	197,555	419,682
2030-2034	3,843	188	4,031	1,405,592	888,991	2,294,583
2035-2039	-	-	-	1,985,785	673,510	2,659,295
2040-2044	-	-	-	2,367,840	386,476	2,754,316
2045-2049	-	-	-	1,885,750	87,964	1,973,714
Total	\$ 94,448	\$ 4,319	\$ 98,767	\$ 9,026,346	\$ 3,090,355	\$ 12,116,701

CITY OF NEW SMYRNA BEACH, FLORIDA
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Note 10 - Subscription-Based Information Technology Arrangements

The City has various information technology security software, server software subscription arrangements, and fleet management software that require recognition under GASB Statement No. 96. The software amortization expense is included on the Statement of Revenues, Expenses and Changes in Fund Net Position related to the City's intangible assets, which are included in Note 7 as SBITA Assets. The City now recognizes a SBITA liability and an intangible right-to-use asset for the various software arrangements. As of September 30, 2024, the City has prepaid all of their SBITA contracts and, therefore, does not have any SBITA liabilities but does recognize SBITA assets. The total of the City's subscription assets is recorded at a cost of \$221,895 and accumulated amortization of \$75,778 at September 30, 2024.

Note 11 - Long-Term Liabilities

(a) Notes and Loans Payable

Governmental Activities

The City has entered into several long-term debt obligations where it pledges specific income streams or income derived from the acquired or constructed assets to pay debt service. Notes and loans payable in the City's governmental activities at September 30, 2024, were comprised of the following obligations:

<p>\$5,000,000 Stormwater Revenue Note, Series 2017 was issued March 15, 2017, at an interest rate of 2.24% to fund construction of stormwater management improvements related to the Islesboro subdivision stormwater project. Principal and interest payments of \$280,436 are due semi-annually on November 1 and May 1 of each year until final maturity on March 1, 2027. The note is secured by a lien and pledge of the City's stormwater utility fees.</p>	<p>\$ 1,634,790</p>
<p>\$9,500,000 General Obligation Note, Series 2019 was issued August 29, 2019, at an interest rate of 2.45% to finance the costs of the acquisition of lands along the Turnbull Creek Watershed. Principal and interest payments are due annually on July 1 of each year until final maturity on July 1, 2039. The general obligation note is secured by full faith, credit, and taxing power as pledged by the City.</p>	<p>7,585,000</p>
<p>\$6,140,000 Capital Improvement Refunding Revenue Note, Series 2014 was issued September 16, 2014, at an interest rate of 2.74% to refund the City's outstanding Capital Improvement Refunding Revenue Bonds, Series 2005. Interest payments are payable semi-annually on April 1 and October 1. Principal payments are due annually on October 1 of each year until final maturity on October 1, 2029. The note is secured by a lien and pledge of the non-ad valorem tax revenues and any other revenue appropriated by the City.</p>	<p>2,595,000</p>
<p>\$10,000,000 Capital Improvement Revenue and Refunding Note, Series 2018 was issued May 10, 2018, at an interest rate of 2.17% to finance capital projects and to refund the City's outstanding Capital Improvement Revenue Note, Series 2013. Interest payments are payable semi-annually on April 1 and October 1. Principal payments are due annually on October 1 of each year until final maturity on October 1, 2033. The note is secured by a pledge of non-ad valorem and other revenue appropriated by the City.</p>	<p>7,510,000</p>

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<p>\$18,000,000 Capital Improvement Note, Series 2024 was issued on April 1, 2024, at a variable interest rate of 79% of 1-Month CME Term SOFR + 0.79% (4.62% at September 30, 2024) to advance refund the Capital Improvement Revenue Note, Series 2021 and for the purpose of providing interim financing for transportation and other capital improvement projects. The City drew down \$11,550,001 on April 1, 2024. The note is a non-revolving draw-down loan facility. Interest payments are payable semi-annually on April 1 and October 1. Principal payments are due at final maturity on April 1, 2027. The note is secured by a pledge of non-ad valorem and other revenue appropriated by the City.</p>	\$ 11,597,501
<p>\$457,257 State Revolving Fund Loan Agreement executed with FDEP on September 19, 2006, at an interest rate of 2.47% to finance costs related to the Central Beach Phase 2 Flood Mitigation Improvements Project. Principal and interest payments of \$10,000 are due semi-annually on January 15 and July 15 of each year until final maturity on July 15, 2028. The loan is secured by a pledge of the City's stormwater utility fees.</p>	75,729
<p>\$1,999,328 financed purchase executed with TD Equipment Finance, Inc. on September 14, 2016, at an interest rate of 1.709% to finance the purchase of one fire truck and two fire engines. Principal and interest payments of \$108,522 are due semiannually on May 1 and November 1 of each year until final maturity on May 1, 2026.</p>	424,940
<p>\$608,925 financed purchase executed with Axon, Inc. on January 1, 2024, at an interest rate of 3.896% to finance the purchase of Taser and Body Cameras for the Police Department. Principal and interest payments of \$131,268 are due annually on January 1 of each year until final maturity on January 1, 2028.</p>	477,658
<p>\$194,070 financed purchase executed with BANCORP, Inc. on July 10, 2024, at an interest rates of 5.8887% to 5.9852% to finance the purchase of three vehicles for the Fire Department. Principal and interest payments of \$3,747.41 are due monthly until final maturity on May 10, 2029.</p>	<u>186,690</u>
Total Governmental Activities	32,087,308
Less: Current Maturities	<u>(2,227,607)</u>
Total Governmental Activities Long-Term Debt	<u>\$ 29,859,701</u>

Business-Type Activities

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

CITY OF NEW SMYRNA BEACH, FLORIDA
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(b) Changes in Long-Term Debt and Liabilities

Long-term liability activity for the year ended September 30, 2024, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities					
Notes and Loans Payable:					
General Obligation Notes	\$ 9,149,000	\$ -	\$ (1,564,000)	\$ 7,585,000	\$ 424,000
Capital Improvement Notes	10,985,000	-	(880,000)	10,105,000	900,000
Stormwater Notes	2,150,356	-	(515,566)	1,634,790	527,190
State Revolving Fund Loans	126,114	-	(50,384)	75,730	18,241
Line of Credit	9,550,001	13,597,501	(11,550,001)	11,597,501	-
Financed Purchases	632,030	802,995	(345,738)	1,089,287	358,176
Total Notes and Loans Payable	32,592,501	14,400,496	(14,905,689)	32,087,308	2,227,607
Leases Payable	92,197	239,834	(90,239)	241,792	96,696
Compensated Absences	2,061,441	1,428,974	(1,392,865)	2,097,550	393,363
Governmental Activities - Total Long-Term Liabilities	\$ 34,746,139	\$ 16,069,304	\$ (16,388,793)	\$ 34,426,650	\$ 2,717,666
Business-Type Activities					
Leases Payable	\$ 36,819	\$ -	\$ (4,866)	\$ 31,953	\$ 4,993
Compensated Absences	14,027	6,968	(3,504)	17,491	3,698
Business-Type Activities - Total Long-Term Liabilities	\$ 50,846	\$ 6,968	\$ (8,370)	\$ 49,444	\$ 8,691
Utilities Commission					
Utilities Revenue Certificates	\$ 73,748,235	\$ -	\$ (2,336,948)	\$ 71,411,287	\$ 1,675,000
Leases Payable	82,567	-	(27,642)	54,925	28,912
Subscription Arrangements	303,211	-	(175,456)	127,755	99,454
Compensated Absences	1,257,556	1,202,523	(1,193,121)	1,266,958	633,479
Component Unit - Total Bonds Payable	\$ 75,391,569	\$ 1,202,523	\$ (3,733,167)	\$ 72,860,925	\$ 2,436,845

Internal service funds predominately serve the governmental funds. Accordingly, \$27,606 of internal service fund compensated absences are included in the above amounts. Also, for the governmental activities, compensated absences are generally liquidated by the general fund. The above Utilities Commission long-term debt presentation contains highly summarized select data. A more detailed debt presentation is available in the Utilities Commission's separately issued financial report, which may be obtained by contacting the administrative office, as discussed in Note 1(b).

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

Year Ending September 30,	Principal	Interest	Total
2025	\$ 2,228,128	\$ 1,391,508	\$ 3,619,636
2026	2,286,637	1,336,472	3,623,109
2027	13,747,792	1,276,863	15,024,655
2028	1,619,259	316,581	1,935,840
2029	1,489,492	274,085	1,763,577
2030-2034	7,876,000	833,331	8,709,331
2035-2039	2,840,000	212,095	3,052,095
2040	-	-	-
Total	\$ 32,087,308	\$ 5,640,935	\$ 37,728,243

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Note 12 - Tax Abatements

The City has adopted a tax abatement program in accordance with Florida Statute 196.1995. The abatement program was approved by the City Commission via Ordinance No. 73-14 and approved by the voters during a November 2014 referendum. The program allows a qualifying business to apply for tax reductions of up to 100% of the City's assessed millage for up to ten years for meeting certain requirements. Each tax abatement application is considered on a case-by-case basis by the City Commission. The City entered into an abatement agreement with a company effective March 31, 2018. For the year ended September 30, 2024, the City had no property tax amounts abated.

Note 13 - Risk Management

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

The City has identified specific locations which may require site remediation due to various soil and groundwater pollutants. An assessment has been performed at two locations on the City's airport property as well as at the City garage. As of September 30, 2024, no costs of cleanup have been determined with regards to the airport sites, rather the possible contaminated portions of the property have been roped off so as not to be disturbed. The garage property is undergoing additional assessments to determine the extent of the pollution. If it is determined the City is liable for clean-up, the maximum exposure to the City will be the pollution remediation insurance deductible of \$25,000. All estimates of liability are subject to change over time due to changes in the costs of goods and services, changes in remediation technology, or changes in laws and regulations governing remediation efforts.

The City leases three separate properties to Airgate Aviation, Inc. (Airgate). While Airgate has historically fallen behind on rent payments—particularly for amounts due from 2019 through 2021—it has been making timely rent payments into the court registry since approximately 2022. As of the date of filing, outstanding rent balances were approximately \$109,000 on one lease and \$16,000 on another. These receivables have been partially allowed for as of September 30, 2024. The City is pursuing litigation to recover past-due rent and to regain possession of the leased properties. In response, Airgate may assert various claims, including an allegation that the City overcharged sales tax by 0.5% on certain properties during a specific period. However, the City does not believe these claims will have a material adverse effect on its financial condition.

Note 14 - Deferred Employee Benefits

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

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current income. Such compensation is not available to the employees until employment termination, retirement, or death. All assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries.

Note 15 - Other Postemployment Benefits

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

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

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

Plan Membership—At October 1, 2023, the date of the latest actuarial valuation, plan participation consisted of the following:

Active Employees	332
Inactive Employees	50
	382

Total OPEB Liability—The City’s total OPEB liability of \$1,747,651 was measured as of September 30, 2024.

Actuarial Assumptions and Other Inputs—The total OPEB liability in the September 30, 2024, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

Discount Rate		3.97%
Salary Increases		3.00%
Healthcare Cost Trend Rate	7.00% Graded Down by 0.25% Per	
	Year to 4.50% in FY 2035	
Retirees’ Share of Benefit-Related Costs		100.00%

Discount Rate: The selected discount rate is based on the prescribed discount interest rate methodology under GASB Statements No. 74 and 75 using an average of three 20-year bond indices as of September 30, 2024.

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Mortality Rates: Society of Actuaries Pub-2010 Public Retirement Plans Healthy Male and Female Total Dataset Headcount-Weighted Mortality tables based on Employee and Healthy Annuitant Tables for both pre and post-retirement projected with mortality improvements using the most current Society of Actuaries Mortality Improvement Scale MP-2021.

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

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

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

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

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

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

For the fiscal year ended September 30, 2024, changes in the total OPEB liability were as follows:

Balance at September 30, 2023	<u>\$ 1,792,040</u>
Changes for a Year:	
Service Cost	13,204
Interest	66,343
Changes of Assumptions	117,941
Benefit Payments – Implicit Rate Subsidy	<u>(241,877)</u>
Net Changes	<u>(44,389)</u>
Balance at September 30, 2024	<u><u>\$ 1,747,651</u></u>

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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 3.97%, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.97%) or 1% higher (4.97%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 1,863,898	\$ 1,747,651	\$ 1,648,370

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate—The following presents the total OPEB liability of the City calculated using healthcare cost trend rate of 7.00% graded down to 4.50%, as well as what the City’s total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1% lower or 1% higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 1,635,784	\$ 1,747,651	\$ 1,879,975

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

For the year ended September 30, 2024, the City recognized OPEB expense of (\$40,352). At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resource related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	\$ 263,932	\$ 571,888
Total	\$ 263,932	\$ 571,888

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

<u>Year Ended September 30,</u>	
2025	\$ (119,899)
2026	(41,595)
2027	(3,027)
2028	(23,501)
2029	(46,918)
Thereafter	(73,016)
Total	\$ (307,956)

Note 16 - Employee Retirement Systems and Pension Funds

(a) Florida Retirement System

Plan Description and Administration

The entity participates in the FRS, a multiple-employer, cost-sharing defined public employee retirement system which covers all general employees hired before January 1, 1996. The System is administered by the State of Florida, Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. Provisions relating to the FRS

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are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code, wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other non-integrated programs. These include a defined-benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

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

Benefits Provided and Employees Covered

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

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

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

Financial Statements

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

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

Contributions

The City participates in certain classes of FRS membership. Each class has descriptions and contribution rates in effect during the year ended September 30, 2024, as follows (contribution rates are in agreement with the actuarially determined rates):

FRS Membership Plan and Class	Through June 30, 2024	After June 30, 2024
Regular Class	13.57%	13.63%
Senior Management	34.52%	34.52%
Special Risk	32.67%	39.82%

Current-year employer HIS contributions were made at a rate of 2.00% of covered payroll through June 30, 2024, and 2.00% thereafter, which are included in the above rates.

For the plan year ended June 30, 2024, actual contributions made for employees participating in FRS and HIS were as follows:

Entity Contributions - FRS	\$	92,455
Entity Contributions - HIS		8,135

Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions—At September 30, 2024, the entity reported a liability related to FRS and HIS as follows:

Plan	Net Pension Liability
FRS	\$ 835,169
HIS	172,729
Total	\$ 1,007,898

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The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The entity's proportion of the net pension liability was based on a projection of the long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, as actuarially determined. At June 30, 2024 and June 30, 2023, the entity's proportionate share of the FRS and HIS net pension liabilities were as follows:

Plan	2024	2023
FRS	0.002158912%	0.001573692%
HIS	0.001151450%	0.000961324%

For the year ended June 30, 2024, pension expense was recognized related to the FRS and HIS plans as follows:

Plan	Pension Expense
FRS	\$ 73,090
HIS	(8,098)
Total	\$ 64,992

Deferred Outflows/Inflows Related to Pensions

At September 30, 2024, the entity reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 84,374	\$ -	\$ 1,668	\$ 332
Changes of Assumptions	114,467	-	3,057	20,449
Net Difference Between Projected and Actual Investment Earnings	-	55,510	-	62
Change in Proportionate Share	151,195	202,341	27,939	58,428
Contributions Subsequent to Measurement Date	24,758	-	2,004	-
Total	\$ 374,794	\$ 257,851	\$ 34,668	\$ 79,271

The above amounts for deferred outflows of resources for contributions related to pensions resulting from entity contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended September 30, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions being amortized for a period of greater than one year will be recognized in pension expense in succeeding years as follows:

	FRS	HIS	Total
2025	\$ (61,964)	\$ (15,892)	\$ (77,856)
2026	103,168	(13,833)	89,335
2027	4,777	(13,909)	(9,132)
2028	28,084	(6,026)	22,058
2029	18,120	2,047	20,167
Thereafter	-	1,006	1,006
Total	\$ 92,185	\$ (46,607)	\$ 45,578

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Actuarial Assumptions

The actuarial assumptions for both defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS was completed in 2024 for the period July 1, 2018, through June 30, 2023. Because HIS is funded on a pay-as-you-go basis, no experience study has been completed.

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation, using the entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth, including inflation, for both plans is assumed at 3.50%. Both the discount rate and the long-term expected rate of return used for FRS investments is 6.70% this rate was unchanged from the prior year. The plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees.

Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. Because HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.93% was used to determine the total pension for the program. This rate increased from the prior year rate, which was 3.65%. Mortality assumptions for both plans were based on the PUB-2010 base table varies by member category and sex, projected generationally with Scale MP-2021.

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2024 the FRS Actuarial Assumptions Conference reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and by a capital market assumptions team from Aon Hewitt Investment Consulting, which consults to the Florida State Board of Administration. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. The allocation policy’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Expected Rate of Return</u>
Cash	1.0%	3.3%
Fixed Income	29.0%	5.7%
Global Equities	45.0%	8.6%
Real Estate	12.0%	8.1%
Private Equity	11.0%	12.4%
Strategic Investments	2.0%	6.6%
Total	<u>100.0%</u>	

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Sensitivity of the Net Position Liability to Changes in the Discount Rate

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

Plan	Current Discount Rate	NPL with 1% Decrease	NPL at Current Discount Rate	NPL with 1% Increase
FRS	6.70%	\$ 1,469,032	\$ 835,169	\$ 304,173
HIS	3.93%	196,629	172,729	152,887

(b) General Employees – Defined Contribution Plan

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

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

Employer contributions to the defined contribution plan for the years ended September 30, 2024, 2023, and 2022, were \$1,064,023, \$960,778, and \$638,058, respectively. Employee contributions to the defined contribution plan for the years ended September 30, 2024, 2023, and 2022, were \$20,590, \$25,676, and \$27,861, respectively.

(c) Municipal Police Officers’ and Firefighters’ Defined Benefit Pension Plans

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

Plan Description and Administration

All certified police officers and firefighters are eligible to participate in the respective plans after a six month probationary period. Benefits vest with eligible employees after ten years of participation. The funding methods and the determination of benefits payable are provided in the various acts of the Florida Legislature, which created the funds, including subsequent amendments thereto. These statutes provide, in general, that funds are to be accumulated from employee contributions, City contributions, State appropriations and income from investments from accumulated funds. The statutes also provide that should the accumulated funds at any time be insufficient to meet and pay the benefits due, the City shall supplement the funds by an appropriation from current funds or from

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any revenues which may be lawfully used for said purposes in an amount sufficient to make up the deficiency. The investments of the two funds are administered, managed, and operated by their respective boards of trustees using the services of the City staff and local financial institutions.

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

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

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

Benefits Provided and Employees Covered

Each Plan provides retirement, termination, disability, and death benefits to plan participants and beneficiaries. Current membership in the employee retirement plans was composed of the following at October 1, 2023:

	Police Plan	Fire Plan
Inactive Plan Members or Beneficiaries		
Currently Receiving Benefits	57	51
Inactive Plan Members Entitled to But Not		
Yet Receiving Benefits	36	11
Active Plan Members	48	48
Total Plan Membership	141	110

Financial Statements

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

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

Contributions

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

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

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

Police Officers' Pension Plan

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

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

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

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

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

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

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

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Firefighters’ Pension Plan

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

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

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

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

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

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

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

Investment Policy

See Note 4 for additional discussion of the investment policies for each of the Plans. The following was the asset allocation policy for each of the plans at September 30, 2024:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	
	<u>Police Plan</u>	<u>Fire Plan</u>
Domestic Equity	45.0%	50.0%
International Equity	15.0%	10.0%
Fixed Income Private	25.0%	32.50%
Real Estate	10.0%	7.5%
Cash	5.0%	n/a

Rate of Return: The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the year ended September 30, 2024, the annual money-weighted rate of return on the Police and Fire Pension Plan investments, net of pension plan investment expense, was 21.91%, and 19.25%, respectively.

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Net Pension Liability

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

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

DROP Balance as of September 30, 2024	\$	-	\$	157,984
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The components of the net pension liability of the pension plans at September 30, 2024, were as follows:

	<u>Police Plan</u>	<u>Fire Plan</u>	<u>Total</u>
Total Pension Liability	\$ 29,379,883	\$ 36,273,400	\$ 65,653,283
Plan Fiduciary Net Position	(23,873,519)	(28,920,896)	(52,794,415)
Net Pension Liability	<u>\$ 5,506,364</u>	<u>\$ 7,352,504</u>	<u>\$ 12,858,868</u>

Plan Fiduciary Net Position as a Percentage of Total Pension Liability	81.26%	79.73%	80.41%
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The total pension liability was determined by an actuarial valuation as of October 1, 2023, and measurement date of September 30, 2024, using the following actuarial assumptions to all measurement periods.

CITY OF NEW SMYRNA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

	<u>Police Plan</u>	<u>Fire Plan</u>
Inflation	2.50%	2.50%
Salary Increases	Service Based	Service Based
Discount Rate	7.65%	7.60%
Investment Rate of Return	7.65%	7.60%

Mortality Rate:

Healthy Active Lives:

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

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

Mortality Rate Disabled Lives:

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

Mortality Rate Healthy Retiree Lives:

Female: PubG.H-2010 for Healthy Retirees.

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

All rates are projected generationally with Mortality Improvement Scale MP-2021. 75% (Police) and 90% (Fire) of active deaths are assumed to be service-incurred.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates. Best estimates of arithmetic real rates of return for each major class included in the pension plan's target asset allocation as of September 30, 2024, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	
	<u>Police Plan</u>	<u>Fire Plan</u>
Domestic Equity	8.20%	5.76%
International Equity	3.30%	4.56%
Bonds/Fixed Income	2.20%	1.13%
Real Estate	5.00%	3.88%

Discount Rate: The discount rate used to measure the total pension liability for the Police and Fire Plan investments was 7.65% and 7.60%, respectively. The projection of cash flows used to determine the discount rate assumed the plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF NEW SMYRNA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Changes in Net Pension Liability:

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

	Police Plan		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
Beginning Balance	\$ 27,236,934	\$ 19,948,602	\$ 7,288,332
Changes for Year:			
Service Cost	665,450	-	665,450
Interest	2,063,033	-	2,063,033
Share Plan Allocation	112,301	-	112,301
Differences Between Expected and Actual Experience	1,171,455	-	1,171,455
Contributions - Employer	-	830,708	(830,708)
Contributions - State	-	424,602	(424,602)
Contributions - Employee	-	311,940	(311,940)
Net Investment Income	-	4,304,066	(4,304,066)
Benefit Payments, Including Refunds	(1,869,291)	(1,869,291)	-
Administrative Expenses	-	(77,108)	77,108
Net Changes	2,142,948	3,924,917	(1,781,969)
Ending Balance	\$ 29,379,882	\$ 23,873,519	\$ 5,506,363
	Fire Plan		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
Beginning Balance	\$ 34,188,852	\$ 24,992,106	\$ 9,196,746
Changes for Year:			
Service Cost	593,720	-	593,720
Interest	2,591,574	-	2,591,574
Share Plan Allocation	110,984	-	110,984
Differences Between Expected and Actual Experience	653,964	-	653,964
Changes of Assumptions	385,844	-	385,844
Contributions - Employer	-	741,726	(741,726)
Contributions - State	-	503,752	(503,752)
Contributions - Employee	-	351,627	(351,627)
Net Investment Income	-	4,661,916	(4,661,916)
Benefit Payments, Including Refunds	(2,251,538)	(2,251,538)	-
Administrative Expenses	-	(78,693)	78,693
Net Changes	2,084,548	3,928,790	(1,844,242)
Ending Balance	\$ 36,273,400	\$ 28,920,896	\$ 7,352,504

CITY OF NEW SMYRNA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

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 would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

Plan	Current Discount Rate	NPL with 1% Decrease	NPL at Current Discount Rate	NPL with 1% Increase
Police	7.65%	\$ 9,073,441	\$ 5,506,364	\$ 2,574,132
Fire	7.60%	11,647,416	7,352,504	3,797,084
Total		<u>\$ 20,720,857</u>	<u>\$ 12,858,868</u>	<u>\$ 6,371,216</u>

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

For the year ended September 30, 2024, the City recognized pension expense of \$1,639,324 and \$1,551,451 in the Police and Fire pension plans, respectively, for a total of \$3,190,775.

At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Police Plan		Fire Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 780,970	\$ 1,171	\$ 598,024	\$ 175,403
Changes of Assumptions	337,348	-	492,824	-
Net Difference Between Projected and Actual Investment Earnings	-	986,907	-	133,025
Total	<u>\$ 1,118,318</u>	<u>\$ 988,078</u>	<u>\$ 1,090,848</u>	<u>\$ 308,428</u>

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

	Police Plan	Fire Plan
2025	\$ 582,778	\$ 472,007
2026	719,918	1,057,811
2027	(613,956)	(402,210)
2028	(558,500)	(345,188)

(d) Pension Fund Financial Statements

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

CITY OF NEW SMYRNA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

For the year ended September 30, 2024, pension expense was recognized as follows:

Plan	Pension Expense
FRS	\$ 73,090
HIS	(8,098)
Police	1,639,324
Fire	1,551,451
Total	\$ 3,255,767

Presented below are the financial statements for each pension trust fund as of and for the year ended September 30, 2024:

COMBINING SCHEDULE OF NET POSITION - FIDUCIARY FUNDS

	Police Pension	Fire Pension	Total
Assets			
Cash and Cash Equivalents	\$ 215,859	\$ 181,371	\$ 397,230
Prepaid Benefit Payments	-	175,041	175,041
Receivables:			
Employer Contributions Receivable	10,492	103,887	114,379
Interest and Dividends Receivable	16,487	86,579	103,066
Total Receivables	26,979	190,466	217,445
Interest, at Fair Value:			
Money Market Funds	-	828,946	828,946
Common Stock	-	12,868,524	12,868,524
Government Agency Obligations	-	4,903,192	4,903,192
Corporate Debt Securities	-	2,394,601	2,394,601
Mutual Funds - Fixed Income	2,935,192	930,796	3,865,988
Mutual Funds - Equity	16,236,810	83,101	16,319,911
Exchange Traded Funds	-	4,944,559	4,944,559
Private Equity	-	1,501,460	1,501,460
Real Estate Funds	2,241,926	-	2,241,926
Annuity Contracts	2,254,571	-	2,254,571
Total Investments	23,668,499	28,455,179	52,123,678
Total Assets	23,911,337	29,002,057	52,913,394
Liabilities			
Accounts Payable	37,818	81,159	118,977
Total Liabilities	37,818	81,159	118,977
Net Position			
Restricted for Pensions	\$ 23,873,519	\$ 28,920,898	\$ 52,794,417

CITY OF NEW SMYRNA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

COMBINING SCHEDULE CHANGES IN NET POSITION - FIDUCIARY FUNDS

	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Total</u>
Additions			
Contributions:			
Employer	\$ 830,708	\$ 741,726	\$ 1,572,434
Plan Members	311,940	351,627	663,567
State - Insurance Premium Taxes	424,602	503,752	928,354
Total Contributions	<u>1,567,250</u>	<u>1,597,105</u>	<u>3,164,355</u>
Investment Earnings:			
Net Appreciation in Fair Value of Investments	3,845,876	4,183,445	8,029,321
Interest and Dividends	494,806	621,849	1,116,655
Total Investment Earnings	<u>4,340,682</u>	<u>4,805,294</u>	<u>9,145,976</u>
Less: Investment Expense	<u>(36,616)</u>	<u>(143,378)</u>	<u>(179,994)</u>
Net Investment Income	<u>4,304,066</u>	<u>4,661,916</u>	<u>8,965,982</u>
Total Additions	<u>5,871,316</u>	<u>6,259,021</u>	<u>12,130,337</u>
Deductions			
Benefit Payments and Refunds	1,869,292	2,251,538	4,120,830
Administrative Expenses	77,107	78,691	155,798
Total Deductions	<u>1,946,399</u>	<u>2,330,229</u>	<u>4,276,628</u>
Change in Net Position	3,924,917	3,928,792	7,853,709
Net Position Restricted for Pensions, Beginning of Year	<u>19,948,602</u>	<u>24,992,106</u>	<u>44,940,708</u>
Net Position Restricted for Pensions, End of Year	<u>\$ 23,873,519</u>	<u>\$ 28,920,898</u>	<u>\$ 52,794,417</u>

Note 17 - Recent Accounting Pronouncements

The 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, 2024, 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:

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

**CITY OF NEW SMYRNA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

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

Note 18 - Prior Period Adjustment/Change in Financial Reporting Entity

Error Correction

As a result of an internal review, the City determined that the expenditures for the HMPG grant to elevate resident’s homes should not have been capitalized but rather expensed. Previously, the City had included these as construction work in progress. This resulted in an overstatement of assets and an understatement of expenditures in the City’s prior year financial statements.

The following table summarizes the changes to the City’s net position as a result of error corrections.

Beginning Net Position, Governmental Activities – 9/30/2023	\$ 175,027,325
Prior Period Adjustment	(2,592,957)
Beginning Net Position, Adjust Governmental Activities – 9/30/2023	<u>\$ 172,434,368</u>

Change Within Reporting Entity

The City previously reported the Building Inspections and Community Redevelopment Agency funds as major funds. However, during the year, these funds no longer met the threshold to be presented as major funds and are now included in non-major governmental funds for the current year.

	<u>As Previously Reported</u>	<u>Change to or Within Reporting Entity</u>	<u>Restated</u>
Governmental Funds			
Major Fund:			
Building Inspections Fund	\$ 2,755,206	\$ (2,755,206)	\$ -
CRA	4,090,128	(4,090,128)	-
Non-Major Funds	17,172,810	6,845,334	24,018,144

Required Supplementary Information



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

	Fiscal Year Ended September 30,						
	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service Cost	\$ 13,204	\$ 8,760	\$ 8,753	\$ 28,293	\$ 27,492	\$ 86,745	\$ 123,075
Interest	66,343	86,074	111,354	57,714	50,282	111,471	111,004
Difference Between Expected and Actual Experience	-	-	-	-	-	(242,684)	-
Changes of Assumptions	117,941	(26,343)	(554,625)	(11,498)	380,089	(613,988)	-
Benefit Payments - Implicit Rate Subsidy	(241,877)	(177,064)	(181,784)	(155,723)	(169,206)	(117,052)	(149,844)
Net Change in Total OPEB Liability	(44,389)	(108,573)	(616,302)	(81,214)	288,657	(775,508)	84,235
Total OPEB Liability - Beginning of Year	1,792,040	1,900,613	2,516,915	2,598,129	2,309,472	3,084,980	3,000,745
Total OPEB Liability - End of Year	\$ 1,747,651	\$ 1,792,040	\$ 1,900,613	\$ 2,516,915	\$ 2,598,129	\$ 2,309,472	\$ 3,084,980
Covered-Employee Payroll	\$ 18,353,862	\$ 16,895,820	\$ 16,895,820	\$ 11,841,332	\$ 11,841,332	\$ 8,567,107	\$ 9,760,283
Total OPEB Liability as a Percentage of Covered-Employee Payroll	9.52%	10.61%	11.25%	21.26%	21.94%	26.96%	31.61%

Notes to Schedule:

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

Valuation date:	10/1/2023	10/1/2021	10/1/2021	10/1/2019	10/1/2019	10/1/2018	10/1/2018
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Changes of assumptions. Changes of assumptions and other changes reflect the effects of changes in the discount rate each period.

The following are the discount rates used in each period:

Discount rates:	3.97%	4.75%	4.59%	2.29%	2.26%	3.58%	3.64%
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* 10 years of data will be presented as it becomes available.

CITY OF NEW SMYRNA BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
POLICE OFFICERS' PENSION PLAN
SEPTEMBER 30, 2024
(UNAUDITED)

	Fiscal Year Ended September 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Cost	\$ 665,450	\$ 556,225	\$ 556,886	\$ 468,507	\$ 442,060	\$ 392,733	\$ 411,234	\$ 386,508	\$ 334,447	\$ 320,867
Interest	2,063,033	1,922,211	1,904,528	1,735,115	1,672,869	1,637,490	1,610,755	1,590,095	1,558,438	1,570,033
Share Plan Allocation	112,301	83,268	73,460	78,366	144,371	139,003	118,915	85,276	70,816	54,834
Difference Between Actual and Expected Experience	1,171,455	(3,512)	(507,248)	723,796	513,348	(35,443)	441,756	95,140	(143,908)	(583,632)
Changes of Assumptions	-	1,012,044	-	-	(200,434)	-	317,507	-	385,882	-
Changes of Benefit Terms	-	-	843,427	-	(2,341)	-	-	-	-	-
Contributions - Buy Back	-	-	-	-	-	-	-	10,011	-	-
Benefit Payments, Including Refunds of Contributions	(1,869,291)	(1,923,000)	(1,730,563)	(1,818,514)	(1,673,162)	(1,650,024)	(1,984,538)	(1,882,484)	(1,340,827)	(1,700,396)
Net Change in Total Pension Liability	2,142,948	1,647,236	1,140,490	1,187,270	896,711	483,759	915,629	284,546	864,848	(338,294)
Total Pension Liability - Beginning	27,236,934	25,589,698	24,449,208	23,261,938	22,365,227	21,881,468	20,965,839	20,681,293	19,816,445	20,154,739
Total Pension Liability - Ending (a)	\$ 29,379,882	\$ 27,236,934	\$ 25,589,698	\$ 24,449,208	\$ 23,261,938	\$ 22,365,227	\$ 21,881,468	\$ 20,965,839	\$ 20,681,293	\$ 19,816,445
Total Fiduciary Net Position										
Contributions - Employer	\$ 830,708	\$ 924,510	\$ 800,974	\$ 698,765	\$ 436,035	\$ 761,530	\$ 649,833	\$ 420,771	\$ 580,632	\$ 557,661
Contributions - State	424,602	366,537	313,314	279,195	266,833	261,466	241,378	207,739	193,279	177,297
Contributions - Employee	311,940	277,007	256,490	231,017	268,671	251,882	226,774	220,334	198,424	184,836
Contributions - Buy Back	-	-	-	-	-	-	-	10,011	-	-
Net Investment Income	4,304,066	1,706,779	(3,021,657)	3,808,068	1,619,063	824,708	1,100,357	1,556,057	1,217,573	337,826
Benefit Payments, Including Refunds of Contributions	(1,869,291)	(1,923,000)	(1,730,563)	(1,818,514)	(1,673,162)	(1,650,024)	(1,984,538)	(1,882,484)	(1,340,827)	(1,700,396)
Administrative Expense	(77,108)	(51,691)	(49,263)	(47,798)	(48,209)	(52,505)	(38,075)	(38,227)	(42,439)	(37,482)
Net Change in Plan Fiduciary Net Position	3,924,917	1,300,142	(3,430,705)	3,150,733	869,231	397,057	195,729	494,201	806,642	(480,258)
Plan Fiduciary Net Position - Beginning	19,948,602	18,648,460	22,079,165	18,928,432	18,059,201	17,662,144	17,466,415	16,972,214	16,165,572	16,645,830
Plan Fiduciary Net Position - Ending (b)	\$ 23,873,519	\$ 19,948,602	\$ 18,648,460	\$ 22,079,165	\$ 18,928,432	\$ 18,059,201	\$ 17,662,144	\$ 17,466,415	\$ 16,972,214	\$ 16,165,572
Net Pension Liability - Ending (a) - (b)	\$ 5,506,363	\$ 7,288,332	\$ 6,941,238	\$ 2,370,043	\$ 4,333,506	\$ 4,306,026	\$ 4,219,324	\$ 3,499,424	\$ 3,709,079	\$ 3,650,873
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.26%	73.24%	72.87%	90.31%	81.37%	80.75%	80.72%	83.31%	82.07%	81.58%
Covered Payroll	\$ 3,899,244	\$ 3,462,582	\$ 3,206,121	\$ 2,816,440	\$ 2,686,705	\$ 2,518,818	\$ 2,267,739	\$ 2,203,342	\$ 1,984,243	\$ 2,206,819
Net Pension Liability as a Percentage of Covered Payroll	141.22%	210.49%	216.50%	84.15%	161.29%	170.95%	186.06%	158.82%	186.93%	165.44%
Annual Money-Weighted Rate of Return	21.91%	9.33%	-13.89%	20.58%	9.21%	4.81%	6.63%	9.43%	7.73%	2.11%

See accompanying notes to required supplementary information.

CITY OF NEW SMYRNA BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FIREFIGHTERS' PENSION PLAN
SEPTEMBER 30, 2024
(UNAUDITED)

	Fiscal Year Ended September 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Cost	\$ 593,720	\$ 509,897	\$ 400,384	\$ 422,326	\$ 366,299	\$ 290,009	\$ 254,240	\$ 269,679	\$ 230,789	\$ 213,595
Interest	2,591,574	2,508,896	2,491,711	2,416,158	2,220,502	2,117,944	2,072,778	2,027,851	1,913,573	1,933,796
Share Plan Allocation	110,984	83,512	32,161	33,980	40,941	32,041	-	-	-	-
Changes of Benefit Terms	-	-	-	1,203,605	-	249,625	-	-	-	-
Difference Between Actual and Expected Experience	653,964	149,702	(701,611)	(18,882)	479,912	554,436	(214,976)	76,802	332,637	3,756
Changes of Assumptions	385,844	359,548	17,494	-	(200,574)	-	285,346	-	772,171	-
Contributions - Buy Back	-	61,676	52,575	13,667	-	-	-	-	-	-
Benefit Payments, Including Refunds of Contributions	(2,251,538)	(2,279,625)	(2,084,196)	(1,669,155)	(1,647,463)	(1,871,467)	(1,656,042)	(1,924,346)	(1,758,674)	(3,089,977)
Net Change in Total Pension Liability	2,084,548	1,393,606	208,518	2,401,699	1,259,617	1,372,588	741,346	449,986	1,490,496	(938,830)
Total Pension Liability - Beginning	34,188,851	32,795,245	32,586,727	30,185,028	28,925,411	27,552,823	26,811,477	26,361,491	24,870,995	25,809,825
Total Pension Liability - Ending (a)	\$ 36,273,399	\$ 34,188,851	\$ 32,795,245	\$ 32,586,727	\$ 30,185,028	\$ 28,925,411	\$ 27,552,823	\$ 26,811,477	\$ 26,361,491	\$ 24,870,995
Total Fiduciary Net Position										
Contributions - Employer	\$ 741,726	\$ 678,586	\$ 568,221	\$ 597,547	\$ 714,681	\$ 1,524,584	\$ 1,275,075	\$ 1,298,978	\$ 1,406,792	\$ 1,361,079
Contributions - State	503,752	448,810	303,669	305,035	319,219	301,157	277,107	288,780	276,578	277,167
Contributions - Employee	351,627	335,934	296,669	283,908	279,875	256,832	227,693	217,961	208,955	189,832
Contributions - Buy Back	-	61,676	52,575	13,667	-	-	-	-	-	-
Net Investment Income	4,661,916	2,102,958	(4,430,488)	4,048,870	2,086,502	566,506	1,801,890	2,020,439	1,160,830	178,352
Benefit Payments, Including Refunds of Contributions	(2,251,538)	(2,279,625)	(2,084,196)	(1,669,155)	(1,647,463)	(1,871,467)	(1,656,042)	(1,924,346)	(1,758,674)	(3,089,977)
Administrative Expense	(78,693)	(78,537)	(89,017)	(59,837)	(50,220)	(38,059)	(34,738)	(35,437)	(31,293)	(28,126)
Net Change in Plan Fiduciary Net Position	3,928,790	1,269,802	(5,382,567)	3,520,035	1,702,594	739,553	1,890,985	1,866,375	1,263,188	(1,111,673)
Plan Fiduciary Net Position - Beginning	24,992,105	23,722,303	29,104,870	25,584,835	23,882,241	23,142,688	21,251,703	19,385,328	18,122,140	19,233,813
Plan Fiduciary Net Position - Ending (b)	\$ 28,920,895	\$ 24,992,105	\$ 23,722,303	\$ 29,104,870	\$ 25,584,835	\$ 23,882,241	\$ 23,142,688	\$ 21,251,703	\$ 19,385,328	\$ 18,122,140
Net Pension Liability - Ending (a) - (b)	\$ 7,352,504	\$ 9,196,746	\$ 9,072,942	\$ 3,481,857	\$ 4,600,193	\$ 5,043,170	\$ 4,410,135	\$ 5,559,774	\$ 6,976,163	\$ 6,748,855
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.73%	73.10%	72.33%	89.32%	84.76%	82.56%	83.99%	79.26%	73.54%	72.86%
Covered Payroll	\$ 3,516,272	\$ 3,348,996	\$ 2,966,662	\$ 2,839,080	\$ 2,798,752	\$ 2,584,583	\$ 2,276,928	\$ 2,179,782	\$ 2,073,116	\$ 2,513,046
Net Pension Liability as a Percentage of Covered Payroll	209.10%	274.61%	305.83%	122.64%	164.37%	195.13%	193.69%	255.06%	336.51%	268.55%
Annual Money-Weighted Rate of Return	19.25%	9.13%	-15.57%	16.11%	8.92%	2.53%	8.71%	10.82%	6.62%	0.99%

See accompanying notes to required supplementary information.

CITY OF NEW SMYRNA BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
POLICE OFFICERS' PENSION PLAN
SEPTEMBER 30, 2024
(UNAUDITED)

<u>Fiscal Year</u>	<u>Actuarially Determined Contribution (ADC)</u>	<u>Contributions in Relation to ADC</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as Percentage of Employee Payroll</u>
2024	\$ 1,372,534	\$ 1,143,009	\$ 229,525	\$ 3,899,244	29.31%
2023	1,146,115	1,207,779	(61,664)	3,462,582	34.88%
2022	1,090,081	1,090,081	-	3,206,121	34.00%
2021	912,527	912,527	-	2,816,440	32.40%
2020	683,549	683,549	-	2,686,705	25.44%
2019	808,540	808,540	-	2,518,818	32.10%
2018	730,212	730,212	-	2,267,739	32.20%
2017	680,833	680,833	-	2,203,342	30.90%
2016	748,060	748,060	-	1,984,243	37.70%
2015	750,435	750,435	-	2,206,819	34.01%

See accompanying notes to required supplementary information.

CITY OF NEW SMYRNA BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
FIREFIGHTERS' PENSION PLAN
SEPTEMBER 30, 2024
(UNAUDITED)

<u>Fiscal Year</u>	<u>Actuarially Determined Contribution (ADC)</u>	<u>Contributions in Relation to ADC</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as Percentage of Employee Payroll</u>
2024	\$ 1,318,602	\$ 1,134,494	\$ 184,108	\$ 3,516,272	32.26%
2023	914,276	1,043,884	(129,608)	3,348,996	31.17%
2022	875,165	839,729	35,436	2,966,662	28.31%
2021	789,264	868,602	(79,338)	2,839,080	30.59%
2020	982,362	992,959	(10,597)	2,798,752	35.48%
2019	1,793,700	1,825,741	(32,041)	2,584,583	70.64%
2018	1,557,418	1,552,182	5,236	2,276,928	68.17%
2017	1,582,522	1,587,758	(5,236)	2,179,782	72.84%
2016	1,683,370	1,683,370	-	2,073,116	81.20%
2015	1,638,246	1,638,246	-	2,513,046	65.19%

See accompanying notes to required supplementary information.

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

	As of the Plan Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Florida Retirement System (FRS)										
Proportion of the Net Pension Liability	0.002158912%	0.001573692%	0.002043552%	0.002655201%	0.003025701%	0.003192409%	0.003346022%	0.003402399%	0.003633797%	0.005021702%
Proportionate Share of the Net Pension Liability	\$ 835,169	\$ 627,066	\$ 760,365	\$ 200,570	\$ 1,311,383	\$ 1,099,421	\$ 1,007,839	\$ 1,006,407	\$ 917,537	\$ 648,620
Covered Payroll	487,450	380,949	430,304	607,924	639,129	602,252	651,281	675,513	716,912	906,883
Proportionate Share of the Net Pension Liability as a										
Percentage of Covered Payroll	171.33%	164.61%	176.70%	32.99%	205.18%	182.55%	154.75%	148.98%	127.98%	71.52%
Plan Fiduciary Net Position as a Percentage of the										
Total Pension Liability	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%
Health Insurance Subsidy Program (HIS)										
Proportion of the Net Pension Liability	0.001151450%	0.000961324%	0.001180504%	0.001716830%	0.001841124%	0.001800389%	0.002003954%	0.002119277%	0.002322375%	0.003272000%
Proportionate Share of the Net Pension Liability	\$ 172,729	\$ 152,671	\$ 125,034	\$ 210,595	\$ 224,798	\$ 201,445	\$ 212,101	\$ 226,504	\$ 270,664	\$ 333,693
Covered Payroll	487,450	380,949	430,304	607,924	639,129	602,252	651,281	675,513	716,912	906,883
Proportionate Share of the Net Pension Liability as a										
Percentage of Covered Payroll	35.44%	40.08%	29.06%	34.64%	35.17%	33.45%	32.57%	33.53%	37.75%	36.80%
Plan Fiduciary Net Position as a Percentage of the										
Total Pension Liability	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

See accompanying notes to required supplementary information.

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

	As of the Year Ended September 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Florida Retirement System (FRS)										
Contractually Required Contribution	\$ 92,455	\$ 107,568	\$ 86,903	\$ 100,748	\$ 100,531	\$ 98,988	\$ 95,359	\$ 87,304	\$ 87,454	\$ 113,890
Contributions in Relation to the Contractually										
Required Contribution	92,455	107,568	86,903	100,748	100,531	98,988	95,359	87,304	87,454	113,890
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 406,750	\$ 460,143	\$ 413,044	\$ 583,457	\$ 639,129	\$ 602,252	\$ 651,281	\$ 675,513	\$ 716,912	\$ 906,883
Contributions as a Percentage of Covered Payroll	22.73%	23.38%	21.04%	17.27%	15.73%	16.44%	14.64%	12.92%	12.20%	12.56%
Health Insurance Subsidy Program (HIS)										
Contractually Required Contribution	\$ 8,135	\$ 8,253	\$ 6,857	\$ 9,685	\$ 10,610	\$ 9,997	\$ 10,867	\$ 10,784	\$ 11,577	\$ 12,459
Contributions in Relation to the Contractually										
Required Contribution	8,135	8,253	6,857	9,685	10,610	9,997	10,867	10,784	11,577	12,459
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 406,750	\$ 460,143	\$ 413,044	\$ 583,457	\$ 639,129	\$ 602,252	\$ 651,281	\$ 675,513	\$ 716,912	\$ 906,883
Contributions as a Percentage of Covered Payroll	2.00%	1.79%	1.66%	1.66%	1.66%	1.66%	1.67%	1.60%	1.61%	1.37%

See accompanying notes to required supplementary information.

CITY OF NEW SMYRNA BEACH, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
POLICE OFFICERS' AND FIREFIGHTERS' PENSION PLANS
SEPTEMBER 30, 2024

	<u>Police Officers' Pension Plan</u>	<u>Firefighters' Pension Plan</u>
Valuation Date:	10/01/2023	10/01/2023
<i>Methods and assumptions used to determine contribution rates:</i>		
Funding Method:	Entry Age Normal Cost Method. The following loads are applied for determine the minimum required contribution: a half year, based on current 7.65% assumption for interest and none for salary.	Entry Age Normal Actuarial Cost Method. The following loads are applied for determining the minimum required contribution: a half year, based on current 7.60% assumption for interest and none for salary.
Amortization Method:	<p>New Unfunded Actuarial Accrued Liability (UAAL) amortization amounts are established according to the following amortization periods:</p> <p style="padding-left: 20px;">Experience: 15 years Assumption/Method Changes: 15 years Benefit Changes: 15 years</p> <p>New UAAL amortization bases are amortized over 15 years. Bases established prior to the valuation date are adjusted proportionally to match the Expected Unfunded Actuarial Accrued Liability as of the valuation date, in order to align prior year bases with the portion of the current year UAAL associated with prior year sources.</p>	<p>New UAAL amortization amounts are established according to the following amortization periods:</p> <p style="padding-left: 20px;">Experience: 20 years Assumption/Method Changes: 20 years Benefit Changes: 20 years (Previously 30 years)</p> <p>Bases established prior to the valuation date are adjusted proportionally to match the Expected UAAL as of the valuation date, in order to align prior year bases with the portion of the current year UAAL associated with prior year sources.</p>
Actuarial Asset Method:	All assets are valued at market value with an adjustment made to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a four-year period.	Each year, the prior Actuarial Valuation of Assets is brought forward utilizing the historical geometric 4-year average Market Value return. It is possible that over time this technique will produce an insignificant bias above or below Market Value.
Inflation:	2.50% per year	2.50% per year
Interest Rate:	7.65% per year compounded annually net of investment-related expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class.	7.60% (prior year 7.70%) per year compounded annually, net of investment-related expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class.

CITY OF NEW SMYRNA BEACH, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
POLICE OFFICERS' AND FIREFIGHTERS' PENSION PLANS
SEPTEMBER 30, 2024

	<u>Police Offices' Pension Plan</u>	<u>Firefighters' Pension Plan</u>
Salary Increases:	Service based.	Service based.
Retirement Age:	<p>Activities: Upon reaching Normal Retirement age, as defined in the Summary of Current Plan, members are assumed to elected to retire at a rate of 25% in the first three years of eligibility and 100% thereafter. This assumption is based on results of an experience study dated January 10, 2024.</p> <p>Vested Terminated: deferred to their otherwise Normal Retirement Age.</p>	<p>Earlier of: 1) age 56 and 10 years of Credited Service, or 2) 25 years of Credited Service, regardless of age. This assumption was adopted base on an experience study dated June 23, 2022.</p>
Cost of Living Adjustments:	<p>Effective October 1, 2022, future retirees who retire under Normal Retirement will receive automatic annual 2.0% increases beginning on the October 1 following five years of receiving benefit payments.</p>	<p>Members who require on or after October 1, 2019 under Normal Retirement or DROP shall be entitled to annual 2% Cost-of-Living Adjustment in their benefit beginning on the October 1 immediately subsequent to the Member's 5-year anniversary of their actual retirement date (this benefit shall not apply to early retirements, disability retirements, preretirement death benefits or benefits to those who terminate vested and later draw benefits).</p>
Early Retirement:	<p>Commencing at eligibility for Early Retirement, members are assumed to retire with an immediate benefit at the rate of 2.0% per year. This assumption is based on results of an experience study dated January 10, 2024.</p>	<p>Commencing with eligibility or Early Retirement Age (50), members are assumed to retire with an immediate subsidized benefit at the rate of 2.00% per year. This assumption was reviewed in conjunction with an experience study dated June 23, 2022.</p>

CITY OF NEW SMYRNA BEACH, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
POLICE OFFICERS' AND FIREFIGHTERS' PENSION PLANS
SEPTEMBER 30, 2024

	<u>Police Officers' Pension Plan</u>	<u>Firefighters' Pension Plan</u>
Disability Rates:	1987 Commissioner's Group Disability Table; six-month elimination period; rates have been multiplied by 2 for occupational disability. This assumption was confirmed as part of an experience study dated January 10, 2024. It is assumed that 75% of disablements will be in line-of-duty and 25% will not be in line-of-duty.	The following are sample rates of disability: Age 20 is a 0.07% rate, age 30 is a 0.1% rate, age 40 is a 0.19% rate, age of 50 is a 0.51% rate. 90% of disablements are assumed to be service related. This assumption was reviewed in conjunction with an experience study dated June 23, 2022.
Termination Rates:	Service based. For 0-4 years of service, the rate is 12.0%. For 5-9 years of service, the rate is 6.0%. For 10+ years of service, the rate is 4.0%. This assumption is based on results of an experience study dated January 10, 2024.	Service based. For <5 years of service, the rate is 10.0%. For 5-9 years of service, the rate is 4.0%. For 10-14 years of service, the rate is 4.0%. 15+ years of service, the rate is 4.0%. This assumption was adopted based on an experience study dated June 23, 2022. (Previously this assumption used Age-based rates).
Mortality Rate:	<p>Healthy Active Lives - Female: PubS.H-2010 (Below Median) for Employees, set forward one year. Male: PubS.H-2010 (Below Median) for Employees, set forward one year.</p> <p>Healthy Retiree Lives - Female: PubS.H-2010 for Healthy Retirees, set forward one year. Male: PubS.H-2010 for Healthy Retirees, set forward one year.</p> <p>Beneficiary Lives - Female: PubG.H-2010 for Healthy Retirees. Male: PubG.H- 2010 for Healthy Retirees, set back one year.</p> <p>Disabled Lives - 80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.</p> <p>All rates are projected generationally with Mortality Improvement Scale MP-2018. The above assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the FRS. The above rates are those outlined in Milliman's July 1, 2021 FRS valuation report for special risk employees, with appropriate risk and collar adjustments made based on plan demographics. We feel this assumption sufficiently accommodates future mortality improvements.</p> <p>75% (Police) and 90% (Fire) of active deaths are assumed to be service-incurred.</p>	

CITY OF NEW SMYRNA BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget - Increase (Decrease)
Revenues				
Taxes	\$ 31,259,449	\$ 31,454,702	\$ 32,198,951	\$ 744,249
Licenses and Fees	5,271,850	5,272,310	5,935,561	663,251
Intergovernmental	3,494,760	3,494,760	3,848,099	353,339
Charges for Services	6,278,907	6,354,490	6,699,951	345,461
Fines and Forfeitures	593,970	593,970	806,438	212,468
Investment Income	179,660	179,660	858,235	678,575
Miscellaneous	211,025	211,025	188,668	(22,357)
Total Revenues	<u>47,289,621</u>	<u>47,560,917</u>	<u>50,535,903</u>	<u>2,974,986</u>
Expenditures				
Current:				
General Government:				
Mayor and Council	308,174	318,174	345,086	(26,912)
City Manager	1,265,388	1,265,388	1,216,213	49,175
City Clerk	540,402	540,402	432,902	107,500
Business and Economic Development	648,698	697,334	436,916	260,418
Finance and Administration	1,286,644	1,286,644	1,005,904	280,740
Information Technology	1,577,157	1,577,157	1,336,801	240,356
Human Resources	619,035	679,035	665,798	13,237
Legal	727,881	727,881	571,219	156,662
Planning and Community Development	1,499,274	1,499,274	1,394,364	104,910
Non-Departmental	2,544,674	4,649,281	2,660,841	1,988,440
Total General Government	<u>11,017,327</u>	<u>13,240,570</u>	<u>10,066,044</u>	<u>3,174,526</u>
Public Safety:				
Police	11,708,174	11,937,983	9,656,335	2,281,648
Fire Safety	9,888,581	9,367,100	7,970,977	1,396,123
Other	48,507	41,639	27,853	13,786
Total Public Safety	<u>21,645,262</u>	<u>21,346,722</u>	<u>17,655,165</u>	<u>3,691,557</u>
Maintenance Operations:				
Maintenance Operations Administration	452,017	484,756	426,461	58,295
Streets	2,437,498	2,429,681	1,871,291	558,390
Parks	2,253,736	2,298,384	2,053,384	245,000
Building Maintenance	589,725	581,800	496,354	85,446
Total Maintenance Operations	<u>5,732,976</u>	<u>5,794,621</u>	<u>4,847,490</u>	<u>947,131</u>
Leisure Services:				
Leisure Services/Recreation	1,738,528	1,763,967	1,809,087	(45,120)
Sports Complex	1,206,155	1,207,201	1,184,291	22,910
Brannon Civic Center	739,394	724,647	663,413	61,234
Golf Course	2,181,592	2,080,411	1,840,210	240,201
Total Leisure Services	<u>5,865,669</u>	<u>5,776,226</u>	<u>5,497,001</u>	<u>279,225</u>
Capital Outlay	1,853,180	2,648,183	3,035,266	(387,083)
Debt Service:				
Principal	-	-	435,064	(435,064)
Interest and Fiscal Charges	-	-	39,039	(39,039)
Total Expenditures	<u>46,114,414</u>	<u>48,806,322</u>	<u>41,575,069</u>	<u>7,231,253</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,175,207</u>	<u>(1,245,405)</u>	<u>8,960,834</u>	<u>10,206,239</u>
Other Financing Sources (Uses)				
Transfers In	250,000	15,460	15,460	-
Transfers Out	(6,563,190)	(6,927,426)	(6,927,426)	-
Insurance Recoveries	-	-	76,991	76,991
Sale of Capital Assets	-	-	110,452	110,452
Financed Purchase Proceeds	-	-	802,995	802,995
Leases (as Lessee)	-	-	239,834	239,834
Total Other Financing Sources (Uses)	<u>(6,313,190)</u>	<u>(6,911,966)</u>	<u>(5,681,694)</u>	<u>1,230,272</u>
Net Change in Fund Balances	<u>(5,137,983)</u>	<u>(8,157,371)</u>	<u>3,279,140</u>	<u>11,436,511</u>
Fund Balances, Beginning of Year	<u>5,137,983</u>	<u>8,157,371</u>	<u>17,941,227</u>	<u>9,783,856</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,220,367</u>	<u>\$ 21,220,367</u>

CITY OF NEW SMYRNA BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - STORMWATER UTILITY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>Budgeted Amounts</u>			Variance with Final Budget - Increase (Decrease)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$ 1,221,171	\$ 1,221,171	\$ 816,536	\$ (404,635)
Charges for Services	2,987,000	2,987,000	2,810,792	(176,208)
Investment Income	-	-	386,599	386,599
Total Revenues	<u>4,208,171</u>	<u>4,208,171</u>	<u>4,013,927</u>	<u>(194,244)</u>
Expenditures				
Current:				
Physical Environment	1,704,379	1,704,299	1,641,294	63,005
Capital Outlay	5,000,696	7,530,174	1,604,302	5,925,872
Total Expenditures	<u>6,705,075</u>	<u>9,234,473</u>	<u>3,245,596</u>	<u>5,988,877</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,496,904)</u>	<u>(5,026,302)</u>	<u>768,331</u>	<u>5,794,633</u>
Other Financing Sources (Uses)				
Transfers In	2,150,000	2,291,330	2,291,330	-
Transfers Out	(614,182)	(614,182)	(614,182)	-
Sale of Capital Assets	-	-	55,337	55,337
Total Other Financing Sources (Uses)	<u>1,535,818</u>	<u>1,677,148</u>	<u>1,732,485</u>	<u>55,337</u>
Net Change in Fund Balances	(961,086)	(3,349,154)	2,500,816	5,849,970
Fund Balances, Beginning of Year	<u>961,086</u>	<u>3,349,154</u>	<u>7,129,325</u>	<u>3,780,171</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,630,141</u>	<u>\$ 9,630,141</u>

CITY OF NEW SMYRNA BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - AMERICAN RESCUE PLAN FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget -</u>
				<u>(Decrease)</u>
Revenues				
Intergovernmental	\$ -	\$ -	\$ 825,082	\$ 825,082
Investment Income	-	-	45,286	45,286
Total Revenues	<u>-</u>	<u>-</u>	<u>870,368</u>	<u>870,368</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>870,368</u>	<u>870,368</u>
Other Financing Sources (Uses)				
Transfers Out	-	(300,000)	(300,000)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(300,000)</u>	<u>(300,000)</u>	<u>-</u>
Net Change in Fund Balances	-	(300,000)	570,368	870,368
Fund Balances, Beginning of Year	<u>(2,470,143)</u>	<u>(2,470,143)</u>	<u>(2,470,143)</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ (2,470,143)</u>	<u>\$ (2,770,143)</u>	<u>\$ (1,899,775)</u>	<u>\$ 870,368</u>

CITY OF NEW SMYRNA BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - AIRPORT INDUSTRIAL PARK FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>Budgeted Amounts</u>			Variance with Final Budget - Increase (Decrease)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$ 4,019,348	\$ 4,019,348	\$ 4,550,027	\$ 530,679
Charges for Services	2,450,000	2,300,000	2,267,752	(32,248)
Investment Income	-	-	291,980	291,980
Miscellaneous	1,560,511	1,560,511	1,567,018	6,507
Total Revenues	<u>8,029,859</u>	<u>7,879,859</u>	<u>8,676,777</u>	<u>796,918</u>
Expenditures				
Current:				
Transportation	3,581,996	3,814,487	3,375,992	438,495
Capital Outlay	4,516,376	5,672,289	5,325,384	346,905
Total Expenditures	<u>8,098,372</u>	<u>9,486,776</u>	<u>8,701,376</u>	<u>785,400</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(68,513)</u>	<u>(1,606,917)</u>	<u>(24,599)</u>	<u>1,582,318</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	-	-	7,874	7,874
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>7,874</u>	<u>7,874</u>
Net Change in Fund Balances	(68,513)	(1,606,917)	(16,725)	1,590,192
Fund Balances, Beginning of Year	<u>68,513</u>	<u>1,606,917</u>	<u>1,879,376</u>	<u>272,459</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,862,651</u>	<u>\$ 1,862,651</u>

CITY OF NEW SMYRNA BEACH, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY BUDGET INFORMATION
SCHEDULES OR REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SEPTEMBER 30, 2024

- (1) **Budgets and budgetary accounting**—Annual budgets for all governmental and proprietary funds were adopted in compliance with Florida law. The basis on which the budgets are prepared is consistent with the basis of accounting utilized by the various fund types. The City of New Smyrna Beach, Florida (the City) uses the following procedures in establishing the budgetary data reflected in the accompanying financial statements:
- (a) On or before July 1st, the City Manager submits a preliminary budget to the City Commission for the ensuing fiscal year.
 - (b) Budget workshop sessions are scheduled by the City Manager, as needed.
 - (c) A general summary of the budget and notice of public hearing is published in a local newspaper.
 - (d) Prior to October 1, the budget is legally enacted through passage of an ordinance.
 - (e) The City Commission, by resolution, may make supplemental appropriations in excess of those estimated for the year up to the amount of available revenue in accordance with Sections 54 to 57 of the City Charter. Prior to the end of the fiscal year, supplemental appropriations are made for unanticipated spending requirements by the Commission.
 - (f) The City Commission must approve all inter-departmental budget amendments and/or appropriations transfers. Budgetary control is exercised at the fund level.
 - (g) Every appropriation lapses at the close of the fiscal year.

Supporting Schedules

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



CITY OF NEW SMYRNA BEACH, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

	Special Revenue Funds					Capital Project Funds					Total Non-Major Governmental Funds	
	Special Law Enforcement Trust	Building Inspections	Beach Parking	Community Redevelopment Agency, 2015	Total	Debt Service	Law Enforcement Capital	Fire & Emergency Service Capital	Parks & Recreation Capital	Transportation Capital		Total
Assets												
Equity in Pooled Cash and Cash Equivalents	\$ 221,541	\$ 1,494,177	\$ 3,588,482	\$ 5,997,275	\$ 11,301,475	\$ 5,683,523	\$ 1,509,464	\$ 1,651,989	\$ 1,896,616	\$ 4,626,019	\$ 9,684,088	\$ 26,669,086
Receivables, Net	-	-	123,647	-	123,647	979	75,000	-	-	-	75,000	199,626
Due from Other Governments	-	-	-	-	-	7,996	-	-	-	-	-	7,996
Prepaid Items	-	68,012	4,318	-	72,330	-	-	-	-	-	-	72,330
Total Assets	\$ 221,541	\$ 1,562,189	\$ 3,716,447	\$ 5,997,275	\$ 11,497,452	\$ 5,692,498	\$ 1,584,464	\$ 1,651,989	\$ 1,896,616	\$ 4,626,019	\$ 9,759,088	\$ 26,949,038
Liabilities												
Accounts Payable and Accrued Liabilities	\$ -	\$ 121,872	\$ 55,766	\$ 845	\$ 178,483	\$ -	\$ 5,006	\$ -	\$ -	\$ -	\$ 5,006	\$ 183,489
Total Liabilities	-	121,872	55,766	845	178,483	-	5,006	-	-	-	5,006	183,489
Deferred Inflows of Resources												
Unavailable Revenue - Taxes	-	-	-	-	-	979	-	-	-	-	-	979
Total Deferred Inflows of Resources	-	-	-	-	-	979	-	-	-	-	-	979
Fund Balances												
Non-Spendable:												
Prepays	-	68,012	4,318	-	72,330	-	-	-	-	-	-	72,330
Restricted for:												
Public Safety	221,541	1,372,305	-	-	1,593,846	-	-	-	-	-	-	1,593,846
Debt Service	-	-	-	-	-	5,691,519	-	-	-	-	-	5,691,519
Capital Projects	-	-	-	-	-	-	1,579,458	1,651,989	1,896,616	4,626,019	9,754,082	9,754,082
Community Development	-	-	-	5,996,430	5,996,430	-	-	-	-	-	-	5,996,430
Committed to:												
Parking	-	-	3,656,363	-	3,656,363	-	-	-	-	-	-	3,656,363
Total Fund Balances	221,541	1,440,317	3,660,681	5,996,430	11,318,969	5,691,519	1,579,458	1,651,989	1,896,616	4,626,019	9,754,082	26,764,570
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 221,541	\$ 1,562,189	\$ 3,716,447	\$ 5,997,275	\$ 11,497,452	\$ 5,692,498	\$ 1,584,464	\$ 1,651,989	\$ 1,896,616	\$ 4,626,019	\$ 9,759,088	\$ 26,949,038

CITY OF NEW SMYRNA BEACH, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Special Revenue Funds					Capital Project Funds					Total Non-Major Governmental Funds	
	Special Law Enforcement Trust	Building Inspections	Beach Parking	Community Redevelopment Agency, 2015	Special Revenue Funds Total	Debt Service	Law Enforcement Capital	Emergency Service Capital	Parks & Recreation Capital	Transportation Capital		Capital Project Funds Total
Revenues												
Taxes	\$ -	\$ -	\$ -	\$ 2,170,417	\$ 2,170,417	\$ 1,776,443	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,946,860
Licenses and Fees	-	2,683,503	-	-	2,683,503	-	135,506	169,389	471,150	437,328	1,213,373	3,896,876
Intergovernmental	-	-	-	-	-	-	75,000	-	-	-	75,000	75,000
Charges for Services	-	-	1,461,854	-	1,461,854	-	-	-	-	-	-	1,461,854
Fines and Forfeitures	51,547	3,150	-	-	54,697	-	-	-	-	-	-	54,697
Investment Income	6,706	94,547	152,936	207,421	461,610	182,038	65,431	59,671	63,744	168,486	357,332	1,000,980
Miscellaneous	-	9,148	1,700	6,431	17,279	-	-	-	-	-	-	17,279
Total Revenues	58,253	2,790,348	1,616,490	2,384,269	6,849,360	1,958,481	275,937	229,060	534,894	605,814	1,645,705	10,453,546
Expenditures												
Current:												
Public Safety	-	4,070,990	-	-	4,070,990	-	94,063	-	-	-	94,063	4,165,053
Economic Environment	-	-	-	384,633	384,633	-	-	-	-	-	-	384,633
Transportation	-	-	1,101,056	-	1,101,056	-	-	-	-	140,295	140,295	1,241,351
Capital Outlay	-	38,613	149,551	1,100	189,264	-	260,214	34,191	-	-	294,405	483,669
Debt Service:												
Principal Retirement	-	-	-	-	-	14,559,951	-	-	-	-	-	14,559,951
Interest and Fiscal Charges	-	-	-	-	-	1,010,526	-	-	-	-	-	1,010,526
Total Expenditures	-	4,109,603	1,250,607	385,733	5,745,943	15,570,477	354,277	34,191	-	140,295	528,763	21,845,183
Excess (Deficiency) of Revenues Over (Under) Expenditures	58,253	(1,319,255)	365,883	1,998,536	1,103,417	(13,611,996)	(78,340)	194,869	534,894	465,519	1,116,942	(11,391,637)
Other Financing Sources (Uses)												
Transfers In	-	-	-	-	-	1,738,972	-	-	-	-	-	1,738,972
Transfers Out	-	-	(1,120,000)	(92,234)	(1,212,234)	-	-	-	-	-	-	(1,212,234)
Line of Credit Proceeds	-	-	-	-	-	13,597,501	-	-	-	-	-	13,597,501
Sale of Capital Assets	-	4,366	9,458	-	13,824	-	-	-	-	-	-	13,824
Total Other Financing Sources (Uses)	-	4,366	(1,110,542)	(92,234)	(1,198,410)	15,336,473	-	-	-	-	-	14,138,063
Net Change in Fund Balances	58,253	(1,314,889)	(744,659)	1,906,302	(94,993)	1,724,477	(78,340)	194,869	534,894	465,519	1,116,942	2,746,426
Fund Balances, Beginning of Year	163,288	-	4,405,340	-	4,568,628	3,967,042	1,657,798	1,457,120	1,361,722	4,160,500	8,637,140	17,172,810
Change Within Financial Reporting Entity	-	2,755,206	-	4,090,128	6,845,334	-	-	-	-	-	-	6,845,334
Fund Balances, Beginning of Year, Adjusted	163,288	2,755,206	4,405,340	4,090,128	11,413,962	3,967,042	1,657,798	1,457,120	1,361,722	4,160,500	8,637,140	24,018,144
Fund Balances, End of Year	\$ 221,541	\$ 1,440,317	\$ 3,660,681	\$ 5,996,430	\$ 11,318,969	\$ 5,691,519	\$ 1,579,458	\$ 1,651,989	\$ 1,896,616	\$ 4,626,019	\$ 9,754,082	\$ 26,764,570

CITY OF NEW SMYRNA BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - SPECIAL LAW ENFORCEMENT TRUST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Increase (Decrease)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$ -	\$ -	\$ 51,547	\$ 51,547
Investment Income	-	-	6,706	6,706
Total Revenues	<u>-</u>	<u>-</u>	<u>58,253</u>	<u>58,253</u>
Expenditures				
Public Safety:				
Other	25,000	25,000	-	25,000
Total Public Safety	25,000	25,000	-	25,000
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(25,000)</u>	<u>(25,000)</u>	<u>58,253</u>	<u>83,253</u>
Net Change in Fund Balances	(25,000)	(25,000)	58,253	83,253
Fund Balances, Beginning of Year	<u>25,000</u>	<u>25,000</u>	<u>163,288</u>	<u>138,288</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 221,541</u>	<u>\$ 221,541</u>

CITY OF NEW SMYRNA BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUILDING INSPECTIONS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>Budgeted Amounts</u>			Variance with Final Budget - Increase (Decrease)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Licenses and Fees	\$ 3,549,287	\$ 3,549,287	\$ 2,683,503	\$ (865,784)
Fines and Forefeitures	1,950	1,950	3,150	1,200
Investment Income	-	-	94,547	94,547
Miscellaneous	20,000	20,000	9,148	(10,852)
Total Revenues	<u>3,571,237</u>	<u>3,571,237</u>	<u>2,790,348</u>	<u>(780,889)</u>
Expenditures				
Public Safety:				
Code Enforcement	4,837,761	4,829,061	4,070,990	758,071
Capital Outlay	-	108,701	38,613	70,088
Total Expenditures	<u>4,837,761</u>	<u>4,937,762</u>	<u>4,109,603</u>	<u>828,159</u>
Excess (Deficiency) of Revenues Over Under Expenditures	<u>(1,266,524)</u>	<u>(1,366,525)</u>	<u>(1,319,255)</u>	<u>47,270</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	-	-	4,366	4,366
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>4,366</u>	<u>4,366</u>
Net Change in Fund Balances	(1,266,524)	(1,366,525)	(1,314,889)	51,636
Fund Balances, Beginning of Year	<u>1,266,524</u>	<u>1,366,525</u>	<u>2,755,206</u>	<u>1,388,681</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,440,317</u>	<u>\$ 1,440,317</u>

CITY OF NEW SMYRNA BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BEACH PARKING FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget -</u>
				<u>(Decrease)</u>
Revenues				
Charges for Services	\$ 1,200,000	\$ 1,200,000	\$ 1,461,854	\$ 261,854
Investment Income	-	-	152,936	152,936
Miscellaneous Revenues	-	-	1,700	1,700
Total Revenues	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,616,490</u>	<u>416,490</u>
Expenditures				
Current:				
Transportation	1,095,407	1,320,127	1,101,056	219,071
Capital Outlay	50,000	346,748	149,551	197,197
Total Expenditures	<u>1,145,407</u>	<u>1,666,875</u>	<u>1,250,607</u>	<u>416,268</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>54,593</u>	<u>(466,875)</u>	<u>365,883</u>	<u>832,758</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	-	-	9,458	9,458
Transfers Out	(1,120,000)	(1,120,000)	(1,120,000)	-
Total Other Financing Sources (Uses)	<u>(1,120,000)</u>	<u>(1,120,000)</u>	<u>(1,110,542)</u>	<u>9,458</u>
Net Change in Fund Balances	(1,065,407)	(1,586,875)	(744,659)	842,216
Fund Balances, Beginning of Year	<u>1,065,407</u>	<u>1,586,875</u>	<u>4,405,340</u>	<u>2,818,465</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,660,681</u>	<u>\$ 3,660,681</u>

CITY OF NEW SMYRNA BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - COMMUNITY REDEVELOPMENT AGENCY, 2015
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Increase (Decrease)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 2,327,690	\$ 2,327,690	\$ 2,170,417	\$ (157,273)
Investment Income	-	-	207,421	207,421
Miscellaneous Revenue	-	-	6,431	6,431
Total Revenues	<u>2,327,690</u>	<u>2,327,690</u>	<u>2,384,269</u>	<u>56,579</u>
Expenditures				
Current:				
Economic Development	3,914,935	3,914,935	384,633	3,530,302
Capital Outlay	-	-	1,100	(1,100)
Total Expenditures	<u>3,914,935</u>	<u>3,914,935</u>	<u>385,733</u>	<u>3,529,202</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,587,245)</u>	<u>(1,587,245)</u>	<u>1,998,536</u>	<u>3,585,781</u>
Other Financing Sources (Uses)				
Transfers Out	-	-	(92,234)	(92,234)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(92,234)</u>	<u>(92,234)</u>
Net Change in Fund Balances	(1,587,245)	(1,587,245)	1,906,302	3,493,547
Fund Balances, Beginning of Year	<u>1,587,245</u>	<u>1,587,245</u>	<u>4,090,128</u>	<u>2,502,883</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,996,430</u>	<u>\$ 5,996,430</u>

CITY OF NEW SMYRNA BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>Budgeted Amounts</u>			Variance with Final Budget - Increase (Decrease)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Taxes	\$ 1,783,885	\$ 1,783,885	\$ 1,776,443	\$ (7,442)
Investment Income	-	-	182,038	182,038
Total Revenues	<u>1,783,885</u>	<u>1,783,885</u>	<u>1,958,481</u>	<u>174,596</u>
Expenditures				
Debt Service:				
Principal	12,559,960	14,559,951	14,559,951	-
Interest and Fiscal Charges	606,218	1,010,526	1,010,526	-
Total Expenditures	<u>13,166,178</u>	<u>15,570,477</u>	<u>15,570,477</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(11,382,293)</u>	<u>(13,786,592)</u>	<u>(13,611,996)</u>	<u>174,596</u>
Other Financing Sources (Uses)				
Transfers In	1,738,912	1,738,912	1,738,972	60
Line of Credit Proceeds	9,643,381	12,047,680	13,597,501	1,549,821
Total Other Financing Sources (Uses)	<u>11,382,293</u>	<u>13,786,592</u>	<u>15,336,473</u>	<u>1,549,881</u>
Net Change in Fund Balances	-	-	1,724,477	1,724,477
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>3,967,042</u>	<u>3,967,042</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,691,519</u>	<u>\$ 5,691,519</u>

CITY OF NEW SMYRNA BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - LAW ENFORCEMENT CAPITAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>Budgeted Amounts</u>			Variance with Final Budget - Increase (Decrease)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Licenses and Fees	\$ 325,000	\$ 325,000	\$ 135,506	\$ (189,494)
Intergovernmental	-	-	75,000	75,000
Investment Income	-	-	65,431	65,431
Total Revenues	<u>325,000</u>	<u>325,000</u>	<u>275,937</u>	<u>(49,063)</u>
Expenditures				
Current:				
Public Safety				
Law Enforcement	100,000	101,167	94,063	7,104
Capital Outlay	325,000	497,875	260,214	237,661
Total Expenditures	<u>425,000</u>	<u>599,042</u>	<u>354,277</u>	<u>244,765</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(100,000)</u>	<u>(274,042)</u>	<u>(78,340)</u>	<u>195,702</u>
Net Change in Fund Balances	(100,000)	(274,042)	(78,340)	195,702
Fund Balances, Beginning of Year	<u>100,000</u>	<u>274,042</u>	<u>1,657,798</u>	<u>1,383,756</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,579,458</u>	<u>\$ 1,579,458</u>

CITY OF NEW SMYRNA BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - FIRE AND EMERGENCY SERVICES CAPITAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget -</u>
				<u>Increase</u>
				<u>(Decrease)</u>
Revenues				
Licenses and Fees	\$ 190,000	\$ 190,000	\$ 169,389	\$ (20,611)
Investment Income	-	-	59,671	59,671
Total Revenues	<u>190,000</u>	<u>190,000</u>	<u>229,060</u>	<u>39,060</u>
Expenditures				
Public Safety	250,000	-	-	-
Capital Outlay	50,000	689,895	34,191	655,704
Total Expenditures	<u>300,000</u>	<u>689,895</u>	<u>34,191</u>	<u>655,704</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(110,000)</u>	<u>(499,895)</u>	<u>194,869</u>	<u>694,764</u>
Net Change in Fund Balances	(110,000)	(499,895)	194,869	694,764
Fund Balances, Beginning of Year	<u>110,000</u>	<u>499,895</u>	<u>1,457,120</u>	<u>957,225</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,651,989</u>	<u>\$ 1,651,989</u>

CITY OF NEW SMYRNA BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - PARKS AND RECREATION CAPITAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget -</u>
				<u>(Decrease)</u>
Revenues				
Licenses and Fees	\$ 140,000	\$ 140,000	\$ 471,150	\$ 331,150
Investment Income	-	-	63,744	63,744
Total Revenues	<u>140,000</u>	<u>140,000</u>	<u>534,894</u>	<u>394,894</u>
Expenditures				
Capital Outlay	115,000	140,000	-	140,000
Total Expenditures	<u>115,000</u>	<u>140,000</u>	<u>-</u>	<u>140,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>25,000</u>	<u>-</u>	<u>534,894</u>	<u>534,894</u>
Other Financing Sources (Uses)				
Transfers Out	(25,000)	-	-	-
Total Other Financing Sources (Uses)	<u>(25,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-	534,894	534,894
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>1,361,722</u>	<u>1,361,722</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,896,616</u>	<u>\$ 1,896,616</u>

CITY OF NEW SMYRNA BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - TRANSPORTATION CAPITAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Increase (Decrease)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Licenses and Fees	\$ 650,000	\$ 650,000	\$ 437,328	\$ (212,672)
Investment Income	-	-	168,486	168,486
Total Revenues	<u>650,000</u>	<u>650,000</u>	<u>605,814</u>	<u>(44,186)</u>
Expenditures				
Current:				
Transportation	570,000	570,000	140,295	429,705
Capital Outlay	80,000	80,000	-	80,000
Total Expenditures	<u>650,000</u>	<u>650,000</u>	<u>140,295</u>	<u>509,705</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	465,519	465,519
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>4,160,500</u>	<u>4,160,500</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,626,019</u>	<u>\$ 4,626,019</u>

CITY OF NEW SMYRNA BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CAPITAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget -</u>
				<u>(Decrease)</u>
Revenues				
Taxes	\$ 358,720	\$ 358,720	\$ 407,974	\$ 49,254
Intergovernmental	-	3,629,672	4,598,967	969,295
Investment Income	-	3,350	757,133	753,783
Miscellaneous Revenues	-	140,511	113,501	(27,010)
Total Revenues	<u>358,720</u>	<u>4,132,253</u>	<u>5,877,575</u>	<u>1,745,322</u>
Expenditures				
Current:				
General Government	1,225,000	1,535,258	294,731	1,240,527
Transportation	-	700,000	55,184	644,816
Physical Environment	-	-	25,363	(25,363)
Culture and Recreation	-	-	20,500	(20,500)
Capital Outlay	3,657,180	20,904,438	10,500,934	10,403,504
Total Expenditures	<u>4,882,180</u>	<u>23,139,696</u>	<u>10,896,712</u>	<u>12,242,984</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,523,460)</u>	<u>(19,007,443)</u>	<u>(5,019,137)</u>	<u>13,988,306</u>
Other Financing Sources (Uses)				
Transfers In	4,433,460	7,061,256	5,023,540	(2,037,716)
Transfers (Out)	-	(15,460)	(15,460)	-
Total Other Financing Sources (Uses)	<u>4,433,460</u>	<u>7,045,796</u>	<u>5,008,080</u>	<u>(2,037,716)</u>
Net Change in Fund Balances	(90,000)	(11,961,647)	(11,057)	11,950,590
Fund Balances, Beginning of Year	<u>90,000</u>	<u>11,961,647</u>	<u>20,322,174</u>	<u>8,360,527</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,311,117</u>	<u>\$ 20,311,117</u>

STATISTICAL SECTION

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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



TABLE 1

**CITY OF NEW SMYRNA BEACH, FLORIDA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
YEAR ENDED SEPTEMBER 30, 2024**

	Fiscal Year Ended September 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental Activities:										
Invested in Capital Assets	\$ 141,075,990	\$ 130,303,910	\$ 124,678,831	\$ 119,761,321	\$ 113,500,350	\$ 105,714,465	\$ 100,614,187	\$ 94,927,137	\$ 94,386,725	\$ 90,274,757
Restricted	45,474,552	23,856,060	13,165,440	15,619,632	16,633,724	15,743,617	14,686,532	9,520,265	7,084,902	6,314,851
Unrestricted	9,049,079	20,867,355	28,785,007	11,109,585	7,941,028	5,916,141	4,049,396	3,993,543	3,832,295	848,848
Total Governmental Activities Net Position	\$ 195,599,621	\$ 175,027,325	\$ 166,629,278	\$ 146,490,538	\$ 138,075,102	\$ 127,374,223	\$ 119,350,115	\$ 108,440,945	\$ 105,303,922	\$ 97,438,456
Business-Type Activities:										
Invested in Capital Assets	\$ 477,741	\$ 311,849	\$ 325,788	\$ 261,289	\$ 249,352	\$ 1,022,641	\$ 1,064,128	\$ 610,651	\$ 551,501	\$ 119,173
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	2,855,974	2,192,073	1,617,664	1,636,845	1,791,729	145,975	(30,837)	(271,645)	(338,008)	60,501
Total Business-Type Activities Net Position	\$ 3,333,715	\$ 2,503,922	\$ 1,943,452	\$ 1,898,134	\$ 2,041,081	\$ 1,168,616	\$ 1,033,291	\$ 339,006	\$ 213,493	\$ 179,674
Primary Government:										
Invested in Capital Assets	\$ 141,553,731	\$ 130,615,759	\$ 125,004,619	\$ 120,022,610	\$ 113,749,702	\$ 106,737,106	\$ 101,678,315	\$ 95,537,788	\$ 94,938,226	\$ 90,393,930
Restricted	45,474,552	23,856,060	13,165,440	15,619,632	16,633,724	15,743,617	14,686,532	9,520,265	7,084,902	6,314,851
Unrestricted	11,905,053	23,059,428	30,402,671	12,746,430	9,732,757	6,062,116	4,018,559	3,721,898	3,494,287	909,349
Total Primary Government Net Position	\$ 198,933,336	\$ 177,531,247	\$ 168,572,730	\$ 148,388,672	\$ 140,116,183	\$ 128,542,839	\$ 120,383,406	\$ 108,779,951	\$ 105,517,415	\$ 97,618,130

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

TABLE 2

**CITY OF NEW SMYRNA BEACH, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
YEAR ENDED SEPTEMBER 30, 2024**

	Fiscal Year Ended September 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Expenses:										
Governmental Activities:										
General Government	\$ 9,982,714	\$ 9,712,158	\$ 7,625,701	\$ 5,638,660	\$ 5,726,788	\$ 6,125,363	\$ 5,793,676	\$ 7,645,291	\$ 4,385,497	\$ 3,614,857
Public Safety	24,027,253	23,538,126	19,947,812	17,245,824	16,406,663	16,321,412	13,750,597	13,040,957	10,661,993	13,183,486
Transportation	8,498,888	9,345,438	7,648,282	6,606,820	6,176,788	6,178,417	4,799,649	3,998,592	4,122,721	4,373,481
Economic Environment	2,236,831	770,466	1,183,635	965,388	796,074	898,328	1,067,964	1,113,714	1,531,277	2,079,700
Physical Environment	1,479,550	2,257,802	1,683,751	1,519,632	1,284,274	5,049	1,970,217	1,358,031	1,337,399	1,327,420
Culture/Recreation	8,659,348	7,921,978	6,830,823	6,462,377	6,351,948	5,051,113	4,554,202	4,543,918	3,973,175	3,202,899
Intragovernmental Services	-	490,924	400,849	438,633	474,163	693,001	724,766	696,938	660,808	566,013
Interest on Long-Term Debt	1,049,565	904,904	758,648	845,918	919,793	772,474	733,514	702,554	719,346	865,380
Total Governmental Activities Expenses	55,934,149	54,941,796	46,079,501	39,723,252	38,136,491	36,045,157	33,394,585	33,099,995	27,392,216	29,213,236
Business-Type Activities:										
Sanitation	8,675,107	8,295,820	7,694,461	7,557,192	6,911,750	6,225,725	5,763,687	5,577,278	5,402,195	5,262,651
Golf Course	-	-	-	-	-	1,353,870	1,276,874	1,238,918	1,113,639	1,151,916
Marina	358,695	373,528	333,928	393,535	274,138	253,798	248,544	207,740	239,592	188,247
Total Business-Type Activities Expenses	9,033,802	8,669,348	8,028,389	7,950,727	7,185,888	7,833,393	7,289,105	7,023,936	6,755,426	6,602,814
Total Primary Government Expenses	64,967,951	63,611,144	54,107,890	47,673,979	45,322,379	43,878,550	40,683,690	40,123,931	34,147,642	35,816,050
Program Revenues:										
Governmental Activities:										
Charges for Services:										
General Government	1,231,971	927,755	715,355	754,997	877,187	1,164,366	2,032,127	955,559	948,150	1,017,574
Public Safety	4,395,618	5,439,372	4,737,320	4,650,692	5,255,655	5,180,451	3,704,648	3,140,536	3,065,363	1,757,344
Transportation	3,879,474	3,722,801	3,472,885	2,404,056	2,290,281	2,820,537	2,738,819	2,679,034	2,403,939	2,773,746
Physical Environment	2,815,032	2,703,060	2,618,805	2,469,349	2,377,221	2,239,211	2,089,596	2,108,847	1,978,749	1,922,683
Culture/Recreation	3,606,217	2,517,977	2,350,294	2,215,720	1,725,929	656,293	336,107	215,704	239,690	225,425
Operating Grants and Contributions	2,277,585	2,583,875	11,535,591	1,685,650	2,445,678	2,197,583	1,824,240	2,003,075	1,732,921	1,538,660
Capital Grants and Contributions	12,706,773	4,871,145	7,063,723	3,598,169	7,241,469	2,875,061	9,392,174	3,587,890	4,086,577	7,582,049
Total Governmental Activities										
Program Revenues	30,912,670	22,765,985	32,493,973	17,778,633	22,213,420	17,133,502	22,117,711	14,690,645	14,455,389	16,817,481
Business-Type Activities:										
Charges for Services:										
Sanitation	9,416,727	8,847,503	7,690,858	7,480,517	7,002,902	6,562,170	6,338,556	5,555,028	5,430,041	5,288,084
Golf Course	-	-	-	-	-	1,186,622	1,140,256	1,063,810	666,897	1,121,547
Marina	334,695	340,542	345,381	321,633	278,202	300,833	303,216	293,139	313,199	282,478
Operating Grants and Contributions	-	-	32,316	2,103	14,950	-	-	-	-	-
Total Business-Type Activities										
Program Revenues	9,751,422	9,188,045	8,068,555	7,804,253	7,296,054	8,049,625	7,782,028	6,911,977	6,410,137	6,692,109
Total Primary Government										
Program Revenues	40,664,092	31,954,030	40,562,528	25,582,886	29,509,474	25,183,127	29,899,739	21,602,622	20,865,526	23,509,590

TABLE 2

CITY OF NEW SMYRNA BEACH, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
YEAR ENDED SEPTEMBER 30, 2024
(Concluded)

	Fiscal Year Ended September 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Net (Expense)/Revenue:										
Governmental Activities	\$ (25,021,479)	\$ (32,175,811)	\$ (13,585,528)	\$ (21,944,619)	\$ (15,923,071)	\$ (18,911,655)	\$ (11,276,874)	\$ (18,409,350)	\$ (12,936,827)	\$ (12,395,755)
Business-Type Activities	717,620	518,697	40,166	(146,474)	110,166	216,232	492,923	(111,959)	(345,289)	89,295
Total Primary Government Net Expense	<u>(24,303,859)</u>	<u>(31,657,114)</u>	<u>(13,545,362)</u>	<u>(22,091,093)</u>	<u>(15,812,905)</u>	<u>(18,695,423)</u>	<u>(10,783,951)</u>	<u>(18,521,309)</u>	<u>(13,282,116)</u>	<u>(12,306,460)</u>
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Taxes:										
Property Taxes	29,822,477	23,887,814	20,003,363	18,720,393	17,061,249	15,863,575	13,606,365	12,125,345	11,313,896	11,867,963
Franchise Fees	856,075	916,634	852,262	869,959	723,240	662,574	670,696	673,638	660,246	670,788
Public Service Taxes	4,837,337	4,704,224	4,570,372	3,779,953	3,490,749	3,502,667	3,388,718	3,123,400	3,201,661	3,136,070
Sales Taxes	2,067,835	2,162,931	2,017,282	1,766,680	1,488,470	1,504,792	1,467,385	1,360,567	1,295,417	1,208,002
Intergovernmental Revenues	2,101,890	1,797,009	1,510,609	1,245,956	1,135,220	1,122,878	548,880	515,469	485,695	456,271
Investment Earnings	3,340,215	2,190,683	323,120	94,517	227,801	515,882	261,110	127,857	77,659	78,273
Required Payment from Component Unit	4,675,954	4,850,645	4,073,137	3,827,182	3,737,897	3,787,625	3,666,585	3,615,948	3,721,884	3,550,060
Miscellaneous Revenue	297,462	63,918	57,428	85,165	82,124	35,371	227,937	186,664	414,872	621,401
Gain on Sale of Capital Assets	187,487	-	316,705	-	-	-	31,106	23,787	-	252,459
Transfers	-	-	-	-	-	97,566	(254,301)	(206,302)	(369,037)	526,581
Total Governmental Activities	<u>48,186,732</u>	<u>40,573,858</u>	<u>33,724,278</u>	<u>30,389,805</u>	<u>27,946,750</u>	<u>27,092,930</u>	<u>23,614,481</u>	<u>21,546,373</u>	<u>20,802,293</u>	<u>22,367,868</u>
Business-Type Activities										
Investment Earnings	63,935	41,773	5,152	3,527	15,258	17,102	7,153	3,178	1,867	1,637
Miscellaneous Revenue	48,238	-	-	-	-	-	27,215	27,992	8,205	1,474
Transfers	-	-	-	-	-	(97,566)	254,301	206,302	369,037	(526,581)
Total Business-Type Activities	<u>112,173</u>	<u>41,773</u>	<u>5,152</u>	<u>3,527</u>	<u>15,258</u>	<u>(80,464)</u>	<u>288,669</u>	<u>237,472</u>	<u>379,109</u>	<u>(523,470)</u>
Total Primary Government	<u>48,298,905</u>	<u>40,615,631</u>	<u>33,729,430</u>	<u>30,393,332</u>	<u>27,962,008</u>	<u>27,012,466</u>	<u>23,903,150</u>	<u>21,783,845</u>	<u>21,181,402</u>	<u>21,844,398</u>
Changes in Net Position:										
Governmental Activities	23,165,253	8,398,047	20,138,750	8,445,186	12,023,679	8,181,275	12,337,607	3,137,023	7,865,466	9,972,113
Business-Type Activities	829,793	560,470	45,318	(142,947)	125,424	135,768	781,592	125,513	33,820	(434,175)
Total Primary Government	<u>\$ 23,995,046</u>	<u>\$ 8,958,517</u>	<u>\$ 20,184,068</u>	<u>\$ 8,302,239</u>	<u>\$ 12,149,103</u>	<u>\$ 8,317,043</u>	<u>\$ 13,119,199</u>	<u>\$ 3,262,536</u>	<u>\$ 7,899,286</u>	<u>\$ 9,537,938</u>

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

**CITY OF NEW SMYRNA BEACH, FLORIDA
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
YEAR ENDED SEPTEMBER 30, 2024**

	Fiscal Year Ended September 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Fund:										
Non-Spendable	\$ 858,110	\$ 464,515	\$ 470,476	\$ 131,160	\$ 246,115	\$ 875,609	\$ 1,311,501	\$ 1,250,734	\$ 3,216,342	\$ 913,628
Spendable:										
Restricted	120,304	123,740	123,740	123,740	123,740	115,442	66,816	60,816	55,435	38,770
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	1,959,783	6,626,117	5,315,772	739,515	329,935	2,537,599	1,541,499	1,486,371	509,099	1,261,353
Unassigned	18,282,170	10,726,855	10,390,956	13,202,129	9,303,506	6,763,876	5,848,641	5,461,399	8,500,876	7,770,407
Total General Fund	<u>\$ 21,220,367</u>	<u>\$ 17,941,227</u>	<u>\$ 16,300,944</u>	<u>\$ 14,196,544</u>	<u>\$ 10,003,296</u>	<u>\$ 10,292,526</u>	<u>\$ 8,768,457</u>	<u>\$ 8,259,320</u>	<u>\$ 12,281,752</u>	<u>\$ 9,984,158</u>
All Other Governmental Funds:										
Non-Spendable	345,754	110,052	124,360	61,091	37,586	32,606	61,643	52,341	31,118	38,795
Spendable:										
Restricted	45,354,248	32,263,361	20,606,379	19,765,991	22,043,617	19,118,404	15,776,344	11,126,481	9,131,407	13,722,842
Committed	3,656,363	15,309,828	15,225,333	6,972,038	6,411,007	5,980,290	4,587,211	8,860,753	2,889,850	3,405,730
Assigned	9,212,114	5,665,778	12,019,350	3,362,108	4,643,774	1,873,120	3,107,800	2,716,597	1,894,596	1,285,336
Unassigned	(1,899,775)	(2,470,143)	-	-	-	-	-	28,357	(22,173)	-
Total All Other Governmental Funds	<u>\$ 56,668,704</u>	<u>\$ 50,878,876</u>	<u>\$ 47,975,422</u>	<u>\$ 30,161,228</u>	<u>\$ 33,135,984</u>	<u>\$ 27,004,420</u>	<u>\$ 23,532,998</u>	<u>\$ 22,784,529</u>	<u>\$ 13,924,798</u>	<u>\$ 18,452,703</u>

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

TABLE 4

**CITY OF NEW SMYRNA BEACH, FLORIDA
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
YEAR ENDED SEPTEMBER 30, 2024**

	Fiscal Year Ended September 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenue:										
Taxes	\$ 36,553,785	\$ 30,319,654	\$ 26,099,464	\$ 24,029,688	\$ 22,020,890	\$ 20,563,254	\$ 18,373,409	\$ 16,654,985	\$ 15,809,290	\$ 14,955,277
Licenses and Fees	9,832,437	9,974,827	9,306,678	7,973,202	8,892,107	9,862,074	7,141,017	6,735,421	6,793,044	6,012,110
Intergovernmental	14,713,711	8,496,185	18,534,889	5,544,684	9,632,693	4,676,389	10,596,815	5,225,276	5,553,360	10,563,520
Charges for Services	13,240,349	14,241,466	11,649,180	10,364,019	9,551,698	7,496,244	8,156,909	7,034,415	3,998,336	2,910,515
Fines and Forfeitures	861,135	602,609	735,337	818,551	472,964	249,600	179,147	148,300	235,672	174,114
Investment Earnings	3,340,213	2,179,725	323,120	94,347	214,881	499,640	261,111	127,855	77,659	77,645
Other Revenues	1,886,466	505,599	407,945	431,700	430,235	473,843	473,190	485,394	3,321,206	3,558,550
Total Revenue	80,428,096	66,320,065	67,056,613	49,256,191	51,215,468	43,821,044	45,181,598	36,411,646	35,788,567	38,251,731
Expenditures:										
General Government	10,844,740	12,085,946	8,202,549	6,307,192	6,045,254	4,857,074	5,478,001	7,245,432	3,891,608	3,087,836
Public Safety	21,801,698	20,756,970	17,297,337	15,396,383	14,905,240	14,931,844	13,328,911	12,539,387	12,089,687	11,640,499
Transportation	6,543,818	7,601,115	5,946,406	5,010,749	4,535,016	4,557,308	4,392,778	3,569,012	3,672,814	3,859,584
Economic Environment	817,664	61,256	465,286	245,712	75,000	106,917	14,468	20,195	568,282	1,380,301
Physical Environment	1,666,657	1,471,585	914,874	760,966	761,984	792,388	926,523	571,095	658,672	680,302
Culture/Recreation	7,559,404	6,834,591	5,767,358	5,253,133	5,300,346	4,094,122	3,662,103	3,591,589	3,229,405	2,745,754
Building and Maintenance	-	468,724	372,854	428,717	454,098	684,650	716,104	672,158	637,924	554,123
Capital Outlay	20,982,159	12,423,880	10,425,540	11,000,158	8,467,230	16,035,497	14,677,654	5,564,010	12,547,872	16,568,963
Debt Service:										
Principal Retirement	14,998,231	3,276,091	3,150,750	3,183,295	3,130,891	2,577,241	9,688,922	1,947,791	1,709,132	1,688,344
Interest and Fiscal Charges	1,049,565	740,132	691,694	825,534	863,619	787,748	845,734	671,824	693,634	706,363
Refunding Bond Issuance Cost	-	-	26,575	45,765	-	-	-	-	-	-
Total Expenditures	86,263,936	65,720,290	53,261,223	48,457,604	44,538,678	49,424,789	53,731,198	36,392,493	39,699,030	42,912,069
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,835,840)	599,775	13,795,390	798,587	6,676,790	(5,603,745)	(8,549,600)	19,153	(3,910,463)	(4,660,338)
Other Financing Sources (Uses):										
Transfers In (Out)	9,069,302	(750,000)	-	-	-	97,566	(254,301)	(206,302)	(369,037)	1,041,636
Issuance of Debt	(9,069,302)	4,500,000	4,700,000	350,001	-	9,793,094	10,000,000	5,000,000	-	-
Payment to Refunding Escrow Agent	-	-	-	-	-	-	-	-	-	-
Sale of Capital Assets	187,487	-	1,157,241	10,089	37,835	59	31,106	24,448	49,861	499,309
Insurance Recoveries	76,991	193,962	129,537	89,565	79,083	62,781	30,401	-	-	-
Financed Purchase Proceeds	802,995	-	-	-	-	-	-	-	1,999,328	-
Leases (as Lessor)	239,834	-	136,426	-	-	-	-	-	-	-
Line of Credit Proceeds	13,597,501	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	14,904,808	3,943,962	6,123,204	449,655	116,918	9,953,500	9,807,206	4,818,146	1,680,152	1,540,945
Net Change in Fund Balances	\$ 9,068,968	\$ 4,543,737	\$ 19,918,594	\$ 1,248,242	\$ 6,793,708	\$ 4,349,755	\$ 1,257,606	\$ 4,837,299	\$ (2,230,311)	\$ (3,119,393)
Debt Service as a Percentage of Non-Capital Expenditures	32.6%	7.5%	9.0%	10.7%	11.1%	10.1%	27.0%	8.5%	8.8%	9.1%

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

CITY OF NEW SMYRNA BEACH, FLORIDA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
YEAR ENDED SEPTEMBER 30, 2024

Fiscal Year ² Ended							Vacant			Total	Total	
	Residential	Commercial	Industrial	Agricultural	Institutional	Governmental	Land and Other	Tangible Personal Property	Total Assessed Value	Less: Tax-Exempt Property	Taxable Assessed Value ¹	Total Direct Tax Rate ¹
September 30,	Property	Property	Property	Property	Property	Property		Property	Value	Property	Value ¹	Rate ¹
2024	\$ 5,932,112,540	\$ 669,026,246	\$ 51,553,634	\$ 8,252,101	\$ 100,388,899	\$ 294,339,181	\$ 206,239,495	\$ 345,992,284	\$ 7,607,904,380	\$ 1,245,111,169	\$ 6,362,793,211	4.70400
2023	5,271,470,613	561,360,333	46,360,228	3,291,090	83,135,464	272,728,430	198,079,577	279,529,792	6,715,955,527	1,126,450,368	5,589,505,159	4.28060
2022	4,670,530,164	488,567,211	40,279,520	3,235,272	73,170,151	248,322,417	166,637,795	285,795,274	5,976,537,804	1,075,473,014	4,901,064,790	4.12620
2021	4,309,740,335	457,164,906	37,694,482	3,597,445	70,333,583	236,356,596	165,855,775	219,311,209	5,500,054,331	952,669,598	4,547,384,733	4.17000
2020	3,935,312,702	417,379,076	35,292,888	4,033,158	65,451,015	214,796,559	158,730,559	198,685,156	5,029,681,113	896,616,256	4,133,064,857	4.19560
2019	3,611,242,026	398,170,720	30,905,813	3,873,907	62,832,487	206,887,673	141,977,210	188,914,579	4,644,804,415	859,780,379	3,785,024,036	4.17550
2018	3,298,276,892	353,190,922	29,344,520	2,563,579	49,675,127	195,425,582	147,944,921	168,439,045	4,244,860,588	811,986,176	3,432,874,412	4.05610
2017	3,055,463,112	313,454,305	27,467,036	2,324,780	46,746,352	175,317,013	138,456,418	169,521,503	3,928,750,519	775,089,050	3,153,661,469	3.96990
2016	2,848,415,687	285,656,360	25,814,294	1,489,961	43,978,338	157,277,270	125,107,652	176,922,153	3,664,661,715	748,827,518	2,915,834,197	3.99900
2015	2,662,911,966	264,239,522	24,807,438	1,416,412	42,546,782	132,820,223	118,502,798	172,284,943	3,419,530,084	696,808,459	2,722,721,625	4.02830

Source: Volusia County, Florida, Property Appraiser.

Notes:

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

²All property valuations for the specified fiscal year-ends are obtained from the previous year's tax roll (i.e., all fiscal 2024 data was obtained from the 2023 calendar year tax roll).

TABLE 6

**CITY OF NEW SMYRNA BEACH, FLORIDA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
YEAR ENDED SEPTEMBER 30, 2024**

Fiscal Year ¹	City of New Smyrna Beach			Overlapping Rates							Total All Taxing Districts
	Operating	Debt Service	Total City of New Smyrna	Volusia County School District	Volusia County	Southeast Volusia Hospital District	Southeast Volusia Mosquito Control	Ponce Inlet and Port Authority	St. Johns Water Management District	Florida Inland Navigation District	
2024	4.415	0.289	4.704	5.409	5.671	0.816	0.178	0.069	0.179	0.029	17.055
2023	3.950	0.331	4.281	5.482	5.713	0.902	0.178	0.076	0.197	0.032	16.861
2022	3.742	0.384	4.126	5.802	6.299	1.008	0.178	0.085	0.219	0.032	17.749
2021	3.742	0.428	4.170	5.907	6.151	1.057	0.178	0.088	0.229	0.032	17.812
2020	3.742	0.454	4.196	6.081	6.542	1.121	0.188	0.093	0.241	0.032	18.494
2019	3.842	0.334	4.176	6.281	6.646	1.198	0.188	0.093	0.256	0.032	18.870
2018	3.681	0.375	4.056	6.281	6.646	1.198	0.188	0.093	0.256	0.032	18.750
2017	3.570	0.400	3.970	6.848	7.052	2.400	0.188	0.093	0.289	0.032	20.872
2016	3.570	0.430	4.000	7.197	7.271	2.634	0.188	0.093	0.302	0.032	21.717
2015	3.576	0.452	4.028	7.336	7.271	2.784	0.188	0.093	0.316	0.035	22.051

Source: Volusia County, Florida, Property Appraiser.

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

¹All property valuations for the specified fiscal year-ends are obtained from the previous year's tax roll (i.e., all fiscal 2024 data was obtained from the 2023 calendar year tax roll).

TABLE 7

**CITY OF NEW SMYRNA BEACH, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND NINE YEARS AGO
SEPTEMBER 30, 2024**

Taxpayer	September 30, 2024			September 30, 2015		
	(2023 Tax Roll) Assessed Taxable Value	Rank	Percent to Total Assessed Taxable Value	(2014 Tax Roll) Assessed Taxable Value	Rank	Percent to Total Assessed Taxable Value
Big Beacon FL, LLC	\$ 47,477,962	1	0.75%			
Coconut Palms Condo Assoc.	25,607,490	2	0.40%	\$ 14,421,427	1	0.49%
TT of New Smyrna Beach, LLC	18,685,587	3	0.29%			
Publix Super Markets, Inc.	17,147,032	5	0.27%	8,627,829	6	0.30%
Lyme Stone Ranch Investors Ltd.	17,421,436	4	0.27%	9,240,760	5	0.32%
Real Sub, LLC	14,680,590	8	0.23%			
Poseidon Hotel Ventures, LLC	14,832,234	7	0.23%			
Wal-Mart Stores East, LP	13,375,036	10	0.21%	13,243,948	2	0.45%
Florida Power & Light Company	16,093,422	6	0.25%			
Ocean View Pc Propco Lp	13,925,222	9	0.22%			
NS CS Hammock Creek LLC				11,866,000	3	0.41%
Cathy S Truett Trust				9,508,795	4	0.33%
Islander Beach Club Condo Association				8,078,157	7	0.28%
Coconut Palms II Condo Association				7,413,322	8	0.25%
Florida East Coast Railway CO				7,156,160	9	0.25%
Bellsouth Telecommunications, Inc.				7,053,768	10	0.24%
Home Depot USA INC						
Total	<u>\$ 199,246,011</u>		<u>3.13%</u>	<u>\$ 96,610,166</u>		<u>3.31%</u>

Source: Volusia County, Florida, Property Appraiser.

TABLE 8

**CITY OF NEW SMYRNA BEACH, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2024**

Fiscal Year Ended September 30,	Taxes Levied For Year	Collected Within Fiscal Year of the Levy		Delinquent Collections	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2024	\$ 29,930,580	\$ 28,876,102	96.48%	\$ 30,033	\$ 28,906,135	96.58%
2023	23,926,435	22,595,328	94.44%	36,275	22,631,603	94.59%
2022	20,222,774	19,269,076	95.28%	36,999	19,306,075	95.47%
2021	18,962,594	18,329,308	96.66%	40,347	18,369,655	96.87%
2020	17,340,687	16,724,838	96.45%	53,843	16,778,681	96.76%
2019	15,804,386	15,296,416	96.79%	38,960	15,335,376	97.03%
2018	13,924,082	13,445,129	96.56%	1,209	13,446,338	96.57%
2017	12,519,721	12,157,699	97.11%	-	12,157,699	97.11%
2016	11,663,045	11,313,415	97.00%	4,533	11,317,948	97.04%
2015	10,967,940	10,601,509	96.66%	1,831	10,603,340	96.68%

Source: The City of New Smyrna Beach Finance Department

Note: Tax collections are stated net of early payment discounts ranging from 1% to 4% based on the date of taxpayer payments. Actual tax collections received in each fiscal year are from the prior year's tax levy (i.e., 2024 collections are from the 2023 tax levy).

TABLE 5

**CITY OF NEW SMYRNA BEACH, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
YEAR ENDED SEPTEMBER 30, 2024**

Fiscal Year Ended	Governmental Activities							Business-Type Activities		Percent of Personal Income ¹	Per Capita ²	Personal Income ³
	General Obligation Refunding Note	Capital Revenue Note	Financed Purchases	Capital Improvement Notes	Promissory Notes	Lease Obligation	Total	Lease Obligation	Primary Government Total			
2024	\$ 7,585,000	\$ 1,634,790	\$ 1,089,288	\$ 21,702,501	\$ 75,729	\$ 230,307	\$ 32,317,615	\$ 31,953	\$ 32,349,568	2.51%	994	\$ 1,289,802,170
2023	9,149,000	2,985,000	632,030	19,700,357	126,114	92,197	32,684,698	36,819	32,721,517	2.11%	1,010	1,551,344,400
2022	10,683,000	3,365,000	835,615	16,245,729	195,019	136,426	31,460,789	41,563	31,502,352	2.58%	1,043	1,221,743,068
2021	12,185,000	3,740,000	-	12,532,602	281,758	1,089,967	29,829,327	-	29,829,327	3.42%	1,026	873,453,523
2020	13,652,000	4,100,000	-	13,141,437	441,212	1,327,972	32,662,621	-	32,662,621	2.66%	1,173	1,228,934,334
2019	15,033,000	4,101,536	-	14,188,000	669,243	1,425,923	35,417,702	-	35,417,702	3.08%	1,303	1,151,428,702
2018	6,576,000	4,563,086	-	14,795,000	892,572	1,616,069	28,442,727	-	28,442,727	2.86%	1,075	993,577,920
2017	7,601,000	5,000,179	-	12,640,000	1,108,185	1,802,995	28,152,359	-	28,152,359	2.89%	1,091	975,405,006
2016	8,603,000	5,450,000	-	7,730,000	1,317,643	1,999,328	25,099,971	-	25,099,971	2.65%	1,001	947,998,556
2015	9,589,000	5,765,000	-	7,935,000	1,520,954	-	24,809,954	-	24,809,954	2.83%	1,021	875,991,496

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

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

TABLE 10

CITY OF NEW SMYRNA BEACH, FLORIDA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2024

Fiscal Year Ended <u>September 30,</u>	Governmental Activities General Obligation Bonds	Less: Amounts Available in Debt Service Fund ³	Total	Percentage of Total Taxable Assessed Value of Property	Percent of Personal Income ¹	Per Capita ²	Population
2024	\$ 7,585,000	\$ 230,746	\$ 7,354,254	0.12%	0.57%	233	32,542
2023	9,149,000	3,073,088	6,075,912	0.11%	0.39%	188	32,400
2022	10,683,000	678,340	10,004,660	0.20%	0.82%	331	30,212
2021	12,185,000	761,670	11,423,330	0.25%	1.31%	393	29,087
2020	13,652,000	234,544	13,417,456	0.32%	1.09%	482	27,843
2019	15,033,000	150,250	14,882,750	0.39%	1.29%	548	27,173
2018	6,576,000	459,630	6,116,370	0.18%	0.62%	231	26,470
2017	7,601,000	380,236	7,220,764	0.23%	74.00%	280	25,803
2016	8,603,000	322,538	8,280,462	0.28%	0.87%	330	25,078
2015	9,589,000	301,771	9,287,229	0.34%	1.06%	382	24,298

Source: The City of New Smyrna Beach Finance Department

Note:

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

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

TABLE 11

CITY OF NEW SMYRNA BEACH, FLORIDA
DIRECT AND OVERLAPPING DEBT FOR GOVERNMENTAL ACTIVITIES
SEPTEMBER 30, 2024

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes:			
County of Volusia, Florida:			
General Obligation Bonds	\$ -	6.09%	\$ -
Other Debt:			
District School Board of Volusia County, Florida:			
State School Bonds	-	6.09%	-
Certificates of Participation	231,665,873	6.09%	14,098,301
Sales Tax Revenue Bonds	24,156,216	6.09%	1,470,055
Notes and Leases	8,200,873	6.09%	499,074
County of Volusia, Florida:			
Revenue Bonds	39,260,000	6.09%	2,389,214
Notes Payable	20,816,333	6.09%	<u>1,266,803</u>
Total Overlapping Debt			19,723,447
City Direct Debt			<u>32,317,615</u>
Total Direct and Overlapping Debt			<u><u>\$ 52,041,062</u></u>

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

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

**CITY OF NEW SMYRNA BEACH, FLORIDA
LEGAL DEBT MARGIN INFORMATION
YEAR ENDED SEPTEMBER 30, 2024**

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

**CITY OF NEW SMYRNA BEACH, FLORIDA
 PLEDGED REVENUE COVERAGE
 LAST TEN FISCAL YEARS
 YEAR ENDED SEPTEMBER 30, 2024**

	Fiscal Year Ending September 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Community Redevelopment Agency Bonds										
Tax Increment Revenues	\$ 2,170,417	\$ 1,705,355	\$ 1,156,102	\$ 940,263	\$ 721,987	\$ 581,276	\$ 291,289	\$ 159,131	\$ 69,367	\$ 1,904,212
Less: Operating Expenses	-	-	-	-	-	-	-	-	-	-
Net Revenue Available for Debt Service	<u>\$ 2,170,417</u>	<u>\$ 1,705,355</u>	<u>\$ 1,156,102</u>	<u>\$ 940,263</u>	<u>\$ 721,987</u>	<u>\$ 581,276</u>	<u>\$ 291,289</u>	<u>\$ 159,131</u>	<u>\$ 69,367</u>	<u>\$ 1,904,212</u>
Debt Service Payments:										
Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-	-	-	-	-	-
Total Debt Service Payments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Coverage (Times)	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Capital Revenue Bonds and Notes:										
Gross Revenues	\$ 49,264,732	\$ 47,610,304	\$ 45,148,895	\$ 44,849,065	\$ 37,034,206	\$ 28,265,291	\$ 31,575,233	\$ 31,276,150	\$ 31,157,148	\$ 33,791,679
Less: Operating Expenses	-	-	-	-	-	-	-	-	-	-
Net Revenue Available for Debt Service	<u>\$ 49,264,732</u>	<u>\$ 47,610,304</u>	<u>\$ 45,148,895</u>	<u>\$ 44,849,065</u>	<u>\$ 37,034,206</u>	<u>\$ 28,265,291</u>	<u>\$ 31,575,233</u>	<u>\$ 31,276,150</u>	<u>\$ 31,157,148</u>	<u>\$ 33,791,679</u>
Debt Service Payments:										
Principal	\$ 1,445,950	\$ 3,180,965	\$ 1,802,058	\$ 2,588,844	\$ 2,898,008	\$ 2,387,095	\$ 2,232,706	\$ 1,751,458	\$ 1,709,132	\$ 1,688,344
Interest	746,075	705,598	517,502	806,799	692,314	666,429	707,993	651,114	693,633	706,364
Total Debt Service Payments	<u>\$ 2,192,025</u>	<u>\$ 3,886,563</u>	<u>\$ 2,319,560</u>	<u>\$ 3,395,643</u>	<u>\$ 3,590,322</u>	<u>\$ 3,053,524</u>	<u>\$ 2,940,699</u>	<u>\$ 2,402,572</u>	<u>\$ 2,402,765</u>	<u>\$ 2,394,708</u>
Coverage (Times)	<u>22.47</u>	<u>12.25</u>	<u>19.46</u>	<u>13.21</u>	<u>10.32</u>	<u>9.26</u>	<u>10.74</u>	<u>13.02</u>	<u>12.97</u>	<u>14.11</u>

Notes:

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

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

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

TABLE 14

**CITY OF NEW SMYRNA BEACH, FLORIDA
 DEMOGRAPHIC AND ECONOMIC INDICATORS
 LAST TEN FISCAL YEARS
 SEPTEMBER 30, 2024**

Fiscal Year Ended	Population¹	Personal Income²	County Per Capita Personal Income¹	County Median Household Income¹	County Median HUD Income¹	County Unemployment Rate¹
2024	32,542	\$ 1,289,802,170	\$ 39,635	\$ 66,814	n/a	3.30%
2023	32,400	1,551,344,400	47,881	97,084	n/a	3.50%
2022	30,212	1,221,743,068	40,439	86,263	n/a	2.80%
2021	29,087	873,453,523	30,029	71,736	n/a	4.00%
2020	27,843	1,228,934,334	44,138	49,494	n/a	7.90%
2019	27,173	1,151,428,702	42,374	59,514	n/a	3.50%
2018	26,470	993,577,920	37,536	53,721	n/a	3.80%
2017	25,803	975,405,006	37,802	42,334	n/a	3.80%
2016	25,078	947,998,556	37,802	42,334	n/a	5.00%
2015	24,298	875,991,496	36,052	40,881	n/a	5.00%

Source:

¹Volusia County-Economic and Demographic Research

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

TABLE 15

**CITY OF NEW SMYRNA BEACH, FLORIDA
PRINCIPAL EMPLOYERS
CURRENT AND NINE YEARS AGO
SEPTEMBER 30, 2024**

Employer	September 30, 2024			September 30, 2015		
	Total Employees	Rank	Percent to Total City Employment	Total Employees	Rank	Percent to Total City Employment
AdventHealth New Smyrna Beach (fka Bert Fish)	887	1	5.58%	n/a	n/a	n/a
Volusia County Public Schools	457	2	2.87%	471	2	3.02%
Publix Supermarkets	360	3	2.26%	301	3	1.93%
City of New Smyrna Beach	336	4	2.11%	236	4	1.51%
Wal Mart	290	5	1.82%	215	5	1.38%
Beachside Center for Rehab & Healthcare	219	6	1.38%	n/a	n/a	n/a
Epic Flight Academy	208	7	1.31%	n/a	n/a	n/a
Home Depot	200	8	1.26%	120	10	0.77%
NSB Utilities Commission	178	9	1.12%	173	6	1.11%
McDonald's	120	10	0.75%	146	8	0.94%
New Smyrna Beach High School	n/a	n/a	n/a	n/a	n/a	n/a
New Smyrna Beach Middle School	n/a	n/a	n/a	n/a	n/a	n/a
Winn-Dixie Stores	n/a	n/a	n/a	143	9	0.92%
Ocean View Nursing Home	n/a	n/a	n/a	170	7	1.09%
BFMC Community Medical Center	n/a	n/a	n/a	800	1	5.13%
Pizza Hut/KFC/Taco Bell	n/a	n/a	n/a	111	11	0.71%
Norwood's Seafood Restaurant	n/a	n/a	n/a	100	T12	0.64%
Daytona Beach State College	n/a	n/a	n/a	80	T13	0.51%
Holiday Inn Hotels	n/a	n/a	n/a	80	T13	0.51%
Grille at Riverview	n/a	n/a	n/a	72	T14	0.46%
Pink Door Hospital Auxiliary	n/a	n/a	n/a	72	T14	0.46%
New Smyrna Beach Chevrolet	n/a	n/a	n/a	70	15	0.45%
Beall's Inc.	n/a	n/a	n/a	67	16	0.43%
ADT Security	n/a	n/a	n/a	60	17	0.38%
Total	3,255		20.47%	3,487		22.35%
Estimated Civilian Labor Force Within the City of New Smyrna Beach			15,903			

Source: US Bureau of Labor Statistics
Source: Volusia County-Economic and Demographic Research

CITY OF NEW SMYRNA BEACH, FLORIDA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
YEAR ENDED SEPTEMBER 30, 2024

	Full-Time Equivalent Employees at September 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Government:										
Legislative	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Management	8.00	8.00	7.00	4.00	4.00	4.00	4.00	4.00	3.00	3.00
Economic Development	2.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.75	0.00
Legal	4.00	4.00	3.00	3.00	3.00	3.00	2.50	2.50	2.50	2.50
Human Resources	4.00	3.50	3.00	3.00	3.00	3.00	3.00	3.00	2.50	2.50
Planning & Engineering	10.00	10.00	11.00	10.00	11.00	12.00	12.00	9.00	8.00	6.50
Community Redevelopment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.75
City Clerk	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00
Finance	10.50	10.50	9.50	9.00	9.00	8.00	8.00	8.00	8.00	8.00
Information Systems	7.50	7.50	7.00	5.50	5.50	5.00	5.00	5.00	5.00	4.00
General Government	0.00	0.00	0.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00
Police:										
Chief of Police	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Patrol	35.00	33.00	33.00	33.00	38.00	35.00	35.00	35.00	35.00	35.00
Operations (Cmmdr & Detectives)	28.00	28.00	28.00	22.00	23.00	18.00	18.00	17.00	15.25	15.25
Support	23.00	23.00	23.00	23.00	16.50	17.00	16.00	16.00	12.25	10.50
Fire:										
Administration	2.00	2.00	6.50	6.00	5.00	7.50	7.50	7.50	5.75	6.00
Operations	64.00	54.00	48.00	44.00	45.00	36.00	36.00	36.00	34.00	34.00
Maintenance Operations:										
Administration	3.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Fleet Maintenance	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Airport	6.00	6.00	6.00	5.00	5.00	4.00	4.00	4.00	4.00	4.00
Parks	15.00	15.00	15.00	15.00	15.00	11.00	11.00	11.00	11.00	10.00
Stormwater	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Sanitation	2.00	2.00	2.00	2.00	2.00	1.75	1.75	1.75	1.00	1.00
Building Maintenance & Streets	24.00	21.00	21.00	21.00	21.00	25.00	25.00	25.00	23.00	21.00
Leisure Services:										
Recreation	34.00	35.00	22.25	21.25	21.25	22.00	22.00	22.00	18.00	14.50
Golf Course	21.00	21.00	19.25	19.50	19.50	18.00	18.00	18.00	18.00	18.00
Marina	3.00	3.00	3.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Building & Permitting	28.50	28.50	27.75	26.75	16.00	16.75	16.75	16.75	13.00	11.00
Total	348.50	334.00	314.75	294.50	284.25	268.50	267.00	263.00	240.50	234.00

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

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

**CITY OF NEW SMYRNA BEACH, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
YEAR ENDING SEPTEMBER 30, 2024**

	Full-Time Equivalent Employees at September 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Police:										
Physical Arrests (Based on Calendar Year)	897	745	665	545	562	597	774	1,046	1,146	1,360
Parking Violations (Based on Calendar Year)	10,699	13,936	7,310	11,327	10,464	6,162	7,023	4,525	6,369	2,022
Traffic Violations (Based on Calendar Year)	6,377	5,747	3,788	3,022	1,882	1,495	1,774	1,456	2,323	3,503
Fire:										
Emergency Responses	6,503	6,356	6,861	6,239	5,890	5,413	5,437	5,428	5,413	4,656
Non-Fire/EMS	3,721	3,123	3,762	3,533	3,407	2,931	2,969	2,963	2,986	3,610
Inspections by Engine Companies	365	173	682	511	104	-	-	-	-	-
Inspections by Fire Inspectors/Marshal	2,069	1,580	1,223	1,159	720	375	350	506	483	386
Solid Waste:										
Refuse Collected (Tons Per Week)	582	290	531	554	500	429	459	467	418	409
Yard Trash (Tons Per Week)	77	88	102	108	106	88	90	100	113	115
Recyclables Collected (Tons Per Week)	32	32	34	40	38	35	37	35	22	42
Public Works-Transportation										
Street Construction (Miles)	0.00	0.00	0.00	3.00	0.00	2.00	2.68	5.00	2.11	0.45
Street Resurfacing (Miles)	17.10	10.00	7.00	6.00	4.56	2.00	0.90	2.00	1.50	1.00
Potholes Repaired	85	178	212	184	196	140	179	150	170	155
Building Development:										
Residential/Single Family Permits Issued	173	179	512	575	478	596	407	323	302	217
Commercial/Multi-Family Permits Issued	5	8	7	9	29	30	26	6	10	10
Miscellaneous Permits Issued	5,874	6,996	7,225	6,634	5,729	5,403	9,464	5,935	5,363	5,374

Source: Various City of New Smyrna Beach Departments

TABLE 18

**CITY OF NEW SMYRNA BEACH, FLORIDA
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS
 YEAR ENDING SEPTEMBER 30, 2024**

	Full-Time Equivalent Employees at September 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Government:										
Area (Sq. Miles)	41.6	41.6	41.6	41.6	41.6	41.5	41.5	41.2	40.9	40.7
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Zone Office	0	0	0	0	0	0	0	0	0	0
Patrol Units	66	57	57	57	47	50	50	48	49	49
Fire:										
Fire Stations	4	4	4	4	4	4	4	4	4	4
Public Works - Transportation:										
Paved Streets (Miles)	145.6	145.0	45.0	142.5	141.1	135.8	135.8	130.5	128.6	126.2
Unpaved Streets (Miles)	6.8	4.0	4.0	6.8	6.8	9.5	9.5	9.5	8.7	8.8
Streetlights	3225	3063	3063	3063	2956	2956	2956	2918	2875	2875
Traffic Signals	43	50	50	43	33	32	32	32	33	33
Parks and Recreation:										
Area (Acres)	451.5	451.5	451.5	450.1	404.1	404.1	404.1	266.5	254.0	253.0
Tennis Courts	7	7	7	8	8	8	8	8	9	9
Playgrounds	12	12	12	12	12	12	12	12	12	12
Recreation (Community) Centers	3	3	3	3	3	3	3	3	3	3
Shuffleboard/Lawn Bowling Courts	21	21	21	21	21	21	21	21	21	21
Soccer/Football Diamonds	7	7	7	7	6	6	6	6	6	6
Basketball/Softball Diamonds	8	8	8	9	9	9	9	9	9	9
Basketball Courts	7	7	7	7	7	7	7	7	7	7
Pickleball Courts	13	1	1	3	3	0	0	0	0	0
18 Hole Golf Courses	1	1	1	1	1	1	1	1	1	1
Marina Boat Slips	43	43	43	43	42	42	42	42	42	42
Boat Ramps	6	6	6	6	6	6	6	6	6	6
Parks and Picnic Areas	25	25	25	25	25	25	25	25	24	24
Skate Park	1	0	0	0	0	0	0	0	0	0

Source: Various City of New Smyrna Beach Departments

OTHER REPORTS



CITY OF NEW SMYRNA BEACH, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Assistance Listing / CSFA Number	Contract / Grant Number	Expenditures
FEDERAL AWARDS			
U.S. Department of Treasury			
Passed through Florida Executive Office of the Governor:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Y5227/FL0220	\$ 825,082
Total U.S. Department of Treasury			<u>825,082</u>
U.S. Environmental Protection Agency			
Direct:			
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	02D09821	79,427
Total U.S. Environmental Protection Agency			<u>79,427</u>
U.S. Department of Agriculture			
Direct:			
Emergency Watershed Protection Program	10.923	NR234209XXXXC013	136,849
Total U.S. Department of Agriculture			<u>136,849</u>
U.S. Department of Justice			
Passed through Florida Office of Attorney General:			
Crime Victim Assistance - Victims Advocate	16.575	VOCA-C-2023	51,770
Direct:			
Crime Victim Assistance - Victims Advocate	16.607	2022BUBX22032809	8,075
	16.607	2023BUBX23037987	
	16.607	2024BUBX24039905	
Passed through Florida Department of Law Enforcement			
Edward Byrne Memorial Justice Assistance Grant	16.738	D-R7050	5,031
Total U.S. Department of Justice			<u>64,876</u>
U.S. Department of Transportation			
Direct:			
Airport Improvement Program - Air Traffic Control Tower Rehabilitation	20.106	3-12-0054-030-2023	492,599
Airport Improvement Program - Taxiway Alpha Design	20.106	3-12-0054-027-2022	2,835,522
Airport Improvement Program - Taxiway Charlie Automated Weather Observation System	20.106	3-12-0054-022-2020	32,917
Airport Improvement Program - Taxiway Bravo Rehab & PAPI Replacement	20.106	3-12-0054-029-2023	317,425
Total Airport Improvement Program Grants			<u>3,678,463</u>
Passed through Florida Department of Transportation:			
Highway Planning and Construction - 5th Steet Bridge	20.205	G2863/FPN:437936-1-58/68-01	3,672,569
Total U.S. Department of Transportation			<u>7,351,032</u>
U.S. Department of Homeland Security			
Passed through Florida Division of Emergency Management:			
Disaster Grants - Public Assistance - Hurricane Ian	97.036	DR-4283-PW1039 / 20.2.339047	211,270
Disaster Grants - Public Assistance	97.036	4734DR-FL/Project # 737562	19,623
Disaster Grants - Public Assistance	97.036	4337DR-FL/Project # 73185	10,315
Total Disaster Grants - Public Assistance			<u>241,208</u>
Direct:			
Hazard Mitigation Grant Program (HMGP)	97.039	FEMA-DR-4337-197-R	241,529
Hazard Mitigation Grant Program (HMGP)	97.039	FEMA-4337-373-R	24,855
Total Hazard Mitigation Grant Program			<u>266,384</u>
Total U.S. Department of Homeland Security			<u>507,592</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 8,964,858</u>

CITY OF NEW SMYRNA BEACH, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2024
(Concluded)

	Assistance Listing / CSFA Number	Contract / Grant Number	Expenditures
STATE FINANCIAL ASSISTANCE			
Florida Department of Transportation			
Direct:			
Aviation Development Grants - Taxiway Alpha Construction	55.004	G2354/FPN:446683-1-94-01	\$ 252,046
Aviation Development Grants - Taxiway Bravo Design	55.004	G2N56/FPN:453565-1-94-01	27,975
Aviation Development Grants - T Hangar F Design & Construction	55.004	G2A34/FPN:450769-1-94-01	557,143
Aviation Development Grants - Apron Fill and Expansion (21AT1)	55.004	FPN:447405-1-94-01	34,400
Total Aviation Development Grants			<u>871,564</u>
Total Florida Department of Transportation			<u>871,564</u>
Florida Department of State			
Passed through Division of Historical Resources:			
Acquisition, Restoration of Historic Properties Grant - Old Fort Wall	45.032	22 h.sc 900.010	591,945
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u><u>\$ 1,463,509</u></u>

CITY OF NEW SMYRNA BEACH, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Note 1 - Basis of Presentation

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

Note 2 - Summary of Significant Accounting Policies

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

Note 3 - De Minimis Indirect Cost Rate Election

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

Note 4 - Subrecipients

During the year ended September 30, 2024, the City provided no federal awards to subrecipients.

Note 5 - Contingency

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

Note 6 - Deferred FEMA Expenditures

During the fiscal years ended September 30, 2022 and 2023, the City incurred substantial costs related to Hurricane Ian. Per the OMB Compliance Supplement, any reimbursements from the Federal Emergency Management Agency (FEMA) under ALN 97.036 are not to be recognized as expenditures for purposes of the Schedule of Expenditures of Federal Awards and State Financial Assistance until the respective Project Worksheets (PW) have been approved. At September 30, 2024, the remaining PW's were approved and have been recorded as expenditures of the Schedule of Federal Awards and State Financial Assistance.

**CITY OF NEW SMYRNA BEACH, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

SUMMARY OF AUDITOR’S RESULTS

A. Financial Statements

Type of Auditor’s Report Issued: Unmodified

Internal Control Over Financial Reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified? No

Non-compliance material to financial statements noted? No

Federal Awards

Internal Control Over Major Programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified? No

Type of Auditor’s Report Issued on Compliance for Major Programs: Unmodified

Any Audit Findings Disclosed that are Required to be Reported in Accordance with Uniform Guidance? No

Identification of Major Programs:

Federal Program or Cluster

COVID-19 Coronavirus State and Local Fiscal Recovery Funds	Assistance Listing No.: 21.027
Air Improvement Program	20.106
Highway Planning and Construction	20.205

Dollar Threshold Used to Distinguish Between Type A and Type B Programs – Federal Programs	\$750,000
--------------------------------------------------------------------------------------------	-----------

Auditee qualified as low-risk auditee pursuant to the Uniform Guidance? Yes

State Financial Assistance

Internal Control Over Major Projects:

Material weakness(es) identified? No

Significant deficiency(ies) identified? No

Type of Auditor’s Report Issued on Compliance for Major Programs: Unmodified

Any Audit Findings Disclosed that are Required to be Reported in Accordance with Chapter 10.550? No

**CITY OF NEW SMYRNA BEACH, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

Identification of Major State Projects

Aviation Development Grants	CSFA: 55.004
Dollar Threshold Used to Distinguish Between Type A and Type B Programs – State Projects	\$439,053

B. Financial Statement Findings

No findings noted.

C. Federal Programs Findings and Questioned Costs

No findings or questioned costs were noted.

D. Summary Schedule of Prior Audit Findings

Prior audit findings 2023-001 Reconciliation of Account Balances and Finding 2023-002 Budgetary Non-Compliance have been corrected.

E. Corrective Action Plan

No findings in the current year.

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

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

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited the City of New Smyrna Beach, Florida's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement, and the requirements described in the Department of Financial Services' State Projects Compliance Supplement, that could have a direct and material effect on each of the City's major federal programs and state projects for the year ended September 30, 2024. The City's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2024.

Basis of Opinion on Each Major Federal Program

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

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

CERTIFIED PUBLIC ACCOUNTANTS

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Purvis Gray

June 30, 2025
Gainesville, Florida

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of New Smyrna Beach, Florida (the City) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 30, 2025.

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.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Purvis Gray

June 30, 2025
Gainesville, Florida

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES – INVESTMENT OF PUBLIC FUNDS

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

We have examined the City of New Smyrna Beach, Florida's (the City) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies* (the Statute), for the year ended September 30, 2024. The City's management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination. Our responsibility is to obtain reasonable assurance by evaluating the City's compliance for the year ended September 30, 2024, with those requirements and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of our evaluation based on our examination.

Our examination was conducted in accordance with the attestation standards for a direct examination engagement established by the American Institute of Certified Public Accountants. Those standards require that we obtain reasonable assurance by evaluating whether the City complied with the Statute for the year ended September 30, 2024, and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of evaluation of the City's compliance based on our examination during the year ended September 30, 2024. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material non-compliance with those requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our examination engagement. In our opinion, the City of New Smyrna Beach, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2024.

Purvis Gray

June 30, 2025
Gainesville, Florida

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MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the basic financial statements of City of New Smyrna Beach, Florida (the City) as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated June 30, 2025.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control Over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with American Institute of Certified Public Accountant's Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated June 30, 2025, 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. All prior year findings as noted on the Schedule of Findings and Questioned Costs have been corrected.

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.

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

MANAGEMENT LETTER

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require us to apply appropriate procedures and report the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific conditions met. In connection with our audit, we determined that the City, did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any recommendations.

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., *Rules of the Auditor General*, the City is required to include a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did/did not operate within the City's geographical boundaries during the fiscal year under audit. The City has not authorized the operation of a PACE program, and management is not aware of the operation of any such program within its geographical boundaries.

Special District Component Units

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Special District Specific Information – Community Redevelopment Agency

The required reporting items in accordance with Section 218.39(3)(c), Florida Statutes for the Community Redevelopment Agency of the City of New Smyrna Beach (the CRA) have been reported in the separately-issued audited financial statements of the CRA.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to address non-compliance 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.

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

MANAGEMENT LETTER

Management's Response to Findings

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

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, City Commission, management, others within the City, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Purvis Gray

June 30, 2025
Gainesville, Florida

AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared JoAnne Drury, who being duly sworn, deposes and says on oath that:

1. I am the Director of Finance of **the City of New Smyrna Beach** which is a local governmental entity of the State of Florida;
2. The City of New Smyrna Beach adopted Resolution No. 01-17 implementing an impact fee; and
3. The City of New Smyrna Beach complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

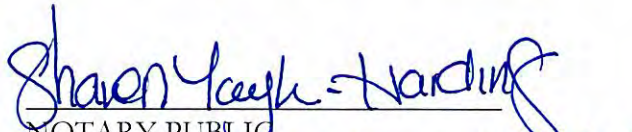
FURTHER AFFIANT SAYETH NAUGHT.



 JoAnne Drury

STATE OF FLORIDA
COUNTY OF VOLUSIA


SWORN TO AND SUBSCRIBED before me this 30 day of June, 2025.


 NOTARY PUBLIC
 Print Name Sharon Taylor-Harding

Personally known or produced identification _____

Type of identification produced: N/A

My Commission Expires:
March 11, 2028

 **SHARON TAYLOR-HARDING**
 Notary Public
 State of Florida
 Comm# HH482053
 Expires 3/11/2028