CITY OF NEW SMYRNA BEACH, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2025

Prepared by:
The Finance Department

CITY OF NEW SMYRNA BEACH, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2025

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INTRODUCTORY SECTION

City of New Smyrna Beach, Florida

Annual Comprehensive Financial Report

For the Fiscal Year Ended September 30, 2025

City Commission as of September 30, 2025

Honorable Fred Cleveland, Mayor

Zone 1 – Valli Perrine

Zone 2 – Lisa Martin, Vice Mayor

Zone 3 – Jason McGuirk

Zone 4 – Brian Ashley

City Manager

Kevin Cowper

City Attorney

Carrie Avallone

Finance Director

Jo-Anne Drury

City of New Smyrna Beach

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

April 30, 2026

To the Citizens of the City
of New Smyrna Beach, the
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, 2025, 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, 2025. Their report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federal- and state- mandated single audit, which is designed to meet the special needs of the federal and stated grantor agencies. The single audit was conducted in accordance with *OMB Compliance*

Supplement and Florida Department of Financial Services' *State Projects Compliance Supplement*. There are supplementary reports and a schedule of expenditures of federal awards and state financial assistance relative to a single audit presented in the last section of this report.

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

Financial Reporting Entity

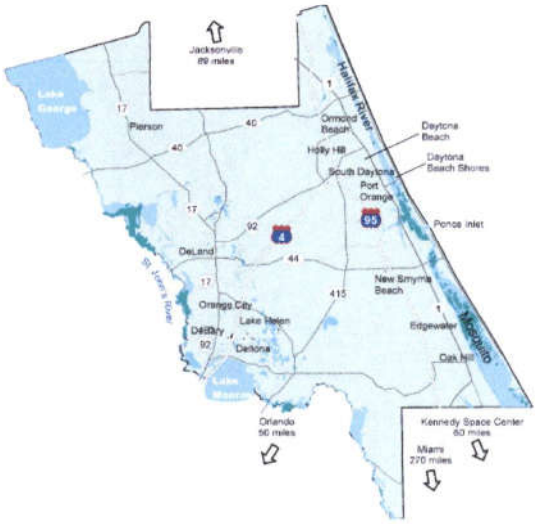
The City provides a full range of municipal services including: general government administration, law enforcement, fire protection, community redevelopment, stormwater management, sanitation and solid waste, as well as construction and maintenance of infrastructure, recreational, and other cultural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

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

City Profile

New Smyrna Beach is approximately 41.6 square miles in size and serves a population of approximately 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

The City of New Smyrna Beach continues to benefit from a stable local economy supported by tourism activity, measured growth, and ongoing public and private investment. During fiscal year 2025, the City welcomed approximately 815,100 visitors, generating an estimated $502 million in economic impact and supporting approximately 3,830 jobs. While tourism remains an important component of the local economy, the City and its partners have worked over the past decade to strengthen and diversify the economic and tax base to support long-term financial stability.

Labor force trends during 2025 reflected growth across multiple employment sectors, including Professional and Business Services (approximately 14.5%), Leisure and Hospitality (approximately 13.7%), and Wholesale and Retail Trade (approximately 13%). In addition, New Smyrna Beach recorded strong residential market activity during fiscal year 2025, leading Volusia County in residential property sales value, averaging approximately $5.7 million per transaction. The City's principal employment base spans health care, retail, education, government, and utilities, contributing to a diversified economic profile.

Despite these trends, the City's tax base remains weighted toward residential property, which represents approximately 84% of total taxable assessed value—one of the highest proportions within Volusia County—while commercial and industrial properties account for approximately 10.5%. As a result, the City remains more reliant on residential value than some peer jurisdictions to support its annual operating revenues. This reliance is monitored closely as part of ongoing financial planning efforts.

In support of long-term economic stability and workforce sustainability, the City continues to advance strategic housing and redevelopment initiatives. During fiscal year 2025, the City collaborated with the New Smyrna Beach Housing Authority, Habitat for Humanity, and the Community Redevelopment Agency (CRA) to expand affordable housing opportunities and reinvest in established neighborhoods. The CRA committed $460,000 toward Phase II of Greenlawn Manor, a 72-unit multifamily affordable housing development, along with $150,000 for demolition and infrastructure improvements associated with the replacement of the Live Oak Housing complex. Additional CRA investments included commercial façade grants and capital projects consistent with the CRA Master Plan, supporting reinvestment and property value enhancement within the redevelopment district.

These economic, housing, and redevelopment conditions informed the City's financial planning and budget development for fiscal year 2026 and will continue to be evaluated as part of the City's long-term financial planning and resource allocation processes. Specific economic conditions affecting the City's financial position are discussed in greater detail in the Management's Discussion and Analysis included in this report.

Financial Planning and Budgeting

The City continued to stress expenditure control in preparing FY2026 budget across all funds. The City's operating ad valorem millage rate for FY2025 is 4.637 mills, which is an increase from last year's millage rate of 4.415 mills.
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 made administratively with the authority of the City Manager. 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 designed to prioritize, in order of importance, preservation of principal, liquidity, and yield on its cash and investments. During the fiscal year, the City's cash resources (excluding pension investments) were held primarily with TD Bank. The City did not utilize derivatives or other similar debt or investment instruments.

For the General Fund, the City Commission has adopted an emergency reserve policy consistent with management recommendations and Government Finance Officers Association (GFOA) best practices. The policy requires that unassigned fund balance in the General Fund be maintained at a minimum of 25 percent of the originally adopted current fiscal year budgeted expenditures, net of capital outlay, to provide for emergency needs and to ensure fiscal stability. These funds are not intended to be appropriated for ongoing operations.

As of the end of fiscal year 2025, the General Fund unassigned fund balance totaled approximately 42 percent of current year budgeted expenditures less capital outlay, exceeding the adopted policy threshold.

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 City of New Smyrna Beach, Florida is submitting its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2025, to the Government Finance Officers Association of the United States and Canada (GFOA) for consideration under the GFOA Certificate of Achievement for Excellence in Financial Reporting program. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report that satisfies 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 this Annual Comprehensive Financial Report conforms to the Certificate of Achievement Program requirements and are submitting it to the GFOA to determine its eligibility for the award.

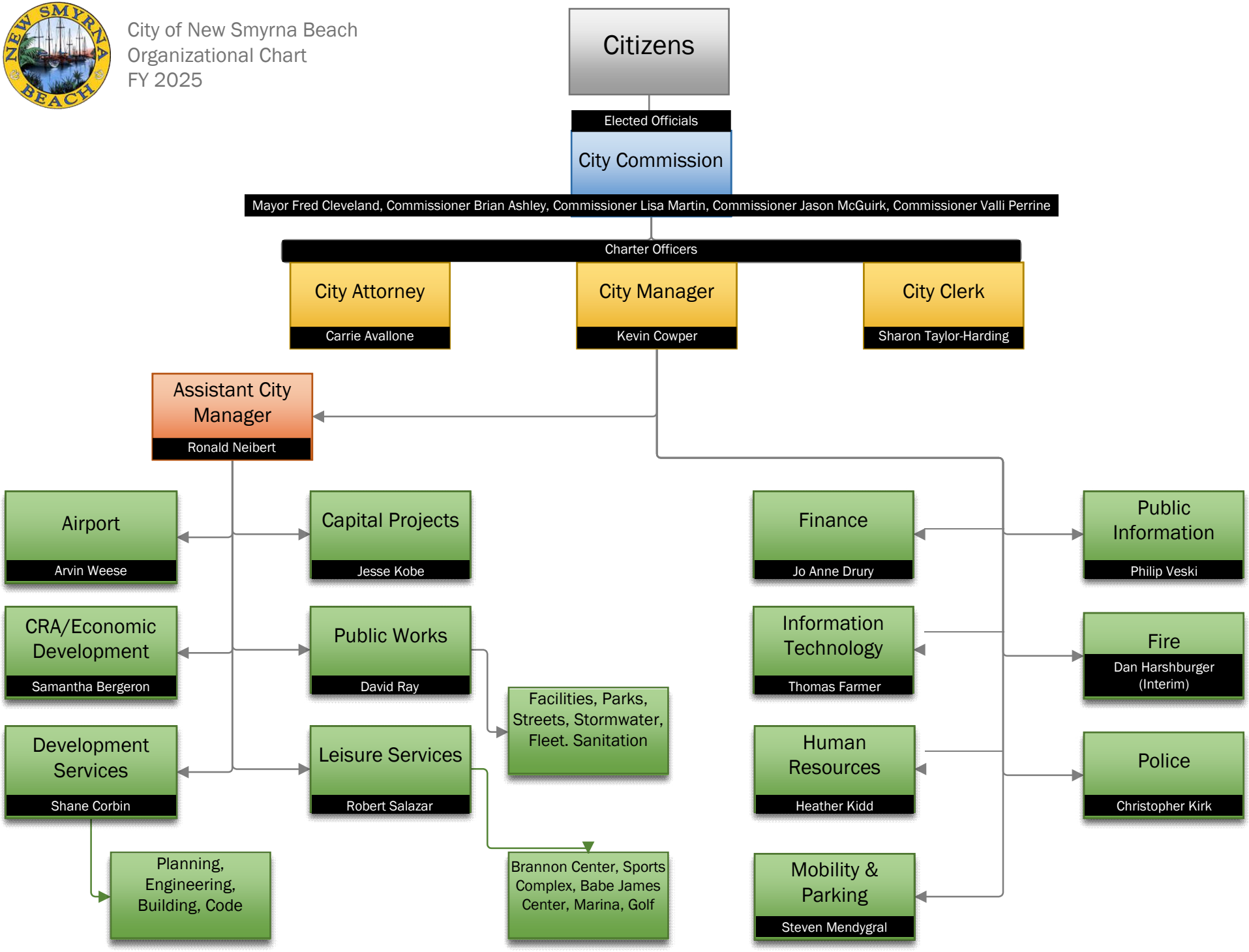
Acknowledgments - The preparation of the comprehensive annual financial report was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. In closing, 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
FY 2025



FINANCIAL SECTION

Independent Auditor's Report

PURVIS GRAY

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, 2025, 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, 2025, 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*, 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.

Emphasis of Matters
In 2025, the City adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences.* Beginning equity has been restated for the adoption of this standard as well as changes in reporting entity and correction of an error related to reporting entity as discussed in Note 18. Our opinion is not modified with respect to these matters.

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.

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 *Government Auditing Standards* 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 *Government Auditing Standards*, 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 GASB 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 April 30, 2026, 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

April 30, 2026
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 this narrative overview and analysis of the City's financial activities for the fiscal year ended September 30, 2025. This discussion and analysis is intended to assist readers in understanding the City's overall financial position and results of operations. Readers are encouraged to consider this discussion in conjunction with the letter of transmittal beginning on page ii and the City's basic financial statements beginning on page 20.

Financial Highlights

Government-Wide Financial Position. As of September 30, 2025, the City's total assets and deferred outflows of resources exceeded its total liabilities and deferred inflows of resources by $216.7 million, representing an increase of $17.8 million, or 9%, compared to the prior fiscal year.

Governmental Funds. At fiscal year-end, the City's governmental funds reported a combined ending fund balance of $76.8 million, a decrease of $1.1 million from the previous year. Of this total, approximately $19.8 million, or 26%, was classified as unassigned and available for discretionary spending.

Proprietary Funds. The City's proprietary funds reported a combined ending net position of $5.5 million, reflecting an increase of $1.1 million attributable to current year operating activities.

Capital Assets. Government-wide capital assets increased by $10.3 million during fiscal year 2025, bringing total capital assets to $176.1 million, net of accumulated depreciation.

Long-Term Debt. The City's total outstanding long-term obligations—including bonds, notes, and leases—decreased by $6.4 million during the year, resulting in a year-end balance of $26.0 million. This net change reflects $495,777 in new borrowings and $6.8 million in principal repayments.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which are prepared in conformity with the pronouncements of the Governmental Accounting Standards Board (GASB). The City's financial reporting is comprised of three components: (1) Management's Discussion and Analysis (MD&A); (2) the basic financial statements (including government-wide financial statements, fund financial statements, and notes to the financial statements); and (3) required supplementary information (RSI), which includes budgetary comparison schedules and other selected financial and fiduciary fund data.

The MD&A is designed to provide an overview and analysis of the City's financial condition and results of operations and should be read in conjunction with the basic financial statements and required supplementary information. The MD&A presents management's analysis of significant financial trends, changes, and highlights for the fiscal year. This analysis is based on summarized financial statement data, as well as selected financial and operational information used by management in budgeting, strategic planning, and other decision-making processes.

The basic financial statements include two broad categories of statements that present different perspectives on the City's financial activities. The first category consists of the government-wide financial statements, which provide both short-term and long-term information about the City's overall financial position and results of operations for its governmental activities and business-type activities. These statements are prepared using the economic resources measurement focus and the full accrual basis of accounting, similar to private-sector business reporting. Accordingly, all of the City's assets and liabilities—both current and long-term—are reported, as well as all revenues and expenses recognized during the fiscal year, regardless of when cash is received or paid. Rate-regulated accounting principles applicable to private-sector utilities, however, are not applied to governmental utilities.

The second category consists of the fund financial statements, which focus on individual funds and provide more detailed information than the government-wide financial statements. Governmental fund statements describe how general government services, such as public safety, were financed during the fiscal year and what resources remain available for future spending. Proprietary fund statements provide both short-term and long-term financial information for activities that operate in a manner similar to private businesses, such as the City's Marina and Solid Waste (sanitation) operations. Fiduciary fund statements present information about resources held by the City in a fiduciary capacity, where the City acts solely as trustee or agent for the benefit of others, such as employee retirement plans. These resources are not available to support the City's own programs and therefore are reported separately.

RSI follows the notes to the financial statements and includes budgetary comparison schedules and other information required by GASB. The budgetary comparison schedules are presented to demonstrate compliance with the legally adopted budgets and to provide a comparison of original and final budgeted amounts with actual results. Additional RSI includes selected information related to pension and other postemployment benefit plans. Although RSI is not part of the basic financial statements, it provides important context for understanding the City's financial position, results of operations, and budgetary performance.

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.

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). Governmental activities include general government services; public safety, including police, fire, and building inspection; highways and streets; airport operations; stormwater management; economic development; and recreation and leisure services. Business-type activities include the City's sanitation and marina operations. The government-wide financial statements include not only the City itself (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. The government-wide financial statements are presented on pages 20 through 23 of this report.

Fund Financial Statements

Fund financial statements present information about the City's individual funds, which are accounting entities 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 and contractual requirements. All of the City's funds are classified into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for the same general activities reported as governmental activities in the government-wide financial statements. However, unlike the government-wide statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as the balances of spendable resources available at the end of the fiscal year. These funds are reported using the modified accrual basis of accounting, which emphasizes cash and other financial assets that can be readily converted to cash. This information is useful for evaluating the City's short-term financing needs and budgetary compliance.

Because governmental fund financial statements use a narrower measurement focus than the government-wide financial statements, it is useful to reconcile these statements to the governmental activities reported in the government-wide financial statements. These reconciliations help readers understand the relationship between the City's near-term financial transactions and its long-term financial position. Reconciliations between governmental funds and governmental activities are provided in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances and can be found on pages 26 and 29 of this report.

The City maintains fifteen individual governmental funds. Major governmental funds are presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances and include the General Fund, the Stormwater Utility Fund (special revenue), the Airport Industrial Park Fund (special revenue), and the Capital Projects Fund. All other governmental funds are presented in an aggregated format as non-major funds. Combining statements providing individual fund detail for non-major governmental funds are presented elsewhere in this report.

The City adopts an annual appropriations budget for each governmental fund in accordance with state statutes. The basic governmental fund financial statements are presented on pages 24 through 29 of this report. Budgetary comparison schedules are provided to demonstrate compliance with adopted budgets. Budgetary comparison statements for the General Fund and major special revenue funds are presented as required supplementary information on pages 89 through 91, while budgetary schedules for other governmental funds are presented as other supplementary information on pages 93 through 106.

Proprietary Funds

The City maintains two types of proprietary funds: enterprise funds and an internal service fund. Enterprise funds are used to report activities that are the same as those presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the financial activities of its Marina and Solid Waste (sanitation) operations.

Internal service funds are used to accumulate and allocate costs internally among the City's various departments and functions. The City uses an internal service fund to account for vehicle fleet maintenance operations. Because the costs of internal service fund activities are charged to and recovered from other governmental and business-type funds, the financial results of the internal service fund are included in the governmental and business-type activities reported in the government-wide financial statements. Individual financial data for the internal service fund is reported separately in the proprietary fund financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, but in greater detail. Separate financial information is presented for the City's Solid Waste (sanitation) and Marina operations, while internal service fund activity is reported separately. The basic proprietary fund financial statements are presented on pages 30 through 34 of this report.

Fiduciary Funds

The City acts as a trustee for its public safety employees' pension plans. Fiduciary funds are used to account for resources held by the City in a fiduciary capacity for the benefit of parties outside the government. These funds are reported in separate statements of fiduciary net position and changes in fiduciary net position. Fiduciary funds are not included in the government-wide financial statements because their resources are not available to support the City's programs. The basic fiduciary fund financial statements are presented on pages 35 and 36 of this report.

Notes to the Financial Statements

The notes to the financial statements provide essential information and disclosures necessary for a full understanding of the data reported in the basic financial statements. The notes describe the City's significant accounting policies, account balances and activity, and information related to commitments, contingencies, risks, and subsequent events, if any. The notes to the financial statements are presented on pages 37 through 78 of this report.

Other Information

In addition to the basic financial statements and related notes, this report includes required supplementary information that provides additional context regarding the City's progress in funding its pension and other post-employment benefit obligations. Required supplementary information is presented on pages 79 through 85 of this report.

Combining and individual fund statements and schedules for non-major governmental funds are presented immediately following the required supplementary information. These schedules can be found on pages 93 through 106 of this report.

Government-Wide Financial Analysis

Reviewing changes in assets, liabilities, resources, and outlays during the fiscal year assists management in assessing the City's financial position and the results of operations for fiscal year 2025. The following condensed information presents selected data used to evaluate the City's financial activity during the year.

Assets. As of September 30, 2025, the City's government-wide total assets increased by $9.0 million to $278.4 million. This increase was primarily attributable to a $10.3 million, or 6%, increase in capital assets, net of accumulated depreciation. The growth in capital assets was partially offset by a $1.5 million, or 2%, decrease in cash and cash equivalents, largely reflecting expenditures associated with major capital projects.

Liabilities. Total government-wide liabilities decreased by $9.4 million, or 15%, compared to the prior year, resulting in a year-end balance of $53.1 million. This decrease was driven primarily by a $6.4 million reduction in long-term debt outstanding, along with decreases of $2.1 million in unearned revenue and $1.6 million in the City's net pension liability.

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 $216.7 million at fiscal year-end, reflecting an increase of $17.8 million from the prior year. Approximately 71% of total net position represents the City's investment in capital assets, including land, buildings, infrastructure, and equipment, net of related debt. These capital assets are used to provide essential public services and are not available for future discretionary spending. Although capital assets are reported net of related debt, the resources required to repay that debt must be provided from other sources, as the assets themselves cannot be liquidated.

Net position for governmental activities increased by $16.7 million, reaching $212.3 million at year-end. Of this amount, approximately 87% was either restricted for specific purposes or invested in capital assets. The remaining $27.7 million represents unrestricted net position, which may be used to fund ongoing operations, subject to legal and contractual limitations.

Net position for business-type activities increased by $1.1 million during fiscal year 2025, resulting in an ending balance of $4.4 million, compared to $3.3 million in the prior year. This increase was primarily attributable to higher operating revenues in the Sanitation Fund, including the consumer price index adjustment incorporated into the rate structure.

CITY OF NEW SMYRNA BEACH, FLORIDA
NET POSITION

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Assets:						
Current and Other Assets	$ 97,993,637	$ 99,937,960	$ 4,307,424	$ 3,624,145	$ 102,301,061	$ 103,562,105
Capital Assets, Net	175,197,047	165,280,141	885,753	509,694	176,082,800	165,789,835
Total Assets	273,190,684	265,218,101	5,193,177	4,133,839	278,383,861	269,351,940
Deferred Outflows of Resources:						
Deferred Outflows Related to Pension Costs	2,922,974	2,618,628	-	-	2,922,974	2,618,628
Deferred Outflows - OPEB	205,887	261,275	1,975	2,657	207,862	263,932
Deferred Outflows on Refunding	103,032	151,916	-	-	103,032	151,916
Total Deferred Outflows of Resources	3,231,893	3,031,819	1,975	2,657	3,233,868	3,034,476
Total Assets and Deferred Outflows of Resources	276,422,577	268,249,920	5,195,152	4,136,496	281,617,729	272,386,416
Liabilities:						
Current Liabilities	10,212,826	11,708,715	762,418	723,408	10,975,244	12,432,123
Long-Term Debt Outstanding	25,995,650	32,329,100	-	31,953	25,995,650	32,361,053
Other Liabilities	16,121,416	17,694,374	36,070	41,663	16,157,486	17,736,037
Total Liabilities	52,329,892	61,732,189	798,488	797,024	53,128,380	62,529,213
Deferred Inflows of Resources:						
Deferred Inflows Related to Pension Costs	3,089,526	1,633,627	-	-	3,089,526	1,633,627
Deferred Inflows - OPEB	440,232	566,140	4,222	5,757	444,454	571,897
Deferred Inflows - Leases	8,230,659	8,718,343	-	-	8,230,659	8,718,343
Total Deferred Inflows of Resources	11,760,417	10,918,110	4,222	5,757	11,764,639	10,923,867
Net Position:						
Net Investment in Capital Assets	152,977,729	140,924,074	885,753	477,741	153,863,482	141,401,815
Restricted	31,683,159	37,349,603	-	-	31,683,159	37,349,603
Unrestricted (Deficit)	27,671,380	17,325,944	3,506,689	2,855,974	31,178,069	20,181,918
Total Net Position	$ 212,332,268	$ 195,599,621	$ 4,392,442	$ 3,333,715	$ 216,724,710	$ 198,933,336

Changes in Net Position

While the Statement of Net Position presents the City's financial position at the end of the fiscal year, the Statement of Changes in Net Position explains the factors that contributed to changes in that position during the year.

In fiscal year 2025, the City's combined net position increased to $216.7 million, representing a $17.8 million increase compared to the prior year balance of $198.9 million. This increase was driven primarily by growth in the City's investment in capital assets. On a government-wide basis, capital assets increased by $10.3 million, net of depreciation.

Total revenues for fiscal year 2025 were $94.1 million, an increase of $5.1 million, or 5.7%, compared to the prior year. The increase was driven primarily by higher property tax revenues and increased grant activity, while other major revenue categories remained relatively stable.

Government-wide expenses increased by $11.6 million, or 18%, during fiscal year 2025, reflecting higher costs associated with capital activity, public safety services, storm recovery efforts, and inflationary pressures affecting operating expenses.

The following is a summary of changes in net position for the years ended September 30, 2025, and 2024:

CITY OF NEW SMYRNA BEACH, FLORIDA
CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Revenues						
Program Revenues:						
Charges for Services	$ 16,567,259	$ 15,928,312	$ 10,327,465	$ 9,751,422	$ 26,894,724	$ 25,679,734
Operating Grants and Contributions	4,851,459	2,277,585	-	-	4,851,459	2,277,585
Capital Grants and Contributions	9,993,412	12,706,773	-	-	9,993,412	12,706,773
General Revenues:						
Property Taxes	33,058,532	29,822,477	-	-	33,058,532	29,822,477
Other Taxes	7,914,730	7,761,247	-	-	7,914,730	7,761,247
Required Payment from Utility Commission	4,619,495	4,675,954	-	-	4,619,495	4,675,954
Intergovernmental Revenues	2,143,709	2,101,890	-	-	2,143,709	2,101,890
Other Revenues	4,359,046	3,637,677	133,318	112,173	4,492,364	3,749,850
Gain on Sale of Capital Assets	85,133	187,487	-	-	85,133	187,487
Total Revenues	83,592,775	79,099,402	10,460,783	9,863,595	94,053,558	88,962,997
Expenses						
General Government	14,147,137	9,982,714	-	-	14,147,137	9,982,714
Public Safety	24,872,802	24,027,253	-	-	24,872,802	24,027,253
Transportation	12,970,859	8,498,888	-	-	12,970,859	8,498,888
Economic Environment	1,537,410	1,479,550	-	-	1,537,410	1,479,550
Physical Environment	2,982,599	2,236,831	-	-	2,982,599	2,236,831
Culture and Recreation	9,587,541	8,659,348	-	-	9,587,541	8,659,348
Interest on Long-Term Debt	1,047,094	1,049,565	-	-	1,047,094	1,049,565
Marina Operations	-	-	307,632	358,695	307,632	358,695
Solid Waste Operations	-	-	9,095,614	8,675,107	9,095,614	8,675,107
Total Expenses	67,145,442	55,934,149	9,403,246	9,033,802	76,548,688	64,967,951
Changes in Net Position	16,447,333	23,165,253	1,057,537	829,793	17,504,870	23,995,046
Net Position, Beginning of Year	195,599,621	175,027,325	3,333,715	2,503,922	198,933,336	177,531,247
Restatements	285,314	(2,592,957)	1,190	-	286,504	(2,592,957)
Net Position, Beginning of Year, Restated	195,884,935	172,434,368	3,334,905	2,503,922	199,219,840	174,938,290
Net Position, End of Year	$ 212,332,268	$ 195,599,621	$ 4,392,442	$ 3,333,715	$ 216,724,710	$ 198,933,336

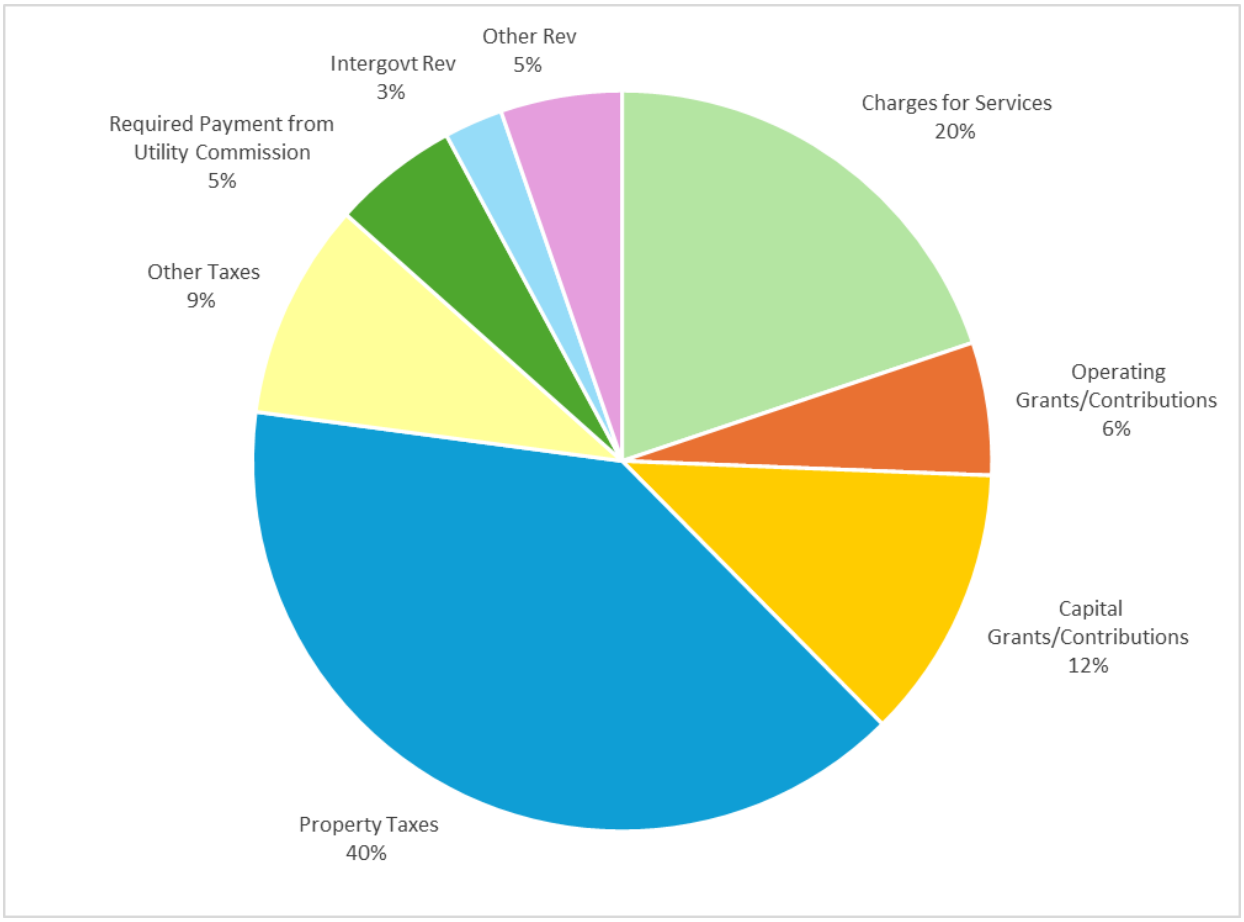
Governmental Activities

In fiscal year 2025, net position for governmental activities increased by $16.7 million, representing approximately 94% of the City's total increase in net position. This increase was $3.8 million less than the prior year, primarily reflecting higher costs in general government and transportation functions.

Revenues from governmental activities increased by approximately $4.5 million compared to the prior fiscal year. This increase was driven largely by an 11% ($3.2 million) rise in property tax revenues, attributable to higher taxable property values and an approved increase in the millage rate. Operating grants and contributions increased because of a Florida Department of Transportation (FDOT) grant for dredging activities and reimbursements from the Federal Emergency Management Agency (FEMA). Capital grants and contributions declined primarily because FDOT funding received in the prior year for the Fifth Street Bridge project did not recur; however, this decrease was partially offset by increased Federal Aviation Administration (FAA) and FDOT grants supporting airport infrastructure improvements. Other revenues increased due to insurance recoveries related to Hurricane Milton.

The following is a summary of the City's governmental revenues - by source for fiscal year 2025:

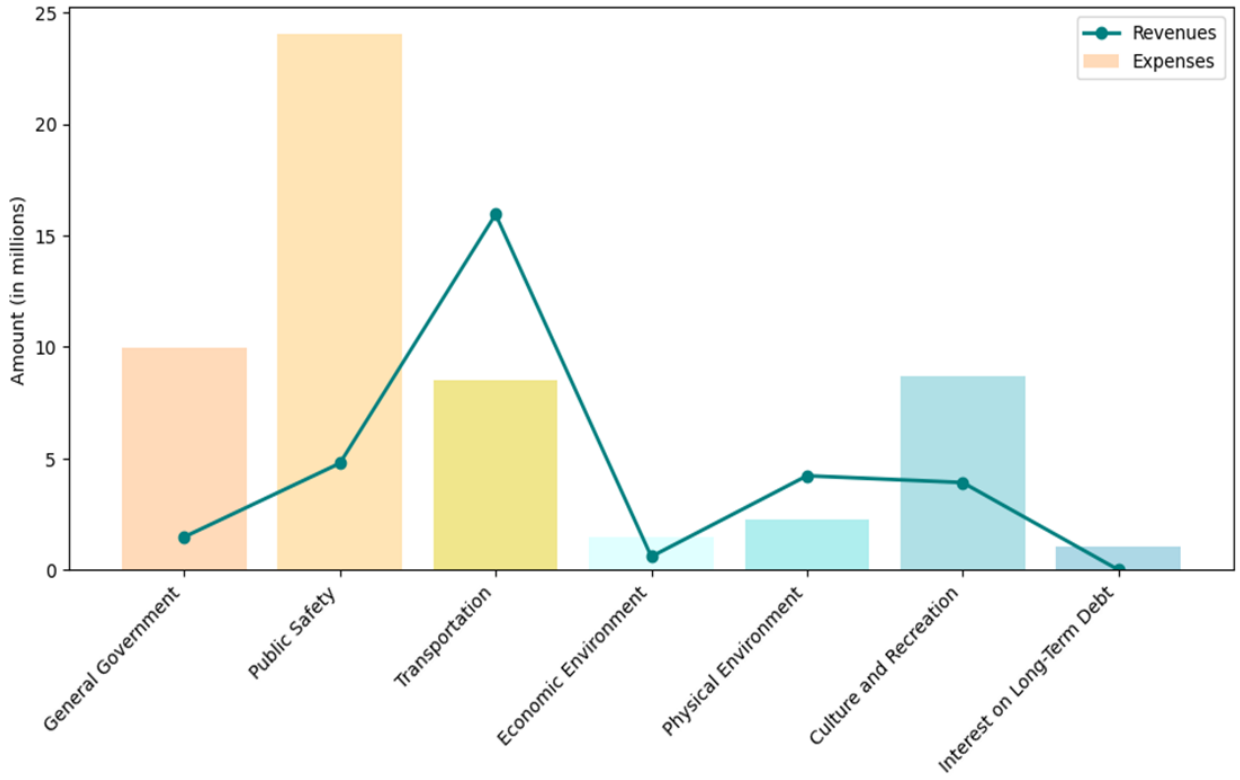
Revenues by Source – Governmental Activities



An individual comparison of the City's functional program revenues and costs of providing program services to its citizens during fiscal year 2025 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

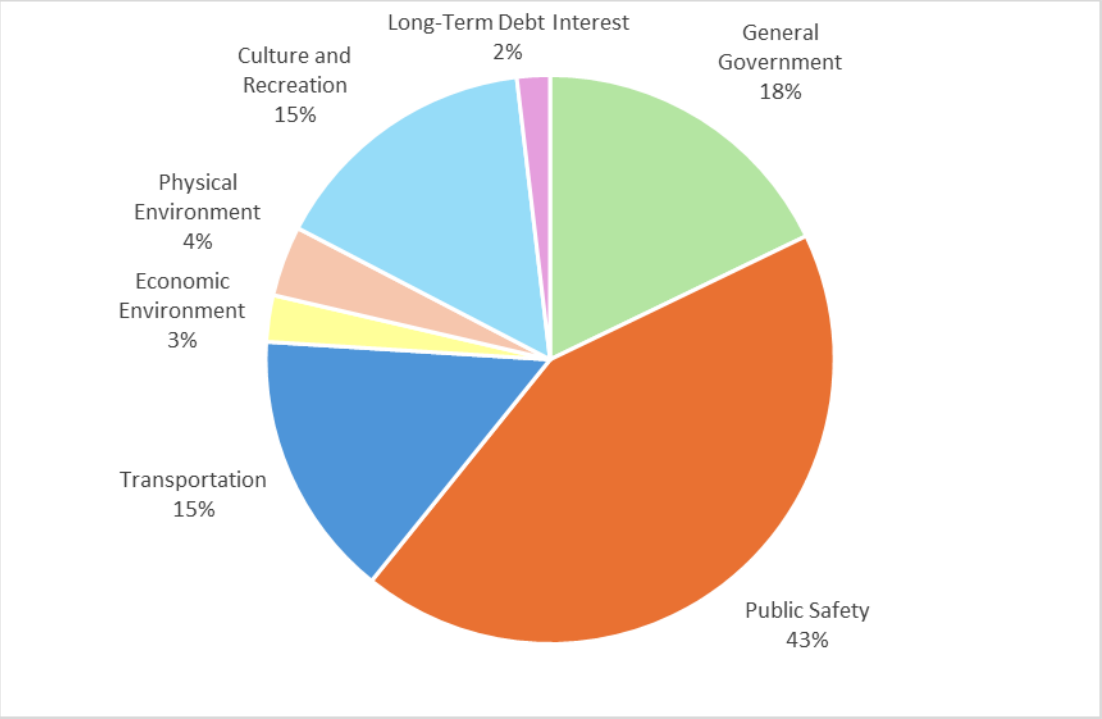


Combined expenses for governmental activities totaled $67.1 million in fiscal year 2025, an increase of $11.2 million, or 20%, compared to $55.9 million in the prior year. This increase reflected higher costs across several functional areas, most notably general government, public safety, transportation, culture and recreation, and the physical environment.

General government expenses increased primarily due to debris hauling costs exceeding $1.0 million related to Hurricane Milton, along with higher salaries and benefits. Public safety expenses have risen because of staffing additions to support a second transport unit and increased personnel costs associated with collective bargaining agreements. Transportation expenses increased mainly due to higher resurfacing and street repair activities. Physical environment expenses rose due to increased solid waste hauling rates and higher tipping fees, while culture and recreation expenses increased because of higher professional services, personnel costs, and repair and maintenance activity.

The following is a summary of the City's governmental expenses - by function for fiscal year 2025:

Expenses by Function - Governmental Activities



Business-Type Activities

In fiscal year 2025, the City's business-type activities reported an increase in net position to an ending balance of $4.4 million, representing an increase of $1.1 million from the prior year. Net position related to business-type activities represented approximately 2.0% and 1.7% of the City's total combined net position as of September 30, 2025 and 2024, respectively.

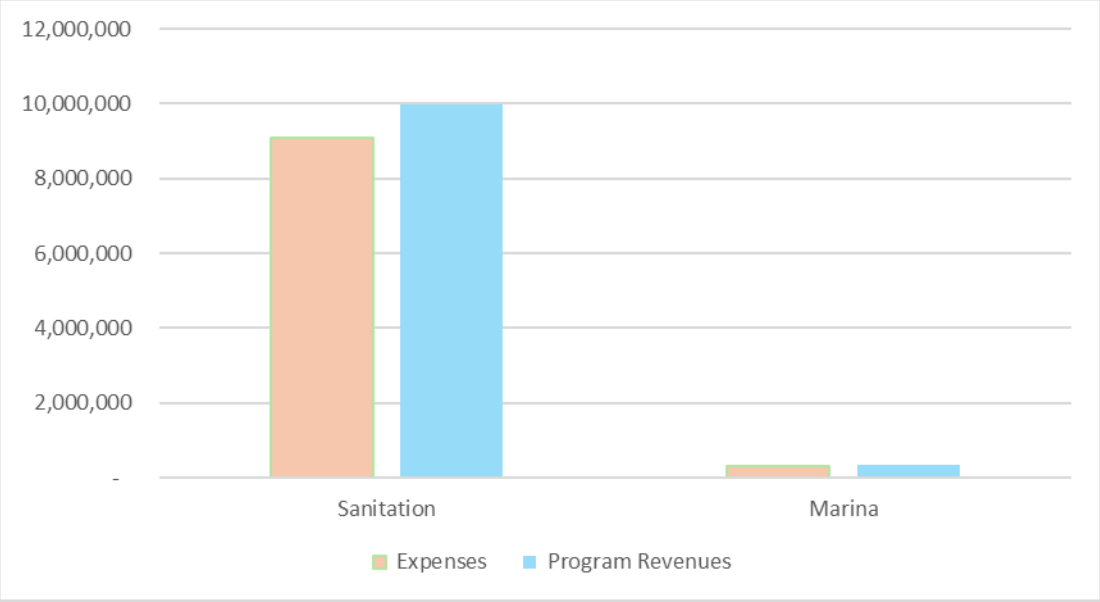
The Sanitation Fund reported operating income of $1.0 million for fiscal year 2025, an increase of $180,000 compared to operating income of $832,000 in the prior year. This increase was driven primarily by a $567,000 rise in charges for services. Although cost of sales increased by $465,000, this impact was partially offset by a $44,000 reduction in salaries and benefits, supplies and materials, and other service charges compared to fiscal year 2024. The primary components of cost of sales consisted of contractual services with Waste Pro USA, Inc. for the collection and disposal of residential and commercial solid waste, as well as landfill charges paid to Volusia County.

The Marina Fund reported operating income of $46,000 in fiscal year 2025, representing a $48,500 improvement from the prior year's operating loss of $2,500. This change was attributable to a $9,000 increase in charges for services and a $101,000 reduction in other service charges related to lower General Fund administrative charges during the year. These savings were partially offset by higher building and maintenance costs, utility expenses, and depreciation.

The City monitors the financial performance of its enterprise fund operations and considers revenue levels and expenditure trends as part of its ongoing financial planning and evaluation process.

A comparison of the City's functional program revenues and costs of providing business-type services to its customers in fiscal year 2025 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.

Governmental Funds

The City's governmental funds focus on providing information about near-term inflows, outflows, and balances of spendable resources. This information is useful in assessing the City's short-term financing requirements and budgetary compliance. In particular, unassigned fund balance serves as a key indicator of resources available for discretionary spending at the end of the fiscal year.

As of the close of fiscal year 2025, the City's governmental funds reported a combined fund balance of $76.8 million, representing a decrease of $1.1 million, or 1.4%, from the prior year balance of $77.9 million. Of this total, approximately $19.8 million, or 26%, was classified as unassigned and available for discretionary use. The remaining fund balance was classified as restricted, committed, or assigned for specific purposes.

Restricted fund balance totaled $35.4 million and was subject to externally imposed legal constraints. These resources were restricted for purposes such as public safety, debt service, capital projects, community redevelopment, airport operations and improvements, and stormwater system maintenance.

Committed fund balance consisted of amounts formally designated by the City Commission through resolution or ordinance. While these resources were not legally restricted, they were established for specific purposes, including $4.6 million committed for parking operations.

Assigned fund balance represented resources intended for specific uses in the subsequent fiscal year. As of year-end, assigned fund balance included $7.5 million designated for capital projects, $806,000 for multi-year contracts and encumbrances, and $8.5 million allocated for a specific purpose in the subsequent year's budget.

General Fund

As the City's primary operating fund, the General Fund represents the largest portion of total governmental fund activity and serves as a key indicator of the City's financial flexibility. As of September 30, 2025, the General Fund's unassigned fund balance totaled $20.5 million and contributed to a total General Fund balance of $29.9 million. This represented an increase of $2.2 million, or 12%, compared to the prior year unassigned balance of $18.2 million.

To assess the General Fund's liquidity, fund balances are compared to total expenditures and transfers out. At fiscal year-end 2025, the unassigned fund balance represented 38.7% of total General Fund expenditures and transfers out, while total fund balance represented 56.4%.

General Fund results for fiscal year 2025 demonstrate continued financial flexibility, supported by strong liquidity and unassigned fund balance levels. These resources provide capacity to manage operational variability, capital demands, and unforeseen events while maintaining service levels. Management views fund balance as a key component of long-term financial resilience.

Stormwater Utility Fund. The Stormwater Utility Fund accounts for the ongoing maintenance, repair, and enhancement of the City's stormwater management infrastructure. Revenues are generated primarily 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, subject to an annual cap of 3%.

At the close of fiscal year 2025, the Stormwater Utility Fund reported a fund balance of $7.4 million, a decrease of $2.2 million from the prior year. Positive factors during the year included higher grant revenues, increased charges for services, and additional transfers totaling $737,000 from the ARPA Fund and the Capital Projects Fund. Additionally, capital outlays were lower as several stormwater projects completed the design phase but had not yet advanced into construction.

These factors were more than offset by a $628,000 increase in operating expenses and a $4.8 million transfer out to repay an advance from the General Fund. The advance had been used to provide interim cash flow for the elevation, demolition, and reconstruction of homes damaged by multiple hurricane events.

Airport Fund. The New Smyrna Beach Municipal Airport supports the general aviation community, with revenues generated through rental agreements and user fees reinvested into airport maintenance and facility improvements. Major capital projects 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 2025, the Airport Fund reported a fund balance of $2.2 million, an increase from $1.9 million in the prior year. Grant revenues increased by $785,000, reflecting reimbursements from the FAA and FDOT for eligible capital expenditures. Charges for services declined by $501,000, primarily due to reduced airport activity, including a 6% decrease in fuel gallons sold and lower fuel pricing compared to the prior year.

Operating expenses increased by $665,000, largely due to higher repair and maintenance costs and increased bad debt expense. Capital outlay declined by $178,000 as several major projects began to wind down. Collectively, higher grant revenues and lower capital spending offset the decline in service revenues and higher operating costs, resulting in a net increase in fund balance for fiscal year 2025.

Capital Projects Fund. At the end of fiscal year 2025, the Capital Projects Fund reported a total fund balance of $11.5 million, a decrease of $8.8 million from $20.3 million at the end of the prior fiscal year. This decrease reflected lower grant revenues and transfers in, as well as significant one-time transfers during the year.

Grant revenues declined by $3.4 million, and transfers from other funds decreased by $2.1 million compared to the prior year. Capital outlay was also lower by $1.0 million as several projects were completed or remained between the design and construction phases.

These factors were compounded by a $4.1 million transfer out, which included ARPA funds transferred to the Stormwater Fund for stormwater-related projects, the return of parking-related funds associated with modified or canceled projects, and the repayment of excess loan proceeds to reduce outstanding debt. Collectively, these items resulted in the decrease in fund balance reported at year-end.

Proprietary Funds

The City's proprietary funds provide the same type of information presented in the government-wide financial statements, but in greater detail. Additional discussion of the City's Sanitation and Marina enterprise fund operations is included in the government-wide financial analysis on page 14 of this report.

General Fund Budgetary Highlights

Accurate revenue forecasting is essential to effective financial planning. The availability of resources for appropriation forms the foundation of the City's budget and informs decision-making throughout the fiscal year. The City Commission amended the budget periodically during fiscal year 2025 to address projects carried forward from the prior year, newly awarded grants, and adjustments based on actual financial conditions.

For fiscal year 2025, the General Fund's final expenditure budget, including transfers out, increased by $25.0 million (45%) compared to the original budget. This increase was largely attributable to a change in budgeting methodology under which all available resources—including beginning fund balance and required and unassigned reserves—were fully appropriated, rather than budgeting only the amounts necessary to fund planned expenditures.

Actual General Fund revenues, excluding beginning fund balance, were generally consistent with the final budget. Actual expenditures, excluding required and unassigned reserves, were $11.4 million below budget, primarily due to personnel vacancies, operational efficiencies, and hurricane recovery costs that were lower than originally anticipated.

Capital Assets and Debt Administration

Capital Assets. As of September 30, 2025, the City's total investment in capital assets for both governmental and business-type activities totaled $176.1 million, net of accumulated depreciation of $91.3 million. Capital assets included land, buildings, improvements other than buildings, machinery and equipment, infrastructure, and right-to-use land assets. The City's 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	
	2025	2024	2025	2024	2025	2024
Land Improvements	$ 45,871,635	$ 43,136,981	$ -	$ -	$ 45,871,635	$ 43,136,981
Construction in Progress	14,739,884	17,924,939	-	246,532	14,739,884	18,171,471
Buildings	56,313,640	56,452,439	10,710	10,710	56,324,350	56,463,149
Improvements Other Than Buildings	42,457,977	40,378,823	-	-	42,457,977	40,378,823
Machinery and Equipment	30,679,957	24,785,968	65,454	65,454	30,745,411	24,851,422
Infrastructure	75,544,261	65,857,003	985,386	288,323	76,529,647	66,145,326
Right-to-Use Equipment	239,834	985,185	-	-	239,834	985,185
Right-to-Use Subscription Asset	435,004	221,895	-	-	435,004	221,895
Right-to-Use Land	-	-	-	47,079	-	47,079
Accumulated Depreciation	(91,085,145)	(84,463,093)	(175,797)	(148,404)	(91,260,942)	(84,611,497)
Total Capital Assets Net of Accumulated Depreciation	$ 175,197,047	$ 165,280,140	$ 885,753	$ 509,694	$ 176,082,800	$ 165,789,834

During fiscal year 2025, major additions to the City's capital assets totaled $12.2 million and were concentrated across several functional areas. In general government, improvements to the Fleet Fuel Farm totaled $746,000. Transportation-related additions included $4.9 million for airport runway improvements, $480,000 for airport fuel farm improvements, and $560,149 associated with the Fifth Street Bridge project. Within the physical environment function, additions consisted of $521,000 for pumps and generators and $2.8 million for the acquisition of land in the Turnbull Bay area for the preservation of environmentally sensitive lands. Public safety capital additions included $399,000 for a Bearcat high-water rescue vehicle, $428,000 for an ambulance, and $485,000 for police vehicles. Culture and recreation additions included $451,000 for City Marina dock repairs, $400,000 for Brannon Center pier repairs, and $524,000 for improvements at the 27th Avenue Playground.

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

Leases. As of the end of fiscal year 2025, the City was a lessee under several lease agreements. Related right-to-use assets were recognized and reported as part of the City's capital assets under governmental activities, classified as right-to-use leased equipment. The net book value of these right-to-use assets totaled $145,872, and the related lease liabilities totaled $149,891 at year-end.

The City also acted as a lessor in seven lease agreements involving land, buildings, and airport facilities. As of September 30, 2025, lease receivables and deferred inflows of resources totaled $138,805 and $135,691, respectively, in the General Fund, and $8.7 million and $8.1 million, respectively, in the Airport Fund.

Subscription-Based Software. In accordance with GASB Statement No. 96, the City recognized intangible right-to-use assets and corresponding liabilities for subscription-based information technology arrangements, including security software, server software subscriptions, and fleet management software. As of September 30, 2025, the net book value of these right-to-use assets totaled $284,868 within governmental activities, and the related liability reported at year-end was $110,512.

Long-Term Debt. At year-end, the City reported 23.4 million in outstanding notes and financed purchases. Additional information regarding the City's long-term obligations is provided in Note 9 to the financial statements.

Key long-term debt obligations included the following:

- The City maintained 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 $57,000. The note was 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 was secured by a pledge of non-ad valorem tax revenues and other legally available revenues, with a remaining balance of $2.1 million and a final maturity in 2029.

- In 2016, the City financed one fire truck and two fire engines through TD Equipment Finance in the original amount of $1.9 million. As of year-end, the outstanding balance was $214,000, with the final payment due in 2026.

- In March 2017, the City issued a note in the amount of $5.0 million to finance stormwater improvements in the Islesboro Subdivision. The note was secured by stormwater revenues, with a remaining balance of $1.1 million and a final maturity in 2027.

- 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. This note was secured by non-ad valorem tax revenues and other legally available revenues, with a year-end balance of $7.0 million and a final maturity in 2033.

- In August 2019, the City issued a general obligation note in the amount of $9.5 million to acquire environmentally sensitive land in the Turnbull Creek Watershed. The note was secured by the full faith, credit, and taxing power of the City, with a remaining balance of $7.2 million and a final maturity in 2039.

- In January 2024, the City entered into a financing agreement with Axon to acquire tasers and body cameras for the Police Department. The original amount financed was $608,000, with an outstanding balance of $365,000 at year-end and a final maturity in 2028.

- In July 2024, the City financed three fire department vehicles through Bancorp in the original amount of $194,000. The outstanding balance at year-end was $152,000, with a 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 $11.6 from the authorized $18.0 million non-revolving draw-down loan. The note was secured by non-ad valorem tax revenues and other legally available revenues, with principal due at final maturity on April 1, 2027. The outstanding balance at year-end was $7.2 million.

- In September 2025, the City financed 60 golf carts and a picker through Club Car, Inc. The outstanding balance at year-end was $231,000, with a final maturity in 2028.

Economic Factors and Next Year's Budgets and Rates

Each year, the City Commission considers a variety of factors when developing the operating budget, evaluating personnel needs, and establishing user fees that are reasonable and capable of achieving cost recovery. Key considerations in this process include local economic conditions, workforce trends, unemployment levels, and inflationary pressures, all of which inform budgetary and rate-setting decisions for the upcoming fiscal year.

- Local governments, including cities, counties, and school boards, rely primarily on property taxes and a limited range of other authorized taxes—such as sales, gas, and utility service taxes—as well as fees and assessments to fund governmental activities. In addition, governments receive a limited amount of state-shared revenues and a combination of recurring and non-recurring grants from state and federal sources. Certain governmental and business-type activities, such as permitting and recreational programs, are supported through user fees charged to those who receive the services.

- The most recent unemployment data available for Volusia County, Florida, as reported by the Florida Agency for Workforce Innovation through the Florida Research and Economic Database, reflected a countywide unemployment rate of 5.2% at the end of September 2025. This represented an increase from the 3.3% unemployment rate reported at the end of the prior fiscal year.

- Total taxable assessed property values for 2025, which determine revenues to be collected during fiscal year 2026, increased by 7%, rising from $7.0 billion to $7.5 billion. For fiscal year 2026, the City Commission adopted an operating millage rate of 4.6370, which remained unchanged from the prior fiscal year.

Looking ahead, management will continue to evaluate the potential effects of economic conditions, storm-related risks, inflationary pressures, and grant availability on the City's financial position. Budgetary decisions and rate evaluations will remain aligned with policy goals, affordability considerations, and the City's long-term financial plan. Emphasis will continue to be placed on maintaining adequate reserves and structural balance.

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, 2025

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Utilities Commission
Assets				
Equity in Pooled Cash and Investments	$ 82,458,967	$ 2,648,406	$ 85,107,373	$ 26,205,405
Receivables, Net	939,402	5,072	944,474	9,975,255
Interest and Dividends Receivable	194,303	-	194,303	-
Leases Receivable	8,838,574	-	8,838,574	450,718
Due from Other Governments	3,942,974	-	3,942,974	2,616,607
Due from Primary Government	-	-	-	258,658
Due from Component Unit	763,249	1,650,924	2,414,173	-
Inventories	259,974	-	259,974	5,772,115
Prepaids	596,194	3,022	599,216	566,249
Restricted Assets:				
Equity in Pooled Cash and Investments	-	-	-	19,598,588
Capital Assets:				
Capital Assets, not Being Depreciated	60,611,519	-	60,611,519	90,923,292
Other Capital Assets, Net of Depreciation	114,585,528	885,753	115,471,281	182,532,803
Total Assets	273,190,684	5,193,177	278,383,861	338,899,690
Deferred Outflows of Resources				
Deferred Outflows Related to Pensions	2,922,974	-	2,922,974	134,057
Deferred Outflows Related to OPEB	205,887	1,975	207,862	8,190
Deferred Amounts on Bond Refunding	103,032	-	103,032	26,765
Total Deferred Outflows of Resources	3,231,893	1,975	3,233,868	169,012
Liabilities				
Accounts Payable and Accrued Liabilities	4,458,280	746,409	5,204,689	6,886,592
Energy Cost and Fuel Adjustments Payable	-	-	-	9,181,318
Due to Other Governments	-	-	-	243,891
Due to Component Unit	258,658	-	258,658	-
Due to Primary Government	-	-	-	2,414,173
Unearned Revenue	4,460,093	-	4,460,093	-
Deposits	614,105	16,009	630,114	3,845,503
Payable from Restricted Assets:				
Accrued Interest Payable	421,690	-	421,690	1,209,188

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, 2025
(Concluded)

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Utilities Commission
Non-Current Liabilities:				
Due Within One Year:				
Bonds and Notes Payable	$ 1,917,758	$ -	$ 1,917,758	$ 1,745,000
Financed Purchases	443,556	-	443,556	-
Leases Liability	51,124	-	51,124	22,276
Subscription Arrangements Liability	110,512	-	110,512	413,086
Compensated Absences	397,233	4,198	401,431	650,928
Due in More Than One Year:				
Bonds and Notes Payable	22,855,242	-	22,855,242	67,316,640
Financed Purchases	518,691	-	518,691	-
Leases Liability	98,767	-	98,767	2,327
Subscription Arrangements Liability	-	-	-	2,182,814
Compensated Absences	1,863,265	16,939	1,880,204	650,927
Total OPEB Liability	1,557,011	14,933	1,571,944	720,518
Net Pension Liability	12,303,907	-	12,303,907	634,597
Total Liabilities	52,329,892	798,488	53,128,380	98,119,778
Deferred Inflows of Resources				
Deferred Inflows Related to Pensions	3,089,526	-	3,089,526	769,800
Deferred Inflows Related to OPEB	440,232	4,222	444,454	158,173
Deferred Inflows Related to Leases	8,230,659	-	8,230,659	429,231
Total Deferred Inflows of Resources	11,760,417	4,222	11,764,639	1,357,204
Net Position				
Net Investment in Capital Assets	152,977,729	885,753	153,863,482	201,183,393
Restricted for:				
Public Safety	1,172,661	-	1,172,661	-
Debt Service	960,586	-	960,586	1,745,000
Capital Projects	11,724,776	-	11,724,776	-
Community Redevelopment	8,179,983		8,179,983	-
Airport	2,111,329	-	2,111,329	-
Tree Replacement	120,304	-	120,304	-
Systems Maintenance and Improvements	7,413,520	-	7,413,520	-
Renewal and Replacement	-	-	-	12,799,107
Unrestricted	27,671,380	3,506,689	31,178,069	23,864,220
Total Net Position	$ 212,332,268	$ 4,392,442	$ 216,724,710	$ 239,591,720

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, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	$ 14,147,137	$ 1,298,880	$ 794,834	$ -
Public Safety	24,872,802	4,858,299	208,050	449,498
Transportation	12,970,859	3,280,112	1,315,524	8,799,022
Physical Environment	2,982,599	2,992,300	2,533,051	30,750
Economic Environment	1,537,410	-	-	-
Culture and Recreation	9,587,541	4,137,668	-	714,142
Interest on Long-Term Debt	1,047,094	-	-	-
Total Governmental Activities	67,145,442	16,567,259	4,851,459	9,993,412
Business-Type Activities:				
Sanitation	9,095,614	9,983,738	-	-
City Marina	307,632	343,727	-	-
Total Business-Type Activities	9,403,246	10,327,465	-	-
Total Primary Government	76,548,688	26,894,724	4,851,459	9,993,412
Component Unit:				
Utilities Commission	$ 77,618,936	$ 76,762,449	$ -	$ 5,378,294
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 (as Originally Reported)				
Change in Accounting Principle (see Note 18)				
Net Position - Beginning of Year, (as 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
$ (12,053,423)	$ -	$ (12,053,423)	$ -
(19,356,955)	-	(19,356,955)	-
423,799	-	423,799	-
2,573,502	-	2,573,502	-
(1,537,410)	-	(1,537,410)	-
(4,735,731)	-	(4,735,731)	-
(1,047,094)	-	(1,047,094)	-
(35,733,312)	-	(35,733,312)	-
-	888,124	888,124	-
-	36,095	36,095	-
-	924,219	924,219	-
(35,733,312)	924,219	(34,809,093)	-
-	-	-	4,521,807
33,058,532	-	33,058,532	-
2,070,401	-	2,070,401	-
4,946,759	-	4,946,759	-
2,143,709	-	2,143,709	-
897,570	-	897,570	-
4,619,495	-	4,619,495	-
2,753,462	79,040	2,832,502	1,591,322
1,605,584	54,278	1,659,862	1,811,869
85,133	-	85,133	196,955
52,180,645	133,318	52,313,963	3,600,146
16,447,333	1,057,537	17,504,870	8,121,953
195,599,621	3,333,715	198,933,336	231,469,767
285,314	1,190	286,504	-
195,884,935	3,334,905	199,219,840	231,469,767
$ 212,332,268	$ 4,392,442	$ 216,724,710	$ 239,591,720

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, 2025

	General Fund	Stormwater Utility	Airport Industrial Park	Capital Projects
Assets				
Equity in Pooled Cash	$ 30,140,403	$ 8,350,361	$ 1,479,209	$ 14,986,382
Interest and Dividends Receivable	194,303	-	-	-
Receivables, Net	623,548	1,924	270,766	-
Leases Receivable	138,805	-	8,699,769	-
Due from Component Unit	763,249	-	-	-
Due from Other Governments	1,601,965	1,144,093	630,509	566,407
Inventories	75,223	-	47,051	-
Prepaid Items	5,000	-	-	-
Total Assets	$ 33,542,496	$ 9,496,378	$ 11,127,304	$ 15,552,789
Liabilities				
Accounts Payable and Accrued Liabilities	$ 2,260,979	$ 558,213	$ 773,479	$ 564,178
Customer Deposits	144,472	378,628	91,005	-
Due to Component Unit	258,658	-	-	-
Unearned Revenue	-	-	-	3,165,598
Total Liabilities	2,664,109	936,841	864,484	3,729,776
Deferred Inflows of Resources				
Unavailable Revenue - Taxes	26,407	-	-	-
Unavailable Revenue - Special Assessments	288,708	-	-	-
Unavailable Revenue - Grants	539,077	1,146,017	9,472	374,128
Deferred Inflows Related to Leases	135,691	-	8,094,968	-
Total Deferred Inflows of Resources	989,883	1,146,017	8,104,440	374,128
Fund Balances				
Non-Spendable:				
Inventories and Prepaid Items	80,223	-	47,051	-
Restricted for:				
Public Safety	-	-	-	-
Debt Service	-	-	-	-
Capital Projects	-	-	-	3,976,414
Community Redevelopment	-	-	-	-
Airport			2,111,329	
Tree Replacement	-	-	-	-
Systems Maintenance and Improvements	-	7,413,520	-	-
Committed to:				
Parking	-	-	-	-
Assigned to:				
General Government	430,093	-	-	-
Public Safety	3,514	-	-	-
Transportation Impact	69,744	-	-	-
Economic Development	169,500	-	-	-
Culture and Recreation	133,235	-	-	-
Capital Projects	-	-	-	7,472,471
Subsequent Year's Budget	8,519,358	-	-	-
Unassigned	20,482,837	-	-	-
Total Fund Balances	29,888,504	7,413,520	2,158,380	11,448,885
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 33,542,496	$ 9,496,378	$ 11,127,304	$ 15,552,789

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

Non-Major Governmental Funds	Total Governmental Funds
$ 27,337,087	$ 82,293,442
-	194,303
4,287	900,525
-	8,838,574
-	763,249
-	3,942,974
-	122,274
-	5,000
$ 27,341,374	$ 97,060,341
$ 184,454	$ 4,341,303
-	614,105
-	258,658
1,294,495	4,460,093
1,478,949	9,674,159
1,022	27,429
-	288,708
-	2,068,694
-	8,230,659
1,022	10,615,490
-	127,274
1,172,661	1,172,661
960,586	960,586
11,421,662	15,398,076
8,179,983	8,179,983
-	2,111,329
120,304	120,304
-	7,413,520
4,648,305	4,648,305
-	430,093
-	3,514
-	69,744
-	169,500
-	133,235
-	7,472,471
-	8,519,358
(642,098)	19,840,739
25,861,403	76,770,692
$ 27,341,374	$ 97,060,341

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, 2025

Fund Balances - Total Governmental Funds		$ 76,770,692
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	$ 266,282,192	
Less: Accumulated Depreciation	(91,085,145)	
Less: Internal Service Funds, Net Capital Assets	(967,644)	174,229,403
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	(12,303,907)	
Deferred Outflows Related to Pensions	2,922,974	
Deferred Inflows Related to Pensions	(3,089,526)	(12,470,459)
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	(1,557,011)	
Less: Internal Service Fund OPEB Liability	19,964	
Deferred Outflows Related to OPEB	205,887	
Less: Internal Service Fund Deferred Outflows Related to OPEB	(2,640)	
Deferred Inflows Related to OPEB	(440,232)	
Less: Internal Service Fund Deferred Inflows Related to OPEB	5,645	(1,768,387)
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.		1,136,365
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, are 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	27,429	
Unavailable Revenue - Grants	2,068,694	
Unavailable Revenue - Special Assessments	288,708	2,384,831
Prepaid items originally expensed in full, reclassified as assets.		591,194
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	(24,773,000)	
Financed Purchases	(962,247)	
Leases Payable	(149,891)	
SBITAs Payable	(110,512)	
Accrued Interest Payable	(421,690)	
Deferred Amounts on Refunding	103,032	
Compensated Absences	(2,260,498)	
Less: Internal Service Fund Compensated Absences	33,435	(28,541,371)
Net Position of Governmental Activities		$ 212,332,268

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, 2025

	General Fund	Stormwater Utility	American Rescue Plan	Airport Industrial Park
Revenues				
Taxes	$ 42,063,440	$ -	$ -	$ -
Licenses and Fees	372,397	-	-	-
Intergovernmental	4,521,514	1,261,445	-	5,335,560
Charges for Services	6,842,740	2,992,300	-	1,766,946
Fines and Forfeitures	563,445	-	-	-
Investment Income	621,012	359,550	-	267,527
Miscellaneous	348,799	-	-	1,798,888
Total Revenues	55,333,347	4,613,295	-	9,168,921
Expenditures				
Current:				
General Government	13,663,722	-	-	-
Public Safety	20,236,299	-	-	-
Transportation	2,005,439	-	-	4,041,520
Physical Environment	-	2,791,980	-	-
Economic Environment	382,640	-	-	-
Culture and Recreation	7,823,380	-	-	-
Capital Outlay	3,718,402	1,081,546	-	5,147,548
Debt Service:				
Principal	604,206	-	-	-
Interest and Fiscal Charges	52,941	-	-	-
Total Expenditures	48,487,029	3,873,526	-	9,189,068
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,846,318	739,769	-	(20,147)
Other Financing Sources (Uses)				
Transfers In	4,879,680	2,484,162	-	-
Transfers Out	(4,505,989)	(5,440,552)	-	-
Insurance Recoveries	872,728	-	-	311,143
Sale of Capital Assets	79,623	-	-	4,733
Issuance of Debt - Financed Purchase	238,215	-	-	-
SBITAs	257,562	-	-	-
Total Other Financing Sources (Uses)	1,821,819	(2,956,390)	-	315,876
Net Change in Fund Balances	8,668,137	(2,216,621)	-	295,729
Fund Balances (Deficits), Beginning of Year	21,220,367	9,630,141	(1,899,775)	1,862,651
Error Correction	-	-	-	-
Change Within Financial Reporting Entity	-	-	1,899,775	-
Fund Balances, Beginning of Year (Adjusted)	21,220,367	9,630,141	-	1,862,651
Fund Balances, End of Year	$ 29,888,504	$ 7,413,520	$ -	$ 2,158,380

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

Capital Projects	Debt Service Fund	Non-Major Governmental Funds	Total Governmental Funds
$ 408,975	$ -	$ 3,111,822	$ 45,584,237
-	-	4,451,367	4,823,764
1,246,493	-	1,438,252	13,803,264
-	-	1,401,652	13,003,638
-	-	10,731	574,176
648,892	-	830,662	2,727,643
14,999	-	34,111	2,196,797
2,319,359	-	11,278,597	82,713,519
394,498	-	-	14,058,220
42,550	-	3,998,817	24,277,666
3,550,779	-	1,354,654	10,952,392
5,174	-	-	2,797,154
-	-	511,325	893,965
380,932	-	14,887	8,219,199
5,562,930	-	1,011,336	16,521,762
-	-	6,225,021	6,829,227
-	-	994,153	1,047,094
9,936,863	-	14,110,193	85,596,679
(7,617,504)	-	(2,831,596)	(2,883,160)
2,905,633	-	4,056,978	14,326,453
(4,150,361)	-	(229,551)	(14,326,453)
-	-	-	1,183,871
-	-	777	85,133
-	-	-	238,215
-	-	-	257,562
(1,244,728)	-	3,828,204	1,764,781
(8,862,232)	-	996,608	(1,118,379)
20,311,117	-	26,764,570	77,889,071
	5,691,519	(5,691,519)	-
-	(5,691,519)	3,791,744	-
20,311,117	-	24,864,795	77,889,071
$ 11,448,885	$ -	$ 25,861,403	$ 76,770,692

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, 2025

Net Change in Fund Balances - Total Governmental Funds	$	(1,118,379)
Differences in amounts reported for governmental activities in the statement of activities are:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.		
Capital Outlay Expenditures		18,296,006
Depreciation Expense		(8,305,974)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations, CIP project abandoned) is to decrease net position.		(725,590)
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		6,829,227
Issuance of Governmental Long-Term Debt		(495,777)
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).		1,396,160
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		238,945
Change in Total OPEB Liability and Deferred Inflows/Outflows Related to OPEB		411,306
Less: Internal Service Fund Change in Total OPEB Liability and Related Items		(46,949)
Prepaid Items originally expensed in full, reclassified as an asset.		591,194
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		(220,582)
Change in Compensated Absences Liability		(440,249)
Less: Internal Service Fund Change in Compensated Absences Liability		8,013
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.		78,866
Change in Net Position of Governmental Activities	$	16,447,333

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, 2025

	Sanitation	Non-Major City Marina	Total	Governmental Activities Internal Service Fund - Garage
Assets				
Current Assets:				
Equity in Pooled Cash	$ 2,641,775	$ 6,631	$ 2,648,406	$ 165,525
Accounts Receivable, Net	-	5,072	5,072	38,877
Due from Component Unit	1,650,924	-	1,650,924	-
Inventories	-	-	-	137,700
Prepaid Items	-	3,022	3,022	-
Total Current Assets	4,292,699	14,725	4,307,424	342,102
Non-Current Assets:				
Capital Assets:				
Construction in Progress	-	-	-	746,382
Building and Improvements	-	10,710	10,710	249,477
Improvements Other Than Buildings	-	985,386	985,386	216,823
Machinery and Equipment	25,928	39,526	65,454	359,667
Right-to-Use Lease Asset	-	-	-	48,384
Accumulated Depreciation	(9,075)	(166,722)	(175,797)	(653,089)
Total Capital Assets, Net	16,853	868,900	885,753	967,644
Total Non-Current Assets	16,853	868,900	885,753	967,644
Total Assets	4,309,552	883,625	5,193,177	1,309,746
Deferred Outflows of Resources				
Deferred Outflows Related to OPEB	1,310	665	1,975	2,640
Total Deferred Outflows of Resources	1,310	665	1,975	2,640

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, 2025
(Concluded)

	Sanitation	Non-Major City Marina	Total	Governmental Activities Internal Service Fund - Garage
Liabilities				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	$ 728,244	$ 18,165	$ 746,409	$ 116,977
Deposits	-	16,009	16,009	-
Compensated Absences	2,579	1,619	4,198	5,013
Total Current Liabilities	730,823	35,793	766,616	121,990
Non-Current Liabilities:				
Compensated Absences	4,933	12,006	16,939	28,422
Total OPEB Liability	9,903	5,030	14,933	19,964
Total Non-Current Liabilities	14,836	17,036	31,872	48,386
Total Liabilities	745,659	52,829	798,488	170,376
Deferred Inflows of Resources				
Deferred Inflows Related to OPEB	2,800	1,422	4,222	5,645
Total Deferred Inflows of Resources	2,800	1,422	4,222	5,645
Net Position				
Net Investment in Capital Assets	16,853	868,900	885,753	967,644
Unrestricted	3,545,550	(38,861)	3,506,689	168,721
Total Net Position	$ 3,562,403	$ 830,039	$ 4,392,442	$ 1,136,365

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, 2025

	Sanitation	Non-Major City Marina	Total	Governmental Activities Internal Service Fund - Garage
Operating Revenues				
Charges for Services	$ 9,983,738	$ 343,727	$ 10,327,465	$ 1,810,884
Miscellaneous Revenues	53,814	464	54,278	-
Total Operating Revenues	10,037,552	344,191	10,381,743	1,810,884
Operating Expenses				
Personnel Services	95,079	176,216	271,295	346,528
Contractual Services	-	-	-	9,692
Utilities	-	20,859	20,859	12,735
Cost of Sales	8,839,176	-	8,839,176	1,258,432
Buildings and Maintenance	1,690	32,571	34,261	11,099
Supplies and Materials	154,547	4,972	159,519	9,909
Other Services and Charges	2,529	33,082	35,611	41,414
Depreciation	2,593	39,932	42,525	54,981
Total Operating Expenses	9,095,614	307,632	9,403,246	1,744,790
Operating Income	941,938	36,559	978,497	66,094
Non-Operating Revenues				
Interest Earnings	70,455	8,585	79,040	12,772
Total Non-Operating Revenues	70,455	8,585	79,040	12,772
Change in Net Position	1,012,393	45,144	1,057,537	78,866
Net Position, Beginning of Year (as Originally Reported)	2,549,497	784,218	3,333,715	1,055,314
Change in Accounting Principal	513	677	1,190	2,185
Net Position, Beginning of Year (as Restated)	2,550,010	784,895	3,334,905	1,057,499
Net Position, End of Year	$ 3,562,403	$ 830,039	$ 4,392,442	$ 1,136,365

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, 2025

	Sanitation	Non-Major City Marina	Total	Governmental Activities Internal Service Fund - Garage
Cash Flows from Operating Activities				
Cash Received from Customers	$ 10,037,053	$ 332,637	$ 10,369,690	$ 1,795,299
Cash Paid to Employees	(96,863)	(173,109)	(269,972)	(343,137)
Cash Paid to Suppliers	(8,962,364)	(86,802)	(9,049,166)	(1,363,294)
Net Cash Provided by (Used in) Operating Activities	977,826	72,726	1,050,552	88,868
Cash Flows from Non-Capital Financing Activities				
Cash Paid to Component Unit	(865,916)	-	(865,916)	-
Net Cash Provided by (Used in) Non-Capital Financing Activities	(865,916)	-	(865,916)	-
Cash Flows from Capital and Related Financing Activities				
Acquisition and Construction of Capital Assets	-	(403,452)	(403,452)	(746,382)
Loss on Disposal of Assets	-	(15,132)	(15,132)	-
Principal Payments of Long-Term Debt	-	(31,953)	(31,953)	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	-	(450,537)	(450,537)	(746,382)
Cash Flows from Investing Activities				
Interest Received	70,455	8,585	79,040	12,772
Net Cash Provided by (Used in) Investing Activities	70,455	8,585	79,040	12,772
Net Change in Cash and Cash Equivalents	182,365	(369,226)	(186,861)	(644,742)
Cash and Cash Equivalents, Beginning of Year	2,459,410	375,857	2,835,267	810,267
Cash and Cash Equivalents, End of Year	$ 2,641,775	$ 6,631	$ 2,648,406	$ 165,525
Cash and Cash Equivalents Classified as				
Unrestricted	$ 2,641,775	$ 6,631	$ 2,648,406	$ 165,525
Total Cash and Cash Equivalents	$ 2,641,775	$ 6,631	$ 2,648,406	$ 165,525

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, 2025
(Concluded)

	Sanitation	Non-Major City Marina	Total	Governmental Activities Internal Service Fund - Garage
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities:				
Operating Income (Loss)	$ 941,938	$ 36,559	$ 978,497	$ 66,094
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Depreciation	2,593	39,932	42,525	54,981
Changes in Assets and Liabilities:				
Accounts Receivable	-	(3,999)	(3,999)	(15,586)
Inventories	-	-	-	(52,916)
Prepaid Items	-	(225)	(225)	9,616
Accounts Payable and Accrued Liabilities	35,578	4,907	40,485	23,288
Deposits	(499)	(976)	(1,475)	-
Unearned Revenue	-	(6,579)	(6,579)	-
Compensated Absences	618	3,541	4,159	8,014
Total OPEB Liability	(2,402)	(434)	(2,836)	(4,623)
Net Cash Provided by (Used in) Operating Activities	$ 977,826	$ 72,726	$ 1,050,552	$ 88,868

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, 2025

	Pension Trust Funds
Assets	
Cash and Cash Equivalents	$ 121,118
Prepaid Benefit Payments	182,150
Receivables:	
Employer Contributions Receivable	231,240
Interest and Dividends Receivable	89,661
Total Receivables	320,901
Investments, at Fair Value:	
Money Market Funds	1,441,865
Common Stock	13,191,102
Government Agency Obligations	5,124,339
Corporate Debt Securities	2,575,935
Mutual Funds - Fixed Income	5,151,325
Mutual Funds - Equity	7,765,839
Exchange Traded Funds	16,608,648
Private Equity	1,567,501
Real Estate Funds	2,057,700
Annuity Contracts	2,210,161
Total Investments	57,694,415
Total Assets	58,318,584
Liabilities	
Accounts Payable	43,744
Total Liabilities	43,744
Net Position	
Restricted for Pensions	$ 58,274,840

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, 2025

	Pension Trust Funds
Additions	
Contributions:	
Employer	$ 2,475,962
Employees	744,029
State - Insurance Premium Taxes	1,002,292
Total Contributions	4,222,283
Investment Earnings	
Net Appreciation (Depreciation) in Fair Value of Investments	4,576,748
Interest and Dividends	1,188,672
Total Investment Earnings	5,765,420
Less: Investment Expense	(186,080)
Net Investment Income	5,579,340
Total Additions	9,801,623
Deductions	
Benefit Payments and Refunds	4,154,043
Administrative Expenses	167,157
Total Deductions	4,321,200
Change in Net Position	5,480,423
Net Position Restricted for Pensions, Beginning of Year	52,794,417
Net Position Restricted for Pensions, End of Year	$ 58,274,840

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

Notes to Financial Statements

Note 1 - Summary of Significant Accounting Polices

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, 2025. The blended component unit also issues separate financial statements.

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.

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.

- **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).

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.

(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 a resolution.
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 fund budget amendments and/or appropriations transfers. Budgetary control is exercised at the fund level. Budgetary control is maintained at the fund level based on the City's financial reporting requirements. After final adoption of the original budget, the City Manager is authorized to approve budget transfers within the same financial reporting fund. Budget amendments between two or more financial reporting funds, or amendments that modify a fund's total budgeted amount, are approved from time to time during the fiscal year by resolution of the City Commission. Every appropriation lapses at the close of the fiscal year.

(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, interest-bearing time deposits, and investment pools.

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.

(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. In general, 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:

Assets	Years
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

(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 vacation and sick leave benefits. Compensated absences are recognized as a liability to the extent the leave is attributable to services already rendered, accumulated, and is more likely than not to be paid or settled through time off or other means. In the government-wide and proprietary fund financial statements, a liability is recorded for compensated absences as these benefits are earned. In governmental fund financial statements, liabilities for compensated absences are recognized to the extent the amounts are due and payable at fiscal year-end, such as upon employee resignations, retirements, or other events that require payment of accumulated leave. The City uses a last-in, first-out (LIFO) flow assumption reflecting that employees use recently earned leave first.

(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.

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 Balance**—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:

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 balance 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, 2025, the American Rescue Plan Fund has a deficit fund balance of $(642,098). 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.

During the year, $1,438,252 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, 2025, the operating and debt service millage rates (2024 levy) assessed by the City were 4.6370 and 0.0895 mills, respectively.

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:	

Month Paid	Discount Percent	
November	4%	November 1, 2024
December	3%	through
January	2%	March 31, 2025
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

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.

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, 2025, 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.

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, 2025.

- **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, 2025, the City had the following deposits and investments:

			Weighted Average Investment Maturities (in Years)				
Investment Type	Carrying Value	No Maturity	Less Than 1	1 - 5	6 - 10	More Than 10	Fair Value Hierarchy Classification
Common Stock	$ 13,191,102	$ 13,191,102	$ -	$ -	$ -	$ -	Level 1
Money Market Funds	1,441,865	1,441,865	-	-	-	-	Level 1
Government Bonds	5,124,339	-	686,667	4,437,672	-	-	Level 2
Corporate Bonds	2,575,935	-	316,459	2,259,476		-	Level 2
Mutual Funds - Fixed Income	5,347,470	5,347,470	-	-	-	-	Level 2
Mutual Funds - Equity	24,178,342	24,178,342	-	-	-	-	Level 1
Fixed Income Annuity Contracts	2,210,161	2,210,161	-	-	-	-	Level 2
Real Estate Investments	2,057,700	2,057,700	-	-	-	-	NAV
Private Equity	1,567,501	1,567,501	-	-	-	-	NAV
Total Fiduciary Fund Investments	57,694,415	49,994,141	1,003,126	6,697,148	-	-	
City Cash and Cash Equivalents	85,107,373		N/A	N/A	N/A	N/A	N/A
Pension Cash and Cash Equivalents	121,118		N/A	N/A	N/A	N/A	N/A
Total Carrying Value of Cash and Cash Equivalents and Investments	$ 142,922,906		$ 1,003,126	$ 6,697,148	$ -	$ -	

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.

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, 2025:

Investment Type	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Real Estate Fund	$ 2,057,700	None	Quarterly	60 days prior to the end of the quarter
Private Equity	$ 1,567,501	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, 2025:

	Special Assessments Receivable	Other Receivables	Gross Accounts Receivable	Allowance for Doubtful Accounts	Net Receivables
Governmental Activities					
General Fund	$ 465,143	$ 268	$ 665,126	$ (506,989)	$ 623,548
Special Revenue Funds:					
Stormwater Utility	-	-	1,924	-	1,924
Airport Industrial Park	-	18,486	680,904	(428,624)	270,766
Non-Major Governmental Funds	-	-	4,287	-	4,287
Internal Service Fund	-	-	38,877	-	38,877
Total Governmental Activities	465,143	18,754	1,391,118	(935,613)	939,402
Business-Type Activities					
Municipal Marina	-	-	5,072	-	5,072
Total Business-Type Activities	-	-	5,072	-	5,072
Totals	$ 465,143	$ 18,754	$ 1,396,190	$ (935,613)	$ 944,474
Component Unit	$ -	$ -	$ 10,037,028	$ (61,773)	$ 9,975,255

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

At September 30, 2025, 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:

	Due from Component Unit	Due to Primary Government
Primary Government:		
General Fund	$ 763,249	$ -
Sanitation Fund	1,650,924	-
Component Unit:		
Utilities Commission	-	2,414,173
Total	$ 2,414,173	$ 2,414,173

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, 2025, $258,658 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, 2025, individual fund transfers to and from other funds for the primary government were comprised of the following:

	Governmental Activities				
	General Fund	Capital Projects Fund	Stormwater Fund	Non-Major Funds	Total Transfers Out
Governmental Activities					
General Fund	$ -	$ 2,882,484	$ -	$ 1,623,505	$ 4,505,989
Stormwater Utility Fund	4,879,680	-	-	560,872	5,440,552
Capital Projects Fund	-	-	2,277,760	1,872,601	4,150,361
Non-Major Governmental Funds	-	23,149	206,402	-	229,551
Total Transfers In	$ 4,879,680	$ 2,905,633	$ 2,484,162	$ 4,056,978	$ 14,326,453

The stormwater utility fund transferred $4.8 million of funds back to the general fund due to the general fund providing cashflow to the stormwater utility fund in prior years for the demolition rebuild and home elevation projects. Many of the projects stalled out and these unrestricted monies were not needed and were therefore transferred back to the general fund. The capital projects fund transferred $2.2 million back to the general fund for ARPA funds that were utilized for stormwater projects. The capital projects fund transferred back $817k and $983k back to the parking and transportation impact fee funds, respectively, for budgeted projects that were abandoned or not needed.

Note 7 - Capital Assets

Capital asset activity for the fiscal year ended September 30, 2025, is as follows:

	Beginning Balance	Increases	Decreases	Adjustments/ Transfers	Ending Balance
Governmental Activities					
Capital Assets, Not Being Depreciated:					
Land	$ 42,896,034	$ 2,760,529	$ (25,875)	$ -	$ 45,630,688
Easements	240,947	-	-	-	240,947
Construction in Progress	17,924,939	10,051,197	(622,713)	(12,613,539)	14,739,884
Total Capital Assets, Not Being Depreciated	61,061,920	12,811,726	(648,588)	(12,613,539)	60,611,519
Capital Assets, Being Depreciated:					
Buildings and Improvements	56,452,439	39,038	(789,959)	612,122	56,313,640
Improvements Other Than Buildings	40,378,823	175,530	(20,600)	1,924,224	42,457,977
Infrastructure	65,857,003	789,633	-	8,897,625	75,544,261
Machinery and Equipment	24,785,968	4,929,963	(824,467)	1,788,493	30,679,957
Leases	985,185	-	(136,426)	(608,925)	239,834
SBITAs	221,895	257,562	(44,453)	-	435,004
Total Capital Assets, Being Depreciated	188,681,313	6,191,726	(1,815,905)	12,613,539	205,670,673
Less Accumulated Depreciation for:					
Buildings and Improvements	(20,344,264)	(1,236,563)	753,926	-	(20,826,901)
Improvements Other Than Buildings	(22,498,449)	(1,317,200)	20,600	-	(23,795,049)
Infrastructure	(27,303,038)	(3,016,427)	-	-	(30,319,465)
Machinery and Equipment	(13,981,478)	(2,587,480)	783,498	(114,174)	(15,899,634)
Leases	(260,086)	(84,476)	136,426	114,174	(93,962)
SBITAs	(75,778)	(118,809)	44,453	-	(150,134)
Total Accumulated Depreciation	(84,463,093)	(8,360,955)	1,738,903	-	(91,085,145)
Total Capital Assets, Being Depreciated, Net	104,218,220	(2,169,229)	(77,002)	12,613,539	114,585,528
Governmental Activities Capital Assets, Net	$ 165,280,140	$ 10,642,497	$ (725,590)	$ -	$ 175,197,047
Business-Type Activities					
Capital Assets, Not Being Depreciated:					
Construction in Progress	$ 246,532	$ 450,531	$ -	$ (697,063)	$ -
Total Capital Assets, Not Being Depreciated	246,532	450,531	-	(697,063)	-
Capital Assets, Being Depreciated:					
Right-to-Use Land	47,079	-	(47,079)	-	-
Buildings and Improvements	10,710	-	-	-	10,710
Infrastructure	288,323	-	-	697,063	985,386
Machinery and Equipment	65,454	-	-	-	65,454
Total Capital Assets, Being Depreciated	411,566	-	(47,079)	697,063	1,061,550
Less Accumulated Depreciation for:					
Right-to-Use Land	(15,132)	-	15,132	-	-
Buildings and Improvements	(536)	(535)	-	-	(1,071)
Infrastructure	(98,510)	(37,652)	-	-	(136,162)
Machinery and Equipment	(34,226)	(4,338)	-	-	(38,564)
Total Accumulated Depreciation	(148,404)	(42,525)	15,132	-	(175,797)
Total Capital Assets, Being Depreciated, Net	263,162	(42,525)	(31,947)	697,063	885,753
Business-Type Activities Capital Assets, Net	$ 509,694	$ 408,006	$ (31,947)	$ -	$ 885,753

Depreciation expense was charged to functions/programs as follows:

Governmental Activities		
General Governmental	$	1,229,142
Public Safety		1,831,910
Transportation		2,539,231
Economic Environment		650,078
Physical Environment		678,618
Culture and Recreation		1,376,995
Garage – Internal Service Fund		54,981
Total Depreciation Expense – Governmental Activities	$	8,360,955
Business-Type Activities		
Sanitation	$	2,593
City Marina		39,932
Total Depreciation Expense – Business-Type Activities	$	42,525

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, 2025. At year-end, the City's encumbered commitments with contractors were as follows:

		Outstanding Encumbrances
General Fund	$	297,388
Stormwater Utility Fund		4,294,115
Airport Industrial Park Fund		1,001,983
Capital Projects Fund		9,268,137
Non-Major Governmental Funds		2,882,315
Internal Service Fund		31,091
Total Outstanding Commitments	$	17,775,029

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.

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, 2025. 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 several 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.

The City has lease agreements with Enterprise Fleet for 7 vehicles. The terms of these leases range from October 1, 2023 through May 1, 2028. 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, 2025, the right-to-use leased assets were recorded with a cost of $239,834 and accumulated amortization of $93,962, resulting in a net book value of $145,872. The present value of the future minimum lease payments is $149,891 at September 30, 2025.

The future lease payments under lease agreements are as follows:

Amount of Lease Assets by Major Classes of Underlying

Asset Class	As of Fiscal Year-End: Lease Asset Value	Accumulated Amortization
Equipment	$ 239,834	$ (93,962)
Total Leases	$ 239,834	$ (93,962)

Year Ending September 30,	Governmental Activities: Principal	Interest	Total
2026	$ 51,124	$ 12,229	$ 63,353
2027	56,102	6,860	62,962
2028	42,665	1,471	44,136
Total	$ 149,891	$ 20,560	$ 170,451

(b) **Lessor**—The City is a lessor in seven lease agreements involving land, buildings, and airport facilities within the general and airport funds ending between 2026 and 2048. As of and for the year ended September 30, 2025, 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	25,250	33,601	58,851
Total Lease Revenue	31,516	534,343	565,859
Interest Revenue	5,563	226,097	231,660
Total Lease-Related Revenues	$ 37,079	$ 760,440	$ 797,519
Lease Receivable	$ 138,805	$ 8,699,769	$ 8,838,574
Deferred Inflows - Leases	$ 135,691	$ 8,094,968	$ 8,230,659

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

Year Ending	General Fund			Airport Fund		
September 30,	Principal	Interest	Total	Principal	Interest	Total
2026	$ 31,978	$ 4,749	$ 36,727	$ 314,706	$ 217,514	$ 532,220
2027	34,159	3,548	37,707	313,500	209,236	522,736
2028	33,162	2,258	35,420	204,470	203,012	407,482
2029	35,501	874	36,375	222,127	197,555	419,682
2030	4,005	49	4,054	240,610	191,636	432,246
2031-2035			-	1,511,595	851,690	2,363,285
2036-2040	-	-	-	2,117,864	621,055	2,738,919
2041-2045	-	-	-	2,386,887	325,834	2,712,721
2046-2050	-	-	-	1,388,010	46,726	1,434,736
Total	$ 138,805	$ 11,478	$ 150,283	$ 8,699,769	$ 2,864,258	$ 11,564,027

Note 10 - Subscription-Based Information Technology Arrangements

The City has various information technology security software, server software subscription arrangements, public safety software, 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 recognizes a SBITA liability and an intangible right-to-use asset for the various software arrangements. The City prepaid a large portion of their SBITA contracts and, therefore, does not have SBITA liabilities for these related SBITA assets. In the current year, the City entered into two new SBITAs which were not fully prepaid and resulted in SBITA liabilities. These SBITAs included a payment due at contract execution which effectively prepaid the first year of the agreement. One additional payment for each SBITA is required to be made which covers the last year of the agreements. The imputed interest rate for these SBITAs is 3.95%. The total of the City's subscription assets is recorded at a cost of $435,004 and accumulated amortization of $150,134 at September 30, 2025. The present value of the future minimum lease payments is $110,512 at September 30, 2025.

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2026	$ 110,512	$ 4,489	$ 115,001
Total	$ 110,512	$ 4,489	$ 115,001

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, 2025, were comprised of the following obligations:

$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.	$	1,107,610
$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.		7,161,000
$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.		2,190,000
$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.		7,015,000

$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, which is considered a line of credit. 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.	$	7,241,901
$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.		57,489
$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.		214,283
$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.		365,000
$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.		151,890
$223,215 financed purchase executed with ClubCar, Inc. in September 2025, at an interest rates of 5.25% to finance the purchase of 60 golf carts. Principal and interest payments of $6,692.38 are due monthly until final maturity on August 2028.		216,523
$15,000 financed purchase executed with ClubCar, Inc. in September 2025, at an interest rates of 5.25% to finance the purchase of a golf course picker. Principal and interest payments of $449.28 are due monthly until final maturity on August 2028.		14,551
Total Governmental Activities		25,735,247
Less: Current Maturities		(2,361,314)
Total Governmental Activities Long-Term Debt	$	23,373,933

Business-Type Activities

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

(b) Changes in Long-Term Debt and Liabilities

Long-term liability activity for the year ended September 30, 2025, was as follows:

	(Restated) Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities					
Notes and Loans Payable:					
General Obligation Notes	$ 7,585,000	$ -	$ (424,000)	$ 7,161,000	$ 435,000
Capital Improvement Notes	10,105,000	-	(900,000)	9,205,000	925,000
Stormwater Notes	1,634,790	-	(527,180)	1,107,610	539,064
State Revolving Fund Loans	75,730	-	(18,241)	57,489	18,694
Line of Credit	11,597,501	-	(4,355,600)	7,241,901	-
Financed Purchases	1,089,287	238,215	(365,255)	962,247	443,556
Total Notes, Loans, and Financed Purchases	32,087,308	238,215	(6,590,276)	25,735,247	2,361,314
Leases Payable	241,792	-	(91,901)	149,891	51,124
SBITAs	-	257,562	(147,050)	110,512	110,512
Compensated Absences	1,812,236	448,262	-	2,260,498	397,233
Governmental Activities - Total Long-Term Liabilities	$ 34,141,336	$ 944,039	$ (6,829,227)	$ 28,256,148	$ 2,920,183
Business-Type Activities					
Leases Payable	$ 31,953	$ -	$ (31,953)	$ -	$ -
Compensated Absences	18,681	2,456	-	21,137	4,198
Business-Type Activities - Total Long-Term Liabilities	$ 50,634	$ 2,456	$ (31,953)	$ 21,137	$ 4,198
Utilities Commission					
Utilities Revenue Certificates	$ 71,411,287	$ -	$ (2,349,647)	$ 69,061,640	$ 1,745,000
Leases Payable	54,925	-	(30,322)	24,603	22,276
Subscription Arrangements	127,755	2,901,795	(433,650)	2,595,900	413,086
Compensated Absences	1,266,958	1,244,821	(1,209,924)	1,301,855	650,928
Component Unit - Total Bonds Payable	$ 72,860,925	$ 4,146,616	$ (4,023,543)	$ 72,983,998	$ 2,831,290

As allowed by GASB Statement No. 101, *Compensated Absences,* the City has netted the increase/decrease for fiscal year September 30, 2025.

Internal service funds predominately serve the governmental funds. Accordingly, $33,435 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
2026	$ 2,361,314	$ 1,312,071	$ 3,673,385
2027	9,465,729	1,264,968	10,730,697
2028	1,695,011	309,148	2,004,159
2029	1,497,193	273,700	1,770,893
2030	1,499,000	237,778	1,736,778
2031-2035	6,918,000	665,133	7,583,133
2036-2040	2,299,000	142,517	2,441,517
Total	$ 25,735,247	$ 4,205,315	$ 29,940,562

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, 2025, 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, 2025, 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, 2025. 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 $23,500 or 100% of gross annual compensation for plan years beginning in 2018. 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. The plan is not administered through a trust and therefore no assets are accumulated.

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 $1,571,944 was measured as of September 30, 2025.

Actuarial Assumptions and Other Inputs—The total OPEB liability measured for September 30, 2025, was determined using a roll-forward of the October 1, 2023 to September 30, 2025. The actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

Discount Rate	4.47%
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, 2025.

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, 2025, changes in the total OPEB liability were as follows:

Balance at September 30, 2024	$ 1,747,651
Changes for a Year:	
Service Cost	12,406
Interest	73,476
Changes of Assumptions	(53,810)
Benefit Payments – Implicit Rate Subsidy	(207,778)
Net Changes	(175,706)
Balance at September 30, 2025	$ 1,571,945

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 3.47%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.47%) or 1% higher (4.47%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	$ 1,669,487	$ 1,571,944	$ 1,488,533

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%, 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:

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	$ 1,461,842	$ 1,571,944	$ 1,701,950

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources
For the year ended September 30, 2025, the City recognized OPEB expense of ($39,292). At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resource related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	$ 207,862	$ 444,454
Total	$ 207,862	$ 444,454

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

Year Ended September 30,	
2026	$ (46,870)
2027	(8,302)
2028	(28,776)
2029	(52,193)
2030	(51,463)
Thereafter	(48,988)
Total	$ (236,592)

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 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.

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, 2025, as follows (contribution rates are in agreement with the actuarially determined rates):

FRS Membership Plan and Class	Through June 30, 2025	After June 30, 2025
Regular Class	13.63%	14.03%
Senior Management	34.52%	33.24%
Special Risk	32.79%	35.19%

Current-year employer HIS contributions were made at a rate of 2.00% of covered payroll through June 30, 2025, and 2.00% thereafter, which are included in the above rates.

For the plan year ended June 30, 2025, actual contributions made for employees participating in FRS and HIS were as follows:

Entity Contributions - FRS	$	71,464
Entity Contributions - HIS		5,113

Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions—At September 30, 2025, the entity reported a liability related to FRS and HIS as follows:

Plan		Net Pension Liability
FRS	$	371,463
HIS		73,324
Total	$	444,787

The net pension liability was measured as of June 30, 2025, 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, 2025, the entity's proportionate share of the FRS and HIS net pension liabilities were as follows:

Plan	2025	2024
FRS	0.001196910%	0.002158912%
HIS	0.000572067%	0.001151450%

For the year ended June 30, 2025, pension expense was recognized related to the FRS and HIS plans as follows:

Plan		Pension Expense
FRS	$	(76,282)
HIS		(28,222)
Total	$	(104,504)

Deferred Outflows/Inflows Related to Pensions
At September 30, 2025, 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	$ 39,676	$ -	$ 438	$ 116
Changes of Assumptions	43,136	-	649	17,735
Net Difference Between Projected and Actual Investment Earnings	-	62,019	-	61
Change in Proportionate Share	116,034	360,601	22,314	118,165
Contributions Subsequent to Measurement Date	16,168	-	1,165	-
Total	$ 215,014	$ 422,620	$ 24,566	$ 136,077

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, 2026. 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
2026	$ (40,153)	$ (30,700)	$ (70,853)
2027	(81,564)	(30,036)	(111,600)
2028	(53,989)	(22,865)	(76,854)
2029	(48,068)	(15,544)	(63,612)
2030	-	(13,531)	(13,531)
Thereafter	-	-	-
Total	$ (223,774)	$ (112,676)	$ (336,450)

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 5.20% was used to determine the total pension for the program. This rate increased from the prior year rate, which was 3.93%. 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 2025 the FRS Actuarial Assumptions Conference reviewed long-term assumptions developed by both Milliman's capital market assumptions team and by a capital market assumptions team from Aon Hewitt Investment Consulting, which consults to the Florida State Board of Administration. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class

assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	Annual Arithmetic Expected Rate of Return
Cash	1%	3.2%
Fixed Income	29.0%	5.5%
Global Equities	45.0%	8.5%
Real Estate	12.0%	8.4%
Private Equity	11.0%	12.4%
Strategic Investments	2.0%	6.5%
Total	100.0%	

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%	$ 728,990	$ 371,463	$ 71,717
HIS	5.20%	82,685	73,324	65,474

(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, 2025, 2024, and 2023, were $1,138,701, $1,064,023, and $960,778, respectively. Employee contributions to the defined contribution plan for the years ended September 30, 2025, 2024, and 2023, were $5,353, $20,590, and $25,676, 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 Admiration

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 statues provide, in general, that funds are to be accumulated from employee contributions, City contributions, State appropriations and income from investments from accumulated funds. The statutes also provide that should the accumulated funds at any time be insufficient to meet and pay the benefits due, the City shall supplement the funds by an appropriation from current funds or from any revenues which may be lawfully used for said purposes in an amount sufficient to make up the deficiency. The investments of the two funds are administered, managed, and operated by their respective boards of trustees using the services of the City staff and local financial institutions.

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

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

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

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, 2024:

	Police Plan	Fire Plan
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	58	53
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	42	11
Active Plan Members	54	49
Total Plan Membership	154	113

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

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

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

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

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

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

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

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

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

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

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

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

Firefighters' Pension Plan

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

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

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, 2025:

	Target Asset Allocation	
Asset Class	Police Plan	Fire Plan
Domestic Equity	45%	50%
International Equity	15%	10%
Fixed Income Private	25%	32.5%
Real Estate	10%	7.5%
Cash	5%	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, 2025, the annual money-weighted rate of return on the Police and Fire Pension Plan investments, net of pension plan investment expense, was 11.59%, and 9.93%, respectively.

Net Pension Liability

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

	Police Officers' Pension Plan	Firefighters' Pension Plan
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, 2025	$ 60,927	$ 152,779

The components of the net pension liability of the pension plans at September 30, 2025, were as follows:

	Police Plan	Fire Plan	Total
Total Pension Liability	$ 30,939,567	$ 39,194,393	$ 70,133,960
Plan Fiduciary Net Position	(26,695,345)	(31,579,495)	(58,274,840)
Net Pension Liability	$ 4,244,222	$ 7,614,898	$ 11,859,120
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	86.28%	80.57%	83.09%

The total pension liability was determined by an actuarial valuation as of October 1, 2024, and measurement date of September 30, 2025, using the following actuarial assumptions to all measurement periods.

	Police Plan	Fire Plan
Inflation	2.50%	2.50%
Salary Increases	Service Based	Service Based
Discount Rate	7.65%	7.50%
Investment Rate of Return	7.65%	7.50%

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, 2025, are summarized in the following table:

	Long-Term Expected Real Rate of Return	
Asset Class	**Police Plan**	**Fire Plan**
Domestic Equity	7.80%	5.86%
International Equity	3.80%	4.67%
Bonds/Fixed Income	1.80%	1.23%
Real Estate	5.40%	3.57%
Cash	-0.10%	N/A

Discount Rate: The discount rate used to measure the total pension liability for the Police and Fire Plan investments was 7.65% and 7.50%, respectively. The projection of cash flows used to determine the discount rate assumed the plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability:

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

	Police Plan		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (a-b)**
Beginning Balance	$ 29,379,883	$ 23,873,519	$ 5,506,364
Changes for Year:			
Service Cost	786,256	-	786,256
Interest	2,234,715	-	2,234,715
Share Plan Allocation	139,876	-	139,876
Differences Between Expected and Actual Experience	13,801	-	13,801
Changes of Assumptions	293,410	-	293,410
Contributions - Employer	-	1,238,974	(1,238,974)
Contributions - State	-	479,751	(479,751)
Contributions - Employee	-	340,335	(340,335)
Net Investment Income	-	2,757,580	(2,757,580)
Benefit Payments, Including Refunds	(1,908,374)	(1,908,374)	-
Administrative Expenses	-	(86,440)	86,440
Net Changes	1,559,684	2,821,826	(1,262,142)
Ending Balance	$ 30,939,567	$ 26,695,345	$ 4,244,222

	Fire Plan		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (a-b)**
Beginning Balance	$ 36,273,400	$ 28,920,896	$ 7,352,504
Changes for Year:			
Service Cost	654,005	-	654,005
Interest	2,721,147	-	2,721,147
Share Plan Allocation	120,378	-	120,378
Differences Between Expected and Actual Experience	902,810	-	902,810
Changes of Assumptions	768,322	-	768,322
Contributions - Employer	-	1,236,988	(1,236,988)
Contributions - State	-	522,541	(522,541)
Contributions - Employee	-	403,694	(403,694)
Net Investment Income	-	2,821,762	(2,821,762)
Benefit Payments, Including Refunds	(2,245,669)	(2,245,669)	-
Administrative Expenses	-	(80,717)	80,717
Net Changes	2,920,993	2,658,599	262,394
Ending Balance	$ 39,194,393	$ 31,579,495	$ 7,614,898

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%	$ 8,076,866	$ 4,244,222	$ 1,106,204
Fire	7.50%	12,353,149	7,614,898	3,703,775
Total		$ 20,430,015	$ 11,859,120	$ 4,809,979

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

For the year ended September 30, 2025, the City recognized pension expense of $1,577,595 and $1,661,006 in the Police and Fire pension plans, respectively, for a total of $3,238,601.

At September 30, 2025, 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	$ 399,685	$ -	$ 1,152,053	$ -
Changes of Assumptions	195,606	-	936,050	-
Net Difference Between Projected and Actual Investment Earnings	-	1,586,063	-	944,766
Total	$ 595,291	$ 1,586,063	$ 2,088,103	$ 944,766

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
2026	$ 636,561	$ 1,266,042
2027	(697,313)	(193,979)
2028	(744,260)	(136,957)
2029	(185,760)	208,231

(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.

For the year ended September 30, 2025, pension expense was recognized as follows:

Plan	Pension Expense
FRS	$ (76,282)
HIS	(28,222)
Police	1,577,595
Fire	1,661,006
Total	$ 3,134,097

Presented below are the financial statements for each pension trust fund as of and for the year ended September 30, 2025:

COMBINING SCHEDULE OF NET POSITION - FIDUCIARY FUNDS

	Police Pension	Fire Pension	Total
Assets			
Cash and Cash Equivalents	$ 49,574	$ 71,544	$ 121,118
Prepaid Benefit Payments	-	182,150	182,150
Receivables:			
Employer Contributions Receivable	45,601	185,639	231,240
Interest and Dividends Receivable	15,203	74,458	89,661
Total Receivables	60,804	260,097	320,901
Interest, at Fair Value:			
Money Market Funds	282,296	1,159,569	1,441,865
Common Stock	-	13,191,102	13,191,102
Government Agency Obligations	-	5,124,339	5,124,339
Corporate Debt Securities	-	2,575,935	2,575,935
Mutual Funds - Fixed Income	4,394,437	953,033	5,347,470
Mutual Funds - Equity	17,680,555	6,497,787	24,178,342
Private Equity	-	1,567,501	1,567,501
Real Estate Funds	2,057,700	-	2,057,700
Annuity Contracts	2,210,161	-	2,210,161
Total Investments	26,625,149	31,069,266	57,694,415
Total Assets	26,735,527	31,583,057	58,318,584
Liabilities			
Accounts Payable	40,182	3,562	43,744
Total Liabilities	40,182	3,562	43,744
Net Position			
Restricted for Pensions	$ 26,695,345	$ 31,579,495	$ 58,274,840

COMBINING SCHEDULE CHANGES IN NET POSITION - FIDUCIARY FUNDS

	Police Pension	Fire Pension	Total
Additions			
Contributions:			
Employer	$ 1,238,974	$ 1,236,988	$ 2,475,962
Plan Members	340,335	403,694	744,029
State - Insurance Premium Taxes	479,751	522,541	1,002,292
Total Contributions	2,059,060	2,163,223	4,222,283
Investment Earnings:			
Net Appreciation in Fair Value of Investments	2,224,059	2,352,689	4,576,748
Interest and Dividends	575,070	613,602	1,188,672
Total Investment Earnings	2,799,129	2,966,291	5,765,420
Less: Investment Expense	(41,549)	(144,531)	(186,080)
Net Investment Income	2,757,580	2,821,760	5,579,340
Total Additions	4,816,640	4,984,983	9,801,623
Deductions			
Benefit Payments and Refunds	1,908,374	2,245,669	4,154,043
Administrative Expenses	86,440	80,717	167,157
Total Deductions	1,994,814	2,326,386	4,321,200
Change in Net Position	2,821,826	2,658,597	5,480,423
Net Position Restricted for Pensions, Beginning of Year	23,873,519	28,920,898	52,794,417
Net Position Restricted for Pensions, End of Year	$ 26,695,345	$ 31,579,495	$ 58,274,840

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, 2025, 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. 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 - Restatements

Change Within Reporting Entity/Error Correction

The City previously reported the ARPA fund as major. In the prior year, the Debt Service Fund should have been reported as a major fund instead of non-major. The error correction is shown below. 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.

	As Previously Reported	Error Corrections	Change Within Reporting Entity	Beginning Balance Restated
Governmental Fund				
Debt Service Fund	$ -	$ 5,691,519	$ (5,691,519)	$ -
ARPA	(1,899,775)	-	1,899,775	-
Non-Major Funds	26,764,570	(5,691,519)	3,791,744	24,864,795

Change in Accounting Principle – Implementation of GASB Statement No. 101, *Compensated Absences*

During the year ended September 30, 2025, the City implemented GASB Statement No. 101, *Compensated Absences*. This statement updates the recognition and measurement guidance for compensated absences by requiring that liabilities for compensated absences be recognized for leave that has not been used if the leave is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid. The statement also requires that liabilities for compensated absences be recognized for leave that has been used but not yet paid and amends certain previously required disclosures. The restatements of beginning net position related to the implementation of GASB 101 are summarized below:

Government-Wide	Governmental Activities	Business-Type Activities
Beginning Net Position, September 30, 2024	$ 195,599,621	$ 3,333,715
Changes in Accounting Principles	285,314	1,190
Adjusted Beginning Net Position	$ 195,884,935	$ $3,334,905

Fund Level	Sanitation Fund	Non-Major Marina	Internal Service Fund - Garage
Beginning Net Position, September 30, 2024	$ 2,549,497	$ 784,218	$ 3,333,715
Changes in Accounting Principles	513	677	1,190
Adjusted Beginning Net Position	2,550,010	784,895	3,334,905

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,							
	2025	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**
Total OPEB Liability								
Service Cost	$ 12,406	$ 13,204	$ 8,760	$ 8,753	$ 28,293	$ 27,492	$ 86,745	$ 123,075
Interest	73,476	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	(53,810)	117,941	(26,343)	(554,625)	(11,498)	380,089	(613,988)	-
Benefit Payments - Implicit Rate Subsidy	(207,778)	(241,877)	(177,064)	(181,784)	(155,723)	(169,206)	(117,052)	(149,844)
Net Change in Total OPEB Liability	(175,706)	(44,389)	(108,573)	(616,302)	(81,214)	288,657	(775,508)	84,235
Total OPEB Liability - Beginning of Year	1,747,651	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	$ 1,571,945	$ 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	$ 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	8.56%	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	10/1/2023	10/1/2021	10/1/2021	10/1/2019	10/1/2019	10/1/2018	10/1/2017

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

Discount rates:	4.47%	3.97%	4.75%	4.59%	2.29%	2.26%	3.58%	3.64%

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

CITY OF NEW SMYRNA BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
POLICE OFFICERS' PENSION PLAN
SEPTEMBER 30, 2025
(UNAUDITED)

	Fiscal Year Ended September 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service Cost	$ 786,256	$ 665,450	$ 556,225	$ 556,886	$ 468,507	$ 442,060	$ 392,733	$ 411,234	$ 386,508	$ 334,447
Interest	2,234,715	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
Share Plan Allocation	139,876	112,301	83,268	73,460	78,366	144,371	139,003	118,915	85,276	70,816
Difference Between Actual and Expected Experience	13,801	1,171,455	(3,512)	(507,248)	723,796	513,348	(35,443)	441,756	95,140	(143,908)
Changes of Assumptions	293,411	-	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	(1,908,374)	(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)
Net Change in Total Pension Liability	1,559,685	2,142,948	1,647,236	1,140,490	1,187,270	896,711	483,759	915,629	284,546	864,848
Total Pension Liability - Beginning	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 Pension Liability - Ending (a)	$ 30,939,567	$ 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
Total Fiduciary Net Position										
Contributions - Employer	$ 1,238,974	$ 830,708	$ 924,510	$ 800,974	$ 698,765	$ 436,035	$ 761,530	$ 649,833	$ 420,771	$ 580,632
Contributions - State	479,751	424,602	366,537	313,314	279,195	266,833	261,466	241,378	207,739	193,279
Contributions - Employee	340,335	311,940	277,007	256,490	231,017	268,671	251,882	226,774	220,334	198,424
Contributions - Buy Back	-	-	-	-	-	-	-	-	10,011	-
Net Investment Income	2,757,580	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
Benefit Payments, Including Refunds of Contributions	(1,908,374)	(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)
Administrative Expense	(86,440)	(77,108)	(51,691)	(49,263)	(47,798)	(48,209)	(52,505)	(38,075)	(38,227)	(42,439)
Net Change in Plan Fiduciary Net Position	2,821,826	3,924,917	1,300,142	(3,430,705)	3,150,733	869,231	397,057	195,729	494,201	806,642
Plan Fiduciary Net Position - Beginning	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
Plan Fiduciary Net Position - Ending (b)	$ 26,695,345	$ 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
Net Pension Liability - Ending (a) - (b)	$ 4,244,222	$ 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
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.28%	81.26%	73.24%	72.87%	90.31%	81.37%	80.75%	80.72%	83.31%	82.07%
Covered Payroll	$ 4,254,187	$ 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
Net Pension Liability as a Percentage of Covered Payroll	99.77%	141.22%	210.49%	216.50%	84.15%	161.29%	170.95%	186.06%	158.82%	186.93%
Annual Money-Weighted Rate of Return	11.59%	21.91%	9.33%	-13.89%	20.58%	9.21%	4.81%	6.63%	9.43%	7.73%

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, 2025
(UNAUDITED)

	Fiscal Year Ended September 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service Cost	$ 654,005	$ 593,720	$ 509,897	$ 400,384	$ 422,326	$ 366,299	$ 290,009	$ 254,240	$ 269,679	$ 230,789
Interest	2,721,147	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
Share Plan Allocation	120,378	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	902,810	653,964	149,702	(701,611)	(18,882)	479,912	554,436	(214,976)	76,802	332,637
Changes of Assumptions	768,322	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	(2,245,669)	(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)
Net Change in Total Pension Liability	2,920,993	2,084,548	1,393,606	208,518	2,401,699	1,259,617	1,372,588	741,346	449,986	1,490,496
Total Pension Liability - Beginning	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 Pension Liability - Ending (a)	$ 39,194,392	$ 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
Total Fiduciary Net Position										
Contributions - Employer	$ 1,236,988	$ 741,726	$ 678,586	$ 568,221	$ 597,547	$ 714,681	$ 1,524,584	$ 1,275,075	$ 1,298,978	$ 1,406,792
Contributions - State	522,541	503,752	448,810	303,669	305,035	319,219	301,157	277,107	288,780	276,578
Contributions - Employee	403,694	351,627	335,934	296,669	283,908	279,875	256,832	227,693	217,961	208,955
Contributions - Buy Back	-	-	61,676	52,575	13,667	-	-	-	-	-
Net Investment Income	2,821,762	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
Benefit Payments, Including Refunds of Contributions	(2,245,669)	(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)
Administrative Expense	(80,717)	(78,693)	(78,537)	(89,017)	(59,837)	(50,220)	(38,059)	(34,738)	(35,437)	(31,293)
Net Change in Plan Fiduciary Net Position	2,658,599	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
Plan Fiduciary Net Position - Beginning	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
Plan Fiduciary Net Position - Ending (b)	$ 31,579,494	$ 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
Net Pension Liability - Ending (a) - (b)	$ 7,614,898	$ 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
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.57%	79.73%	73.10%	72.33%	89.32%	84.76%	82.56%	83.99%	79.26%	73.54%
Covered Payroll	$ 4,047,288	$ 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
Net Pension Liability as a Percentage of Covered Payroll	188.15%	209.10%	274.61%	305.83%	122.64%	164.37%	195.13%	193.69%	255.06%	336.51%
Annual Money-Weighted Rate of Return	9.93%	19.25%	9.13%	-15.57%	16.11%	8.92%	2.53%	8.71%	10.82%	6.62%

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, 2025
(UNAUDITED)

Fiscal Year	Actuarially Determined Contribution (ADC)	Contributions in Relation to ADC	Contribution Deficiency (Excess)	Covered Payroll	Contributions as Percentage of Employee Payroll
2025	$ 1,663,387	$ 1,578,849	$ 84,538	$ 4,254,187	37.11%
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%

See accompanying notes to required supplementary information.

CITY OF NEW SMYRNA BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
FIREFIGHTERS' PENSION PLAN
SEPTEMBER 30, 2025
(UNAUDITED)

Fiscal Year	Actuarially Determined Contribution (ADC)	Contributions in Relation to ADC	Contribution Deficiency (Excess)	Covered Payroll	Contributions as Percentage of Employee Payroll
2025	$ 1,639,151	$ 1,639,151	$ -	$ 4,047,288	40.50%
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%

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,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Florida Retirement System (FRS)										
Proportion of the Net Pension Liability	0.001196910%	0.002158912%	0.001573692%	0.002043552%	0.002655201%	0.003025701%	0.003192409%	0.003346022%	0.003402399%	0.003633797%
Proportionate Share of the Net Pension Liability	$ 371,463	$ 835,169	$ 627,066	$ 760,365	$ 200,570	$ 1,311,383	$ 1,099,421	$ 1,007,839	$ 1,006,407	$ 917,537
Covered Payroll	255,650	487,450	380,949	430,304	607,924	639,129	602,252	651,281	675,513	716,912
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	145.30%	171.33%	164.61%	176.70%	32.99%	205.18%	182.55%	154.75%	148.98%	127.98%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.26%	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%
Health Insurance Subsidy Program (HIS)										
Proportion of the Net Pension Liability	0.000572067%	0.001151450%	0.000961324%	0.001180504%	0.001716830%	0.001841124%	0.001800389%	0.002003954%	0.002119277%	0.002322375%
Proportionate Share of the Net Pension Liability	$ 73,324	$ 172,729	$ 152,671	$ 125,034	$ 210,595	$ 224,798	$ 201,445	$ 212,101	$ 226,504	$ 270,664
Covered Payroll	255,650	487,450	380,949	430,304	607,924	639,129	602,252	651,281	675,513	716,912
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	28.68%	35.44%	40.08%	29.06%	34.64%	35.17%	33.45%	32.57%	33.53%	37.75%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	6.36%	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%

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,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Florida Retirement System (FRS)										
Contractually Required Contribution	$ 62,874	$ 92,455	$ 107,568	$ 86,903	$ 100,748	$ 100,531	$ 98,988	$ 95,359	$ 87,304	$ 87,454
Contributions in Relation to the Contractually Required Contribution	62,874	92,455	107,568	86,903	100,748	100,531	98,988	95,359	87,304	87,454
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 213,700	$ 406,750	$ 460,143	$ 413,044	$ 583,457	$ 639,129	$ 602,252	$ 651,281	$ 675,513	$ 716,912
Contributions as a Percentage of Covered Payroll	29.42%	22.73%	23.38%	21.04%	17.27%	15.73%	16.44%	14.64%	12.92%	12.20%
Health Insurance Subsidy Program (HIS)										
Contractually Required Contribution	$ 4,274	$ 8,135	$ 8,253	$ 6,857	$ 9,685	$ 10,610	$ 9,997	$ 10,867	$ 10,784	$ 11,577
Contributions in Relation to the Contractually Required Contribution	4,274	8,135	8,253	6,857	9,685	10,610	9,997	10,867	10,784	11,577
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 213,700	$ 406,750	$ 460,143	$ 413,044	$ 583,457	$ 639,129	$ 602,252	$ 651,281	$ 675,513	$ 716,912
Contributions as a Percentage of Covered Payroll	2.00%	2.00%	1.79%	1.66%	1.66%	1.66%	1.66%	1.67%	1.60%	1.61%

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, 2025

	Police Officers' Penson Plan	Firefighters' Pension Plan
Valuation Date:	10/01/2023	10/01/2023
Methods and assumptions used to determine contribution rates:		
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:	New Unfunded Actuarial Accrued Liability (UAAL) amortization amounts are established according to the following amortization periods:	New UAAL amortization amounts are established according to the following amortization periods:
	Experience: 15 years Assumption/Method Changes: 15 years Benefit Changes: 15 years	Experience: 20 years Assumption/Method Changes: 20 years Benefit Changes: 20 years (Previously 30 years
	New UAAL amortization bases are amortized over 15 years. Bases established prior to the valuation date are adjusted proportionally to match the Expected Unfunded Actuarial Accrued Liability as of the valuation date, in order to align prior year bases with the portion of the current year UAAL associated with prior year sources.	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.
Actuarial Asset Method:	All assets are valued at fair value with an adjustment made to uniformly spread actuarial investment gains and losses (as measured by actual fair value investment return against expected fair 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 fair 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, 2025

	Police Officers' Penson Plan	Firefighters' Pension Plan
Salary Increases:	Service based.	Service based.
Retirement Age:	Activities: Upon reaching Normal Retirement age, as defined in the Summary of Current Plan, members are assumed to elect to retire at a rate of 25% in the first three years of eligibility and 100% thereafter. This assumption is based on results of an experience study dated January 10, 2024. Vested Terminated: deferred to their otherwise Normal Retirement Age.	Earlier of: 1) age 56 and 10 years of Credited Service, or 2) 25 years of Credited Service, regardless of age. This assumption was adopted base on an experience study dated June 23, 2022.
Cost of Living Adjustments:	Effective October 1, 2022, future retirees who retire under Normal Retirement will receive automatic annual 2.0% increases beginning on the October 1 following five years of receiving benefit payments.	Members who retire on or after October 1, 2019 under Normal Retirement or DROP shall be entitled to annual 2% Cost-of-Living 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).
Early Retirement:	Commencing at eligibility for Early Retirement, members are assumed to retire with an immediate benefit at the rate of 2.0% per year. This assumption is based on results of an experience study dated January 10, 2024.	Commencing with eligibility 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.
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.

CITY OF NEW SMYRNA BEACH, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
POLICE OFFICERS' AND FIREFIGHTERS' PENSION PLANS
SEPTEMBER 30, 2025

	Police Officers' Penson Plan	Firefighters' Pension Plan
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:

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.

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.

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

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

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.

75% (Police) and 90% (Fire) of active deaths are assumed to be service-incurred.

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, 2025

	Budgeted Amounts			Variance with Final Budget - Increase (Decrease)
	Original	Final	Actual	
Revenues				
Taxes	$ 40,107,919	$ 41,931,053	$ 42,063,440	$ 132,387
Licenses and Fees	302,434	398,571	372,397	(26,174)
Intergovernmental	3,666,380	3,992,293	4,521,514	529,221
Charges for Services	7,899,273	7,990,305	6,842,740	(1,147,565)
Fines and Forfeitures	758,432	576,257	563,445	(12,812)
Investment Income	1,420,000	754,565	621,012	(133,553)
Miscellaneous	1,130,441	449,557	348,799	(100,758)
Total Revenues	55,284,879	56,092,601	55,333,347	(759,254)
Expenditures				
Current:				
General Government:				
City Commission	325,592	407,006	394,316	12,690
City Manager	1,125,349	1,280,163	1,196,951	83,212
City Clerk	553,455	553,455	447,505	105,950
Business and Economic Development	682,903	593,479	382,640	210,839
Finance	1,304,924	1,324,103	1,122,197	201,906
Information Technology	1,584,624	1,574,424	1,502,284	72,140
Human Resources	878,577	917,502	781,918	135,584
City Attorney	705,309	741,511	715,618	25,893
Planning and Engineering	1,683,957	1,670,402	1,517,616	152,786
Non-Departmental	3,029,563	9,697,796	4,979,188	4,718,608
Total General Government	11,874,253	18,759,841	13,040,233	5,719,608
Public Safety:				
Police	12,423,194	12,226,421	10,881,295	1,345,126
Fire Safety	9,713,189	9,593,383	8,406,111	1,187,272
Fire Transport	1,793,030	2,510,954	1,179,104	1,331,850
Emergency Operations Center	49,447	49,447	22,053	27,394
Total Public Safety	23,978,860	24,380,205	20,488,563	3,891,642
Maintenance Operations:				
Maintenance Operations Administration	497,994	597,783	542,621	55,162
Streets	2,796,053	2,796,053	1,918,288	877,765
Parking	-	162,000	-	162,000
Parks	2,379,453	2,379,453	2,103,362	276,091
Building Maintenance	583,403	594,398	548,669	45,729
Total Maintenance Operations	6,256,903	6,529,687	5,112,940	1,416,747
Leisure Services:				
Leisure Services/Recreation	1,940,514	2,014,319	1,922,902	91,417
Sports Complex	1,413,993	1,403,032	1,366,277	36,755
Brannon Civic Center	642,427	661,741	711,581	(49,840)
Golf Course	2,356,123	1,947,476	1,720,880	226,596
Total Leisure Services	6,353,057	6,026,568	5,721,640	304,928
Capital Outlay	2,513,300	3,640,159	3,466,506	173,653
Debt Service:				
Principal	-	358,116	604,206	(246,090)
Interest and Fiscal Charges	6,498	35,277	52,941	(17,664)
Total Expenditures	50,982,871	59,729,853	48,487,029	11,242,824
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,302,008	(3,637,252)	6,846,318	10,483,570
Other Financing Sources (Uses)				
Transfers In	620,150	4,879,680	4,879,680	-
Transfers Out	(5,234,158)	(4,505,989)	(4,505,989)	-
Insurance Recoveries	-	103,954	872,728	768,774
Sale of Capital Assets	-	79,623	79,623	-
Financed Purchase Proceeds	-	374,840	238,215	(136,625)
SBITAs	-	-	257,562	257,562
Total Other Financing Sources (Uses)	(4,614,008)	932,108	1,821,819	889,711
Net Change in Fund Balances	(312,000)	(2,705,144)	8,668,137	11,373,281
Fund Balances, Beginning of Year	312,000	19,086,343	21,220,367	2,134,024
Fund Balances, End of Year	$ -	$ 16,381,199	$ 29,888,504	$ 13,507,305

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, 2025

	Budgeted Amounts			Variance with Final Budget - Increase (Decrease)
	Original	Final	Actual	
Revenues				
Intergovernmental	$ 837,500	$ 4,563,267	$ 1,261,445	$ (3,301,822)
Charges for Services	3,000,000	2,992,299	2,992,300	1
Investment Income	-	359,283	359,550	267
Miscellaneous Revenues	-	489,513	-	(489,513)
Total Revenues	3,837,500	8,404,362	4,613,295	(3,791,067)
Expenditures				
Current:				
Physical Environment	1,979,553	4,422,389	2,791,980	1,630,409
Capital Outlay	1,140,000	6,604,602	1,081,546	5,523,056
Total Expenditures	3,119,553	11,026,991	3,873,526	7,153,465
Excess (Deficiency) of Revenues Over (Under) Expenditures	717,947	(2,622,629)	739,769	3,362,398
Other Financing Sources (Uses)				
Transfers In	-	2,484,162	2,484,162	-
Transfers Out	(11,179,019)	(5,440,552)	(5,440,552)	-
Total Other Financing Sources (Uses)	(11,179,019)	(2,956,390)	(2,956,390)	-
Net Change in Fund Balances	(10,461,072)	(5,579,019)	(2,216,621)	3,362,398
Fund Balances, Beginning of Year	10,461,072	5,579,019	9,630,141	4,051,122
Fund Balances, End of Year	$ -	$ -	$ 7,413,520	$ 7,413,520

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, 2025

	Budgeted Amounts			Variance with Final Budget - Increase (Decrease)
	Original	Final	Actual	
Revenues				
Intergovernmental	$ 7,453,800	$ 8,429,846	$ 5,335,560	$ (3,094,286)
Charges for Services	2,402,000	1,938,893	1,766,946	(171,947)
Investment Income	-	41,827	267,527	225,700
Miscellaneous	1,847,931	1,847,931	1,798,888	(49,043)
Total Revenues	11,703,731	12,258,497	9,168,921	(3,089,576)
Expenditures				
Current:				
Transportation	3,699,928	3,414,732	4,041,520	(626,788)
Capital Outlay	8,020,000	9,506,011	5,147,548	4,358,463
Total Expenditures	11,719,928	12,920,743	9,189,068	3,731,675
Excess (Deficiency) of Revenues Over (Under) Expenditures	(16,197)	(662,246)	(20,147)	642,099
Other Financing Sources (Uses)				
Insurance Proceeds	-	-	311,143	311,143
Sale of Capital Assets	-	-	4,733	4,733
Total Other Financing Sources (Uses)	-	-	315,876	315,876
Net Change in Fund Balances	(16,197)	(662,246)	295,729	957,975
Fund Balances, Beginning of Year	1,879,376	1,879,376	1,862,651	(16,725)
Fund Balances, End of Year	$ 1,863,179	$ 1,217,130	$ 2,158,380	$ 941,250

CITY OF NEW SMYRNA BEACH, FLORIDA
NOTE TO REQUIRED SUPPLEMENTARY BUDGET INFORMATION
SCHEDULES OR REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SEPTEMBER 30, 2025

(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. Budgetary control is maintained at the fund level based on the City's financial reporting requirements. After final adoption of the original budget, the City Manager is authorized to approve budget transfers within the same financial reporting fund. Budget amendments between two or more financial reporting funds, or amendments that modify a fund's total budgeted amount, are approved from time to time during the fiscal year by resolution of the City Commission. 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, 2025

	Special Revenue Funds								Capital Project Funds					
	Special Law Enforcement Trust Fund	Building Inspections Fund	Parking Fund	Community Redevelopment Agency, 2015	Tree Fund	ARPA Fund	Total	Debt Service Fund	Law Enforcement Impact Fee Fund	Fire and Emergency Service Impact Fee Fund	Parks and Recreation Impact Fee Fund	Transportation Impact Fee Fund	Total	Total Non-Major Governmental Funds
Assets														
Equity in Pooled Cash and Cash Equivalents	$ 234,455	$ 1,012,351	$ 4,672,364	$ 8,196,365	$ 120,304	$ 652,397	$ 14,888,236	$ 960,586	$ 1,361,934	$ 1,309,668	$ 2,498,453	$ 6,318,210	$ 11,488,265	$ 27,337,087
Receivables, Net	-	-	3,265	-	-	-	3,265	1,022	-	-	-	-	-	4,287
Total Assets	$ 234,455	$ 1,012,351	$ 4,675,629	$ 8,196,365	$ 120,304	$ 652,397	$ 14,891,501	$ 961,608	$ 1,361,934	$ 1,309,668	$ 2,498,453	$ 6,318,210	$ 11,488,265	$ 27,341,374
Liabilities														
Accounts Payable and Accrued Liabilities	$ -	$ 74,145	$ 27,324	$ 16,382	$ -	$ -	$ 117,851	$ -	$ 10,491	$ 41,139	$ 13,221	$ 1,752	$ 66,603	$ 184,454
Unearned Revenue	-	-	-	-	-	1,294,495	1,294,495	-	-	-	-	-	-	1,294,495
Total Liabilities	-	74,145	27,324	16,382	-	1,294,495	1,412,346	-	10,491	41,139	13,221	1,752	66,603	1,478,949
Deferred Inflows of Resources														
Unavailable Revenue - Taxes	-	-	-	-	-	-	-	1,022	-	-	-	-	-	1,022
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	1,022	-	-	-	-	-	1,022
Fund Balances														
Restricted for:														
Public Safety	234,455	938,206	-	-	-	-	1,172,661	-	-	-	-	-	-	1,172,661
Debt Service	-	-	-	-	-	-	-	960,586		-	-	-	-	960,586
Capital Projects	-	-	-	-	-	-	-	-	1,351,443	1,268,529	2,485,232	6,316,458	11,421,662	11,421,662
Tree Replacement	-	-	-	-	120,304	-	120,304	-	-	-	-	-	-	120,304
Community Development	-	-	-	8,179,983	-	-	8,179,983	-	-	-	-	-	-	8,179,983
Committed to:							-							
Parking	-	-	4,648,305	-	-	-	4,648,305	-	-	-	-	-	-	4,648,305
Unassigned	-	-	-	-	-	(642,098)	(642,098)	-	-	-	-	-	-	(642,098)
Total Fund Balances	234,455	938,206	4,648,305	8,179,983	120,304	(642,098)	13,479,155	960,586	1,351,443	1,268,529	2,485,232	6,316,458	11,421,662	25,861,403
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 234,455	$ 1,012,351	$ 4,675,629	$ 8,196,365	$ 120,304	$ 652,397	$ 14,891,501	$ 961,608	$ 1,361,934	$ 1,309,668	$ 2,498,453	$ 6,318,210	$ 11,488,265	$ 27,341,374

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, 2025

	Special Revenue Funds								Capital Project Funds					
	Special Law Enforcement Trust Fund	Building Inspections Fund	Parking Fund	Community Redevelopment Agency, 2015	Tree Fund	ARPA Fund	Total	Debt Service Fund	Law Enforcement Impact Fee Fund	Fire and Emergency Service Impact Fee Fund	Parks and Recreation Impact Fee Fund	Transportation Impact Fee Fund	Total	Total Non-Major Governmental Funds
Revenues														
Taxes	$ -	$ -	$ -	$ 2,503,449	$ -	$ -	$ 2,503,449	$ 608,373	$ -	$ -	$ -	$ -	$ -	$ 3,111,822
Licenses and Fees	-	3,011,901	-	-	-	-	3,011,901	-	151,686	190,072	538,650	559,058	1,439,466	4,451,367
Intergovernmental	-	-	-	-	-	1,438,252	1,438,252		-	-	-	-	-	1,438,252
Charges for Services	-	-	1,401,652	-	-	-	1,401,652	-	-	-	-	-	-	1,401,652
Fines and Forfeitures	9,381	1,350	-	-	-	-	10,731	-	-	-	-	-	-	10,731
Investment Income	7,370	42,527	112,453	224,060	-	-	386,410	124,247	44,138	52,746	64,853	158,268	320,005	830,662
Miscellaneous	-	8,001	283	-	-	25,827	34,111	-	-	-	-	-	-	34,111
Total Revenues	16,751	3,063,779	1,514,388	2,727,509	-	1,464,079	8,786,506	732,620	195,824	242,818	603,503	717,326	1,759,471	11,278,597
Expenditures														
Current:														
Public Safety	3,837	3,946,717	-	-	-	-	3,950,554	-	37,123	11,140	-	-	48,263	3,998,817
Economic Environment	-	-	-	511,325	-	-	511,325	-	-	-	-	-	-	511,325
Culture and Recreation	-	-	-	-	-	-	-	-		-	14,887		14,887	14,887
Transportation	-	-	1,344,401	-	-	-	1,344,401	-	-	-	-	10,253	10,253	1,354,654
Capital Outlay	-	-	-	32,631	-	-	32,631	-	363,567	615,138	-	-	978,705	1,011,336
Debt Service:														
Principal Retirement	-	-	-	-	-	-	-	6,225,021	-	-	-	-	-	6,225,021
Interest and Fiscal Charges	-	-	-	-	-	-	-	994,153	-	-	-	-	-	994,153
Total Expenditures	3,837	3,946,717	1,344,401	543,956	-	-	5,838,911	7,219,174	400,690	626,278	14,887	10,253	1,052,108	14,110,193
Excess (Deficiency) of Revenues Over (Under) Expenditures	12,914	(882,938)	169,987	2,183,553	-	1,464,079	2,947,595	(6,486,554)	(204,866)	(383,460)	588,616	707,073	707,363	(2,831,596)
Other Financing Sources (Uses)														
Transfers In	-	380,050	817,637	-	120,304	-	1,317,991	1,755,621	-	-	-	983,366	983,366	4,056,978
Transfers Out	-	-	-	-	-	(206,402)	(206,402)	-	(23,149)	-	-	-	(23,149)	(229,551)
Sale of Capital Assets	-	777	-	-	-	-	777	-	-	-	-	-	-	777
Total Other Financing Sources (Uses)	-	380,827	817,637	-	120,304	(206,402)	1,112,366	1,755,621	(23,149)	-	-	983,366	960,217	3,828,204
Net Change in Fund Balances	12,914	(502,111)	987,624	2,183,553	120,304	1,257,677	4,059,961	(4,730,933)	(228,015)	(383,460)	588,616	1,690,439	1,667,580	996,608
Fund Balances, Beginning 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
Error Correction (See Note 18)	-	-	-	-	-	-	-	(5,691,519)	-	-	-	-	-	(5,691,519)
Change Within Financial Reporting Entity (See Note 18)	-	-	-	-	-	(1,899,775)	(1,899,775)	5,691,519	-	-	-	-	-	3,791,744
Fund Balances, Beginning of Year, Adjusted	221,541	1,440,317	3,660,681	5,996,430	-	(1,899,775)	9,419,194	5,691,519	1,579,458	1,651,989	1,896,616	4,626,019	9,754,082	24,864,795
Fund Balances, End of Year	$ 234,455	$ 938,206	$ 4,648,305	$ 8,179,983	$ 120,304	$ (642,098)	$ 13,479,155	$ 960,586	$ 1,351,443	$ 1,268,529	$ 2,485,232	$ 6,316,458	$ 11,421,662	$ 25,861,403

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, 2025

	Budgeted Amounts			Variance with Final Budget - Increase (Decrease)
	Original	Final	Actual	
Revenues				
Fines and Forfeitures	$ -	$ 9,382	$ 9,381	$ (1)
Investment Income	-	7,370	7,370	-
Total Revenues	-	16,752	16,751	(1)
Expenditures				
Public Safety:				
Other	-	3,837	3,837	-
Total Public Safety	-	3,837	3,837	-
Total Expenditures	-	3,837	3,837	-
Net Change in Fund Balances	-	12,915	12,914	(1)
Fund Balances, Beginning of Year	-	221,541	221,541	-
Fund Balances, End of Year	$ -	$ 234,456	$ 234,455	$ (1)

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, 2025

	Budgeted Amounts			Variance with Final Budget - Increase (Decrease)
	Original	Final	Actual	
Revenues				
Licenses and Fees	$ 3,549,288	$ 3,003,094	$ 3,011,901	$ 8,807
Fines and Forefitrues	1,950	1,950	1,350	(600)
Investment Income	-	40,000	42,527	2,527
Miscellaneous	20,000	7,988	8,001	13
Total Revenues	3,571,238	3,053,032	3,063,779	10,747
Expenditures				
Public Safety:				
Code Enforcement	5,282,209	4,392,089	3,946,717	445,372
Total Public Safety	5,282,209	4,392,089	3,946,717	445,372
Capital Outlay	9,135	11,310	-	11,310
Total Expenditures	5,291,344	4,403,399	3,946,717	456,682
Excess (Deficiency) of Revenues Over Under Expenditures	(1,720,106)	(1,350,367)	(882,938)	467,429
Other Financing Sources (Uses)				
Transfer In	-	380,050	380,050	-
Sale of Capital Assets	-	-	777	777
Total Other Financing Sources (Uses)	-	380,050	380,827	777
Net Change in Fund Balances	(1,720,106)	(970,317)	(502,111)	468,206
Fund Balances, Beginning of Year	1,720,106	970,317	1,440,317	470,000
Fund Balances, End of Year	$ -	$ -	$ 938,206	$ 938,206

CITY OF NEW SMYRNA BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - PARKING FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with Final Budget - Increase (Decrease)
	Original	Final	Actual	
Revenues				
Charges for Services	$ 1,653,227	$ 1,401,652	$ 1,401,652	$ -
Investment Income	-	111,900	112,453	553
Miscellaneous Revenues	-	-	283	283
Total Revenues	1,653,227	1,513,552	1,514,388	836
Expenditures				
Current:				
Transportation	1,160,558	1,427,343	1,344,401	82,942
Capital Outlay	-	3,715	-	3,715
Total Expenditures	1,160,558	1,431,058	1,344,401	86,657
Excess of Revenues				
Over Expenditures	492,669	82,494	169,987	87,493
Other Financing Sources (Uses)				
Debt Issuance	-	4,560,810	-	(4,560,810)
Transfer In	-	817,637	817,637	-
Transfers Out	(4,113,965)	-	-	-
Total Other Financing Sources (Uses)	(4,113,965)	5,378,447	817,637	(4,560,810)
Net Change in Fund Balances	(3,621,296)	5,460,941	987,624	(4,473,317)
Fund Balances, Beginning of Year	3,621,296	3,660,679	3,660,681	2
Fund Balances, End of Year	$ -	$ 9,121,620	$ 4,648,305	$ (4,473,315)

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, 2025

	Budgeted Amounts			Variance with Final Budget - Increase (Decrease)
	Original	Final	Actual	
Revenues				
Taxes	$ 3,420,808	$ 2,503,449	$ 2,503,449	$ -
Investment Income	-	111,000	224,060	113,060
Miscellaneous Revenue	-	-	-	-
Total Revenues	3,420,808	2,614,449	2,727,509	113,060
Expenditures				
Current:				
Economic Development	4,060,000	3,506,073	511,325	2,994,748
Capital Outlay	-	5,104,806	32,631	5,072,175
Total Expenditures	4,060,000	8,610,879	543,956	8,066,923
Net Change in Fund Balances	(639,192)	(5,996,430)	2,183,553	8,179,983
Fund Balances, Beginning of Year	639,192	5,996,430	5,996,430	-
Fund Balances, End of Year	$ -	$ -	$ 8,179,983	$ 8,179,983

CITY OF NEW SMYRNA BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - TREE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with Final Budget - Increase (Decrease)
	Original	Final	Actual	
Other Financing Sources (Uses)				
Transfers In	$ -	$ -	$ 120,304	$ 120,304
Total Other Financing Sources (Uses)	-	-	120,304	120,304
Net Change in Fund Balances	-	-	120,304	120,304
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of Year	$ -	$ -	$ 120,304	$ 120,304

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, 2025

	Budgeted Amounts			Variance with Final Budget - Increase (Decrease)
	Original	Final	Actual	
Revenues				
Intergovernmental	$ -	$ -	$ 1,438,252	$ 1,438,252
Investment Income	-	25,827	25,827	-
Total Revenues	-	25,827	1,464,079	1,438,252
Expenditures				
General Government		652,397	-	652,397
Total Expenditures	-	652,397	-	652,397
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(626,570)	1,464,079	2,090,649
Other Financing Sources (Uses)				
Transfers Out	-	(206,402)	(206,402)	-
Total Other Financing Sources (Uses)	-	(206,402)	(206,402)	-
Net Change in Fund Balances	-	(832,972)	1,257,677	2,090,649
Fund Balances, Beginning of Year	-	(2,470,143)	(1,899,775)	570,368
Fund Balances, End of Year	$ -	$ (3,303,115)	$ (642,098)	$ 2,661,017

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, 2025

	Budgeted Amounts			Variance with Final Budget - Increase (Decrease)
	Original	Final	Actual	
Revenues				
Taxes	$ 610,137	$ 610,637	$ 608,373	$ (2,264)
Investment Income	-	1,460	124,247	122,787
Total Revenues	610,137	612,097	732,620	120,523
Expenditures				
Debt Service:				
Principal	1,869,735	6,225,122	6,225,021	101
Interest and Fiscal Charges	1,444,425	1,793,938	994,153	799,785
Total Expenditures	3,314,160	8,019,060	7,219,174	799,886
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,704,023)	(7,406,963)	(6,486,554)	920,409
Other Financing Sources (Uses)				
Transfers In	2,704,023	1,755,621	1,755,621	-
Transfers Out	(2,703,325)	-	-	-
Line of Credit Proceeds	2,703,325	-	-	-
Total Other Financing Sources (Uses)	2,704,023	1,755,621	1,755,621	-
Net Change in Fund Balances	-	(5,651,342)	(4,730,933)	920,409
Fund Balances, Beginning of Year	-	5,651,342	5,691,519	40,177
Fund Balances, End of Year	$ -	$ -	$ 960,586	$ 960,586

CITY OF NEW SMYRNA BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - LAW ENFORCEMENT IMPACT FEE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with Final Budget - Increase (Decrease)
	Original	Final	Actual	
Revenues				
Licenses and Fees	$ -	$ 151,686	$ 151,686	$ -
Investment Income	-	44,086	44,138	52
Total Revenues	-	195,772	195,824	52
Expenditures				
Current:				
Public Safety				
Law Enforcement	-	30,000	37,123	(7,123)
Total Public Safety	-	30,000	37,123	(7,123)
Capital Outlay	200,000	633,695	363,567	270,128
Total Expenditures	200,000	663,695	400,690	263,005
Excess (Deficiency) of Revenues Over (Under) Expenditures	(200,000)	(467,923)	(204,866)	263,057
Other Financing Sources (Uses)				
Transfers Out	(250,000)	(37,405)	(23,149)	14,256
Total Other Financing Sources (Uses)	(250,000)	(37,405)	(23,149)	14,256
Net Change in Fund Balances	(450,000)	(505,328)	(228,015)	277,313
Fund Balances, Beginning of Year	450,000	1,579,457	1,579,458	1
Fund Balances, End of Year	$ -	$ 1,074,129	$ 1,351,443	$ 277,314

CITY OF NEW SMYRNA BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - FIRE AND EMERGENCY SERVICES IMPACT FEE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with Final Budget - Increase (Decrease)
	Original	Final	Actual	
Revenues				
Licenses and Fees	$ -	$ 190,072	$ 190,072	$ -
Investment Income	-	52,714	52,746	32
Total Revenues	-	242,786	242,818	32
Expenditures				
Public Safety	-	82,208	11,140	71,068
Capital Outlay	480,000	1,091,056	615,138	475,918
Total Expenditures	480,000	1,173,264	626,278	546,986
Net Change in Fund Balances	(480,000)	(930,478)	(383,460)	547,018
Fund Balances, Beginning of Year	480,000	1,651,989	1,651,989	-
Fund Balances, End of Year	$ -	$ 721,511	$ 1,268,529	$ 547,018

CITY OF NEW SMYRNA BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - PARKS AND RECREATION IMPACT FEE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with Final Budget - Increase (Decrease)
	Original	Final	Actual	
Revenues				
Licenses and Fees	$ -	$ 538,650	$ 538,650	$ -
Investment Income	-	64,852	64,853	1
Total Revenues	-	603,502	603,503	1
Expenditures				
Culture and Recreation	-	35,766	14,887	20,879
Capital Outlay	-	18,750	-	18,750
Total Expenditures	-	54,516	14,887	39,629
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	548,986	588,616	39,630
Other Financing Sources (Uses)				
Transfers Out	-	(614,166)	-	614,166
Total Other Financing Sources (Uses)	-	(614,166)	-	614,166
Net Change in Fund Balances	-	(65,180)	588,616	653,796
Fund Balances, Beginning of Year	-	1,896,616	1,896,616	-
Fund Balances, End of Year	$ -	$ 1,831,436	$ 2,485,232	$ 653,796

CITY OF NEW SMYRNA BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - TRANSPORTATION IMPACT FEE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with Final Budget - Increase (Decrease)
	Original	Final	Actual	
Revenues				
Licenses and Fees	$ -	$ 559,059	$ 559,058	$ (1)
Investment Income	-	158,267	158,268	1
Total Revenues	-	717,326	717,326	-
Expenditures				
Current:				
Transportation	-	10,300	10,253	47
Capital Outlay	-	80,000	-	80,000
Total Expenditures	-	90,300	10,253	80,047
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	627,026	707,073	80,047
Other Financing Sources (Uses)				
Transfers Out	-	983,366	983,366	-
Total Other Financing Sources (Uses)	-	983,366	983,366	-
Net Change in Fund Balances	-	1,610,392	1,690,439	80,047
Fund Balances, Beginning of Year	-	4,626,018	4,626,019	1
Fund Balances, End of Year	$ -	$ 6,236,410	$ 6,316,458	$ 80,048

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, 2025

	Budgeted Amounts			Variance with Final Budget - Increase (Decrease)
	Original	Final	Actual	
Revenues				
Taxes	$ 383,420	$ 383,420	$ 408,975	$ 25,555
Intergovernmental	197,082	7,568,729	1,246,493	(6,322,236)
Investment Income	-	654,810	648,892	(5,918)
Miscellaneous Revenues	-	15,000	14,999	(1)
Total Revenues	580,502	8,621,959	2,319,359	(6,302,600)
Expenditures				
Current:				
General Government	1,200,000	2,603,655	394,498	2,209,157
Public Safety	-	74,810	42,550	32,260
Transportation	-	2,147,183	3,550,779	(1,403,596)
Physical Environment	-	-	5,174	(5,174)
Economic Environment	-	972,210	-	972,210
Culture and Recreation	-	755,885	380,932	374,953
Debt Service:				
Principal	-	2,946,158	-	2,946,158
Capital Outlay	19,536,796	17,040,444	5,562,930	11,477,514
Total Expenditures	20,736,796	26,540,345	9,936,863	16,603,482
Excess (Deficiency) of Revenues Over (Under) Expenditures	(20,156,294)	(17,918,386)	(7,617,504)	10,300,882
Other Financing Sources (Uses)				
Transfers In	20,156,294	3,534,055	2,905,633	(628,422)
Transfers (Out)	-	(4,150,361)	(4,150,361)	-
Total Other Financing Sources (Uses)	20,156,294	(616,306)	(1,244,728)	(628,422)
Net Change in Fund Balances	-	(18,534,692)	(8,862,232)	9,672,460
Fund Balances, Beginning of Year	20,322,174	20,311,116	20,311,117	1
Fund Balances, End of Year	$ 20,322,174	$ 1,776,424	$ 11,448,885	$ 9,672,461

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 ENDING SEPTEMBER 30, 2025

	Fiscal Year Ending September 30,									
	2025	**2024***	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Governmental Activities:										
Net Investment in Capital Assets	$ 152,977,729	$ 140,924,074	$ 130,303,910	$ 124,678,831	$ 119,761,321	$ 113,500,350	$ 105,714,465	$ 100,614,187	$ 94,927,137	$ 94,386,725
Restricted	31,683,159	37,349,603	23,856,060	13,165,440	15,619,632	16,633,724	15,743,617	14,686,532	9,520,265	7,084,902
Unrestricted	27,671,380	17,611,258	20,867,355	28,785,007	11,109,585	7,941,028	5,916,141	4,049,396	3,993,543	3,832,295
Total Governmental Activities Net Position	$ 212,332,268	$ 195,884,935	$ 175,027,325	$ 166,629,278	$ 146,490,538	$ 138,075,102	$ 127,374,223	$ 119,350,115	$ 108,440,945	$ 105,303,922
Business-Type Activities:										
Net Investment in Capital Assets	$ 885,753	$ 477,741	$ 311,849	$ 325,788	$ 261,289	$ 249,352	$ 1,022,641	$ 1,064,128	$ 610,651	$ 551,501
Unrestricted	3,506,689	2,857,164	2,192,073	1,617,664	1,636,845	1,791,729	145,975	(30,837)	(271,645)	(338,008)
Total Business-Type Activities Net Position	$ 4,392,442	$ 3,334,905	$ 2,503,922	$ 1,943,452	$ 1,898,134	$ 2,041,081	$ 1,168,616	$ 1,033,291	$ 339,006	$ 213,493
Primary Government:										
Net Investment in Capital Assets	$ 153,863,482	$ 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
Restricted	31,683,159	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
Unrestricted	31,178,069	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
Total Primary Government Net Position	$ 216,724,710	$ 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

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.

* Revised for the implementation of GASB 101 and classification corrections.

TABLE 2

CITY OF NEW SMYRNA BEACH, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
YEAR ENDING SEPTEMBER 30, 2025

	Fiscal Year Ending September 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Expenses:										
Governmental Activities:										
General Government	$ 14,147,137	$ 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
Public Safety	24,872,802	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
Transportation	12,970,859	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
Economic Environment	2,982,599	2,236,831	770,466	1,183,635	965,388	796,074	898,328	1,067,964	1,113,714	1,531,277
Physical Environment	1,537,410	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
Culture/Recreation	9,587,541	8,659,358	7,921,978	6,830,823	6,462,377	6,351,948	5,051,113	4,554,202	4,543,918	3,973,175
Intragovernmental Services	-	-	490,924	400,849	438,633	474,163	693,001	724,766	696,938	660,808
Interest on Long-Term Debt	1,047,094	1,049,565	904,904	758,648	845,918	919,793	772,474	733,514	702,554	719,346
Total Governmental Activities Expenses	67,145,442	55,934,159	54,941,796	46,079,501	39,723,252	38,136,491	36,045,157	33,394,585	33,099,995	27,392,216
Business-Type Activities:										
Sanitation	9,095,614	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
Golf Course	-	-	-	-	-	-	1,353,870	1,276,874	1,238,918	1,113,639
Marina	307,632	358,695	373,528	333,928	393,535	274,138	253,798	248,544	207,740	239,592
Total Business-Type Activities Expenses	9,403,246	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
Total Primary Government Expenses	76,548,688	64,967,961	63,611,144	54,107,890	47,673,979	45,322,379	43,878,550	40,683,690	40,123,931	34,147,642
Program Revenues:										
Governmental Activities:										
Charges for Services:										
General Government	1,298,880	1,231,971	927,755	715,355	754,997	877,187	1,164,366	2,032,127	955,559	948,150
Public Safety	4,858,299	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
Transportation	3,280,112	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
Physical Environment	2,992,300	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
Culture/Recreation	4,137,668	3,606,217	2,517,977	2,350,294	2,215,720	1,725,929	656,293	336,107	215,704	239,690
Operating Grants and Contributions	4,851,459	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
Capital Grants and Contributions	9,993,412	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
Total Governmental Activities Program Revenues	31,412,130	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
Business-Type Activities:										
Charges for Services:										
Sanitation	9,983,738	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
Golf Course	-	-	-	-	-	-	1,186,622	1,140,256	1,063,810	666,897
Marina	343,727	334,695	340,542	345,381	321,633	278,202	300,833	303,216	293,139	313,199
Operating Grants and Contributions	-	-	-	32,316	2,103	14,950	-	-	-	-
Total Business-Type Activities Program Revenues	10,327,465	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
Total Primary Government Program Revenues	41,739,595	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

TABLE 2

CITY OF NEW SMYRNA BEACH, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
YEAR ENDING SEPTEMBER 30, 2025
(Concluded)

	Fiscal Year Ending September 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Net (Expense)/Revenue:										
Governmental Activities	$ (35,733,312)	$ (25,021,489)	$ (32,175,811)	$ (13,585,528)	$ (21,944,619)	$ (15,923,071)	$ (18,911,655)	$ (11,276,874)	$ (18,409,350)	$ (12,936,827)
Business-Type Activities	924,219	717,620	518,697	40,166	(146,474)	110,166	216,232	492,923	(111,959)	(345,289)
Total Primary Government Net Expense	(34,809,093)	(24,303,869)	(31,657,114)	(13,545,362)	(22,091,093)	(15,812,905)	(18,695,423)	(10,783,951)	(18,521,309)	(13,282,116)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Taxes:										
Property Taxes	33,058,532	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	897,570	916,634	852,262	869,959	723,240	662,574	670,696	673,638	660,246	670,788
Public Service Taxes	4,946,759	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	2,070,401	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	2,143,709	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	2,753,462	2,190,683	323,120	94,517	227,801	515,882	261,110	127,857	77,659	78,273
Required Payment from Component Unit	4,619,495	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	1,605,584	63,918	57,428	85,165	82,124	35,371	227,937	186,664	414,872	621,401
Gain on Sale of Capital Assets	85,133	-	316,705	-	-	-	31,106	23,787	-	252,459
Transfers	-	-	-	-	-	97,566	(254,301)	(206,302)	(369,037)	526,581
Total Governmental Activities	52,180,645	40,573,858	33,724,278	30,389,805	27,946,750	27,092,930	23,614,481	21,546,373	20,802,293	22,367,868
Business-Type Activities										
Investment Earnings	79,040	41,773	5,152	3,527	15,258	17,102	7,153	3,178	1,867	1,637
Miscellaneous Revenue	54,278	-	-	-	-	-	27,215	27,992	8,205	1,474
Transfers	-	-	-	-	-	(97,566)	254,301	206,302	369,037	(526,581)
Total Business-Type Activities	133,318	41,773	5,152	3,527	15,258	(80,464)	288,669	237,472	379,109	(523,470)
Total Primary Government	52,313,963	40,615,631	33,729,430	30,393,332	27,962,008	27,012,466	23,903,150	21,783,845	21,181,402	21,844,398
Changes in Net Position:										
Governmental Activities	16,447,333	15,552,369	1,548,467	16,804,277	6,002,131	11,169,859	4,702,826	10,269,499	2,392,943	9,431,041
Business-Type Activities	1,057,537	759,393	523,849	43,693	(131,216)	29,702	504,901	730,395	267,150	(868,759)
Total Primary Government	$ 17,504,870	$ 16,311,762	$ 2,072,316	$ 16,847,970	$ 5,870,915	$ 11,199,561	$ 5,207,727	$ 10,999,894	$ 2,660,093	$ 8,562,282

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

TABLE 3

CITY OF NEW SMYRNA BEACH, FLORIDA
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
YEAR ENDING SEPTEMBER 30, 2025

	Fiscal Year Ending September 30,									
	2025	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
General Fund:										
Non-Spendable	$ 80,223	$ 858,110	$ 464,515	$ 470,476	$ 131,160	$ 246,115	$ 875,609	$ 1,311,501	$ 1,250,734	$ 3,216,342
Spendable:										
Restricted	-	120,304	123,740	123,740	123,740	123,740	115,442	66,816	60,816	55,435
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	9,325,444	1,959,783	6,626,117	5,315,772	739,515	329,935	2,537,599	1,541,499	1,486,371	509,099
Unassigned	20,482,837	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
Total General Fund	$ 29,888,504	$ 21,220,367	$ 17,941,227	$ 16,300,944	$ 14,196,544	$ 10,003,296	$ 10,292,526	$ 8,768,457	$ 8,259,320	$ 12,281,752
All Other Governmental Funds:										
Non-Spendable	47,051	345,754	110,052	124,360	61,091	37,586	32,606	61,643	52,341	31,118
Spendable:										
Restricted	35,356,459	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
Committed	4,648,305	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
Assigned	7,472,471	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
Unassigned	(642,098)	(1,899,775)	(2,470,143)	-	-	-	-	-	28,357	(22,173)
Total All Other Governmental Funds	$ 46,882,188	$ 56,668,704	$ 50,878,876	$ 47,975,422	$ 30,161,228	$ 33,135,984	$ 27,004,420	$ 23,532,998	$ 22,784,529	$ 13,924,798

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

TABLE 4

CITY OF NEW SMYRNA BEACH, FLORIDA
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
YEAR ENDING SEPTEMBER 30, 2025

	Fiscal Year Ending September 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenue:										
Taxes	$ 45,584,237	$ 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
Licenses and Fees	4,823,764	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
Intergovernmental	13,803,264	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
Charges for Services	13,003,638	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
Fines and Forfeitures	574,176	861,135	602,609	735,337	818,551	472,964	249,600	179,147	148,300	235,672
Investment Earnings	2,727,643	3,340,213	2,179,725	323,120	94,347	214,881	499,640	261,111	127,855	77,659
Other Revenues	2,196,797	1,886,466	505,599	407,945	431,700	430,235	473,843	473,190	485,394	3,321,206
Total Revenue	82,713,519	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
Expenditures:										
General Government	14,058,220	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
Public Safety	24,277,666	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
Transportation	10,952,392	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
Economic Environment	893,965	817,664	61,256	465,286	245,712	75,000	106,917	14,468	20,195	568,282
Physical Environment	2,797,154	1,666,657	1,471,585	914,874	760,966	761,984	792,388	926,523	571,095	658,672
Culture/Recreation	8,219,199	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
Building and Maintenance		-	468,724	372,854	428,717	454,098	684,650	716,104	672,158	637,924
Capital Outlay	16,521,762	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
Debt Service:										
Principal Retirement	6,829,227	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
Interest and Fiscal Charges	1,047,094	1,049,565	740,132	691,694	825,534	863,619	787,748	845,734	671,824	693,634
Refunding Bond Issuance Cost	-	-	-	26,575	45,765	-	-	-	-	-
Total Expenditures	85,596,679	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
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,883,160)	(5,835,840)	599,775	13,795,390	798,587	6,676,790	(5,603,745)	(8,549,600)	19,153	(3,910,463)
Other Financing Sources (Uses):										
Transfers In (Out)	14,326,453	9,069,302	(750,000)	-	-	-	97,566	(254,301)	(206,302)	(369,037)
Issuance of Debt	(14,326,453)	(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	85,133	187,487	-	1,157,241	10,089	37,835	59	31,106	24,448	49,861
Insurance Recoveries	1,183,871	76,991	193,962	129,537	89,565	79,083	62,781	30,401	-	-
Financed Purchase Proceeds	238,215	802,995	-	-	-	-	-	-	-	1,999,328
Capital Leases Issued	-	239,834	-	136,426	-	-	-	-	-	-
Leases (as Lessor)	257,562	13,597,501	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	1,764,781	13,597,501	3,943,962	6,123,204	449,655	116,918	9,953,500	9,807,206	4,818,146	1,680,152
Net Change in Fund Balances	$ (1,118,379)	$ 7,761,661	$ 4,543,737	$ 19,918,594	$ 1,248,242	$ 6,793,708	$ 4,349,755	$ 1,257,606	$ 4,837,299	$ (2,230,311)
Debt Service as a Percentage of Non-Capital Expenditures	11.4%	24.6%	7.5%	9.0%	10.7%	11.1%	10.1%	27.0%	8.5%	8.8%

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 5

CITY OF NEW SMYRNA BEACH, FLORIDA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
YEAR ENDING SEPTEMBER 30, 2025

Fiscal Year[2] Ended September 30,	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Institutional Property	Governmental Property	Vacant Land and Other	Tangible Personal Property	Total Assessed Value	Less: Tax-Exempt Property	Total Taxable Assessed Value[1]	Total Direct Tax Rate[1]
2025	$ 6,551,650,593	$ 724,126,860	$ 64,421,292	$ 4,273,180	$ 108,423,005	$ 320,927,487	$ 226,214,866	$ 289,565,298	$ 8,289,602,581	$ 1,267,096,942	$ 7,022,505,639	4.63700
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

Source: Volusia County, Florida, Property Appraiser.

Notes:

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

[2]All property valuations for the specified fiscal year-ends are obtained from the previous year's tax roll (i.e., all fiscal 2025 data was obtained from the 2024 calendar year tax roll).

TABLE 6

CITY OF NEW SMYRNA BEACH, FLORIDA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
YEAR ENDING SEPTEMBER 30, 2025

	City of New Smyrna Beach			Overlapping Rates							
Fiscal Year[1]	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	Total All Taxing Districts
2025	4.637	0.090	4.727	5.285	5.589	0.751	0.165	0.069	0.179	0.029	16.793
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

Source: Volusia County, Florida, Property Appraiser.

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

[1]All property valuations for the specified fiscal year-ends are obtained from the previous year's tax roll (i.e., all fiscal 2025 data was obtained from the 2024 calendar year tax roll).

TABLE 7

CITY OF NEW SMYRNA BEACH, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND NINE YEARS AGO
SEPTEMBER 30, 2025

	September 30, 2025			September 30, 2016		
Taxpayer	(2024 Tax Roll) Assessed Taxable Value	Rank	Percent to Total Assessed Taxable Value	(2015 Tax Roll) Assessed Taxable Value	Rank	Percent to Total Assessed Taxable Value
Big Beacon FL, LLC	$ 50,187,641	1	0.71%			
Coconut Palms Condo Assoc.	25,820,936	2	0.37%	$ 22,176,205	1	0.70%
Taylor Morrison of Florida, Inc.	19,952,984	3	0.28%			
TT of New Smyrna Beach LLC	19,645,057	4	0.28%			
Lyme Stone Ranch Investors Ltd.	19,163,580	5	0.27%	9,943,336	4	0.32%
Publix Supermarkets	17,184,449	6	0.24%	11,192,657	3	0.35%
Poseidon Hotel Ventures, LLC	15,773,851	7	0.22%			
Beachside Propco LLC	15,300,256	8	0.22%			
Real Sub LLC	14,765,993	9	0.21%			
Key New Smyrna LLC	13,771,101	10	0.20%			
Wal Mart Stores East LP				12,323,459	2	0.39%
Cathy S Truett Trust				9,441,606	5	0.30%
Islander Beach Club Condo Association				8,022,952	6	0.25%
Florida East Coast Railway CO				7,241,937	7	0.23%
Geosam Capital US LP				6,915,419	8	0.22%
Home Depot USA Inc.				6,714,412	9	0.21%
Florida Public Utilities Co.				6,654,120	10	0.21%
Total	$ 211,565,848		3.01%	$ 100,626,103		3.19%

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, 2025

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
2025	$ 33,191,873	$ 31,117,665	93.75%	$ 27,428	$ 31,145,094	93.83%
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., 2025 collections are from the 2024 tax levy).

TABLE 9

CITY OF NEW SMYRNA BEACH, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
YEAR ENDING SEPTEMBER 30, 2025

Fiscal Year Ended September 30,	Governmental Activities								Business-Type Activities	Primary Government	Percent of Personal		Personal
	General Obligation Note	Stormwater Revenue Note	Financed Purchases	Capital Improvement Notes	Promissory Notes	Lease Obligation	SBITA	Total	Lease Obligation	Total	Income[1]	Per Capita[2]	Income[3]
2025	$ 7,161,000	$ 1,107,610	$ 962,247	$ 16,446,901	$ 57,489	$ 149,891	$ 110,512	$ 25,995,650	$ -	$ 25,995,650	1.41%	$ 784	$ 1,844,231,592
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:
[1]Amount computed by dividing Total Outstanding Debt by Personal Income as shown in Table 14.
[2]Amount computed by dividing Total Outstanding Debt by Population as shown on Table 14.
[3]Amount computed by multiplying Population by County Per Capita Personal Income as shown in Table 14.

TABLE 10

CITY OF NEW SMYRNA BEACH, FLORIDA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2025

Fiscal Year Ended September 30,	Governmental Activities General Obligation Bonds	Less: Amounts Available in Debt Service Fund[3]	Total	Percentage of Total Taxable Assessed Value of Property[1]	Percent of Personal Income[2]	Per Capita[3]	Population
2025	$ 7,161,000	$ 640,696	$ 6,520,304	0.09%	0.35%	197	33,144
2024	7,585,000	230,746	7,354,254	0.12%	0.57%	226	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:

[1]Percent of Total Taxable Assessed Value of Property is calculated by dividing the General Obligation bonds by the Total Taxable Assessed Value per Table 5.

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

[3]Per Capita is calculated by dividing the General Obligation Bonds by the Population per Table 14.

TABLE 11

CITY OF NEW SMYRNA BEACH, FLORIDA
DIRECT AND OVERLAPPING DEBT FOR GOVERNMENTAL ACTIVITIES
SEPTEMBER 30, 2025

Governmental Unit	Debt Outstanding		Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes:				
County of Volusia, Florida:				
General Obligation Bonds	$ -		12.40%	$ -
Other Debt:				
District School Board of Volusia County, Florida:				
State School Bonds	-		12.40%	-
Certificates of Participation	233,504,354		12.40%	28,959,460
Sales Tax Revenue Bonds	21,511,756		12.40%	2,667,911
Notes and Leases	3,716,665		12.40%	460,945
County of Volusia, Florida:				
Revenue Bonds	39,260,000	*	12.40%	4,869,067
Notes Payable	20,816,333	*	12.40%	2,581,664
Total Overlapping Debt				39,539,048
City Direct Debt				25,995,650
Total Direct and Overlapping Debt				$ 65,534,698

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.

* Fiscal year 2025 information was unavailable at the time of issuance as the County has not finalized their ACFR.

TABLE 12

CITY OF NEW SMYRNA BEACH, FLORIDA
LEGAL DEBT MARGIN INFORMATION
YEAR ENDING SEPTEMBER 30, 2025

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

TABLE 13

CITY OF NEW SMYRNA BEACH, FLORIDA
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS
YEAR ENDING SEPTEMBER 30, 2025

	Fiscal Year Ending September 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Community Redevelopment Agency Bonds										
Tax Increment Revenues	$ 2,503,449	$ 2,170,417	$ 1,705,355	$ 1,156,102	$ 940,263	$ 721,987	$ 581,276	$ 291,289	$ 159,131	$ 69,367
Less: Operating Expenses	-	-	-	-	-	-	-	-	-	-
Net Revenue Available for Debt Service	$ 2,503,449	$ 2,170,417	$ 1,705,355	$ 1,156,102	$ 940,263	$ 721,987	$ 581,276	$ 291,289	$ 159,131	$ 69,367
Debt Service Payments:										
Principal	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interest	-	-	-	-	-	-	-	-	-	-
Total Debt Service Payments	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Coverage (Times)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capital Revenue Bonds and Notes:										
Gross Revenues	$ 59,717,308	$ 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
Less: Operating Expenses	-	-	-	-	-	-	-	-	-	-
Net Revenue Available for Debt Service	$ 59,717,308	$ 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
Debt Service Payments:										
Principal	$ 5,801,021 *	$ 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
Interest	861,262	746,075	705,598	517,502	806,799	692,314	666,429	707,993	651,114	693,633
Total Debt Service Payments	$ 6,662,283	$ 2,192,025	$ 3,886,563	$ 2,319,560	$ 3,395,643	$ 3,590,322	$ 3,053,524	$ 2,940,699	$ 2,402,572	$ 2,402,765
Coverage (Times)	8.96	22.47	12.25	19.46	13.21	10.32	9.26	10.74	13.02	12.97

Notes:
* - The City paid a $4.3 million principal payment on the 2024 Capital Improvement Note, Series 2024 to save on interest costs.

Details regarding the City's outstanding debt can be found in the notes to 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, 2025

Fiscal Year Ended September 30,	Population[1]	Personal Income[2]	County Per Capita Personal Income[1]	County Median Household Income[1]	County Median HUD Income[1]	County Unemployment Rate[1]
2025	33,144	$ 1,844,231,592	$ 55,643	$ 69,636	n/a	5.20%
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:

[1]Volusia County-Economic and Demographic Research

[2]Amount 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, 2025

	September 30, 2025			September 30, 2016		
Employer	Total Employees	Rank	Percent to Total City Employment	Total Employees	Rank	Percent to Total City Employment
AdventHealth New Smyrna Beach (fka Bert Fish)	880	1	5.45%	800	1	5.13%
Volusia County Public Schools	440	2	2.73%	471	2	3.02%
Publix Supermarkets	377	3	2.34%	301	3	1.93%
City of New Smyrna Beach	346	4	2.14%	241	4	1.55%
Wal Mart	270	5	1.67%	215	5	1.38%
Beachside Center for Rehab & Healthcare	207	6	1.28%	170	6	1.09%
Epic Flight Academy	202	7	1.25%	100	11	0.64%
Home Depot	164	8	1.02%	120	10	0.77%
NSB Utilities Commission	170	9	1.05%	153	7	0.98%
McDonald's	123	10	0.76%	146	8	0.94%
Winn-Dixie Stores	63	11	0.39%	143	9	0.92%
Total	3,242		20%	2,860		
Estimated Civilian Labor Force Within the City of New Smyrna Beach			16,141	15,595		18.34%

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

TABLE 16

CITY OF NEW SMYRNA BEACH, FLORIDA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
YEAR ENDING SEPTEMBER 30, 2025

	Full-Time Equivalent Employees at September 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Government:										
Legislative	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	0.00
Management	10.00	9.00	8.00	7.00	4.00	4.00	4.00	4.00	4.00	1.00
Economic Development	1.00	1.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00	0.00
Legal	4.00	4.00	4.00	3.00	3.00	3.00	3.00	2.50	2.50	0.00
Human Resources	4.00	4.00	3.50	3.00	3.00	3.00	3.00	3.00	3.00	0.00
Planning & Engineering	11.00	10.00	10.00	11.00	10.00	11.00	12.00	12.00	9.00	1.00
Community Redevelopment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
City Clerk	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	0.00
Finance	11.00	11.00	10.50	9.50	9.00	9.00	8.00	8.00	8.00	0.00
Information Systems	7.50	7.50	7.50	7.00	5.50	5.50	5.00	5.00	5.00	0.00
General Government:	0.00	0.00	0.00	0.00	1.00	1.00	2.00	2.00	2.00	0.00
Police:										0.00
Chief of Police	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00
Patrol	35.00	35.00	33.00	33.00	33.00	38.00	35.00	35.00	35.00	0.00
Operations (Cmmdr& Detectives)	28.00	28.00	28.00	28.00	22.00	23.00	18.00	18.00	17.00	0.00
Support	22.00	22.00	23.00	23.00	23.00	16.50	17.00	16.00	16.00	0.00
Fire:										0.00
Administration	2.00	2.00	2.00	6.50	6.00	5.00	7.50	7.50	7.50	0.00
Operations	64.00	64.00	54.00	48.00	44.00	45.00	36.00	36.00	36.00	0.00
Maintenance Operations:										0.00
Administration	4.00	3.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00	1.00
Fleet Maintenance	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	0.00
Airport	6.00	6.00	6.00	6.00	5.00	5.00	4.00	4.00	4.00	0.00
Parks	16.00	15.00	15.00	15.00	15.00	15.00	11.00	11.00	11.00	1.00
Stormwater	4.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	3.00
Sanitation	2.00	2.00	2.00	2.00	2.00	2.00	1.75	1.75	1.75	0.00
Building Maintenance & Streets	33.50	31.50	21.00	21.00	21.00	21.00	25.00	25.00	25.00	2.00
Leisure Services:										0.00
Recreation	31.25	31.25	35.00	22.25	21.25	21.25	22.00	22.00	22.00	0.00
Golf Course	16.75	16.75	21.00	19.25	19.50	19.50	18.00	18.00	18.00	0.00
Marina	3.00	3.00	3.00	3.50	2.50	2.50	2.50	2.50	2.50	0.00
Building & Permitting	26.50	28.50	28.50	27.75	26.75	16.00	16.75	16.75	16.75	-2.00
										7.00
Total	355.50	348.50	334.00	314.75	294.50	284.25	268.50	267.00	263.00	

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.

TABLE 17

CITY OF NEW SMYRNA BEACH, FLORIDA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
YEAR ENDING SEPTEMBER 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Police:										
Physical Arrests	729	897	745	665	545	562	597	774	1,046	1,146
Parking Violations	8,450	10,699	13,936	7,310	11,327	10,464	6,162	7,023	4,525	6,369
Traffic Violations	8,052	6,377	5,747	3,788	3,022	1,882	1,495	1,774	1,456	2,323
Fire:										
Emergency Responses	7,177	6,503	6,356	6,861	6,239	5,890	5,413	5,437	5,428	5,413
Non-Fire/EMS	3,102	3,721	3,123	3,762	3,533	3,407	2,931	2,969	2,963	2,986
Inspections by Engine Companies	119	365	173	682	511	104	-	-	-	-
Inspections by Fire Inspectors/Marshal	4,233	2,069	1,580	1,223	1,159	720	375	350	506	483
Solid Waste:										
Refuse Collected (Tons Per Week)	596	582	290	531	554	500	429	459	467	418
Yard Trash (Tons Per Week)	85	77	88	102	108	106	88	90	100	113
Recyclables Collected (Tons Per Week)	36	32	32	34	40	38	35	37	35	22
Public Works-Transportation										
Street Construction (Miles)	0.00	0.00	0.00	0.00	3.00	0.00	2.00	2.68	5.00	2.11
Street Resurfacing (Miles)	14.90	17.10	10.00	7.00	6.00	4.56	2.00	0.90	2.00	1.50
Potholes Repaired	67	85	178	212	184	196	140	179	150	170
Building Development:										
Residential/Single Family Permits Issued	213	173	179	512	575	478	596	407	323	302
Commercial/Multi-Family Permits Issued	52	5	8	7	9	29	30	26	6	10
Miscellaneous Permits Issued	5,835	5,874	6,996	7,225	6,634	5,729	5,403	9,464	5,935	5,363

Source: Various City of New Smyrna Beach Departments

TABLE 18

CITY OF NEW SMYRNA BEACH, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
YEAR ENDING SEPTEMBER 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Government:										
Area (Sq. Miles)	41.6	41.6	41.6	41.6	41.6	41.6	41.5	41.5	41.2	40.9
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	66	57	57	57	47	50	50	48	49
Fire:										
Fire Stations	4	4	4	4	4	4	4	4	4	4
Public Works - Transportation:										
Paved Streets (Miles)	145.0	145.6	145.0	45.0	142.5	141.1	135.8	135.8	130.5	128.6
Unpaved Streets (Miles)	6.9	6.8	4.0	4.0	6.8	6.8	9.5	9.5	9.5	8.7
Streetlights	3225	3225	3063	3063	3063	2956	2956	2956	2918	2875
Traffic Signals	43	43	50	50	43	33	32	32	32	33
Parks and Recreation:										
Area (Acres)	451.5	451.5	451.5	451.5	450.1	404.1	404.1	404.1	266.5	254.0
Tennis Courts	7	7	7	7	8	8	8	8	8	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	7	6	6	6	6	6
Basketball/Softball Diamonds	8	8	8	8	9	9	9	9	9	9
Basketball Courts	7	7	7	7	7	7	7	7	7	7
Pickleball Courts	13	13	1	1	3	3	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	43	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	25	24
Skate Park	1	1	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, 2025

	Assistance Listing/CSFA Number	Contract / Grant Number	Expenditures
FEDERAL AWARDS			
U.S. Department of Agriculture			
Direct:			
Emergency Watershed Protection Program	10.923	NR234209XXXXC013	$ 1,091,172
Total U.S. Department of Agriculture			1,091,172
U.S. Department of Housing and Urban Development			
Passed through Volusia County			
Community Development Grants - Mary Ave Lot Park Improvement	14.218		129,672
Community Development Grants - Pettis Park Improvements	14.218		30,750
Total U.S. Department of Housing and Urban Development			160,422
U.S. Department of Justice			
Passed through Florida Office of Attorney General:			
Crime Victim Assistance - Victims Advocate	16.575	VOCA-C-2024	50,608
Direct:			
Crime Victim Assistance - Victims Advocate	16.607	2023BUBX2303798	3,832
Crime Victim Assistance - Victims Advocate	16.607	2024BUBX24039905	3,413
Subtotal - 16.607			7,245
Passed through Florida Department of Law Enforcement			
Edward Byrne Memorial Justice Assistance Grant	16.738	D-6N039	5,501
Total U.S. Department of Justice			63,354
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	1,438,252
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	23FR915	138,659
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	23PLN36	283,459
Subtotal - 21.027			1,860,370
Total U.S. Department of Treasury			1,860,370
Federal Aviation Authority			
Direct:			
Airport Improvement Program - Air Traffic Control Tower Rehabilitation	20.106	3-12-0054-029-2023	90,918
Airport Improvement Program - Taxiway Alpha Design	20.106	3-12-0054-031-2024	4,245,969
Total Airport Improvement Program Grants			4,336,887
U.S. Department of Transportation			
Passed through Florida Department of Transportation:			
Highway Planning and Construction - 5th Steet Bridge	20.205	G2863/FPN:437936-1-58/68-01	496,331
Total U.S. Department of Transportation			496,331
U.S. Department of Homeland Security			
Passed through Florida Division of Emergency Management:			
Disaster Grants - Public Assistance - Hurricane Nicole	97.036	4680DR-FL/Project # 347	83,539
Disaster Grants - Public Assistance - Hurricane Ian	97.036	4673DR-FL/Project # 2634	24,932
Disaster Grants - Public Assistance - Hurricane Ian	97.036	4673DR-FL/Project # 4742	16,419
Disaster Grants - Public Assistance - Hurricane Ian	97.036	4673DR-FL/Project # 3030	223,402
Disaster Grants - Public Assistance - Hurricane Ian	97.036	4673DR-FL/Project # 2167	10,595
Disaster Grants - Public Assistance - Hurricane Ian	97.036	4673DR-FL/Project # 4476	46,693
Disaster Grants - Public Assistance - Hurricane Ian	97.036	4673DR-FL/Project # 4746	21,785
Disaster Grants - Public Assistance - Hurricane Ian	97.036	4673DR-FL/Project # 4480	49,540
Disaster Grants - Public Assistance - Hurricane Ian	97.036	4673DR-FL/Project # 4744	5,984
Disaster Grants - Public Assistance - Hurricane Nicole	97.036	4680DR-FL/Project # 601	61,659
Disaster Grants - Public Assistance - Hurricane Ian	97.036	4673DR-FL/Project # 7451	8,670
Disaster Grants - Public Assistance - Hurricane Ian	97.036	4673DR-FL/Project # 2667	189,958
Disaster Grants - Public Assistance - Hurricane Ian	97.036	4673DR-FL/Project # 4743	46,360
Subtotal - 97.036			789,536
Direct:			
Hazard Mitigation Grant Program (HMGP)	97.039	FEMA-DR-4337-197-R	6,660
Hazard Mitigation Grant Program (HMGP)	97.039	FEMA-DR-4337-374-R	94,661
Hazard Mitigation Grant Program (HMGP)	97.039	FEMA-DR-4337-373-R	26,525
Total Hazard Mitigation Grant Program			127,846
Subtotal - 97.039			
Total U.S. Department of Homeland Security			917,382
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 8,925,918

CITY OF NEW SMYRNA BEACH, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(Concluded)

	Assistance Listing/CSFA Number	Contract / Grant Number	Expenditures
STATE FINANCIAL ASSISTANCE			
Florida Department of Transportation			
Direct:			
Airport Improvement Program - Taxiway Bravo Rehab & PAPI Replacement	55.004	453565-1-94-01	$ 8,082
Airport Improvement Program - Exhibit A Update	55.004	G3343 / 455233-1-94-01	2,986
Airport Improvement Program - Taxiway Bravo Construction	55.004	451292-1-94-01	373,441
Airport Improvement Program - Fuel Farm Improvements	55.004	G2839 / 45025-1-94-01	363,771
Airport Improvement Program - Apron Fill and Expansion	55.004	G1M26 / 447405-1-94-01	110,080
Airport Improvement Program - Air Traffic Equipment	55.004	G3F02 / 456950-1-94-01	2,400
Airport Improvement Program - Hangar E Rehabilitation	55.004	G3C75 / 444881-1-94-01	3,040
Total Aviation Development Grants			863,800
Total Florida Department of Transportation			863,800
Florida Executive Office of the Governor			
Canal Dredging	31.081	SB 2500, Item 2676A	334,402
Florida Department of Environmental Protection			
North Atlantic Drainage Improvement	37.039	L0081	138,659
Florida Department of Law Enforcement	71.092	3X096	99,996
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			$ 1,436,857

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, 2025

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 15 percent de minimis indirect cost rate as allowed under Uniform Guidance.

Note 4 - Subrecipients

During the year ended September 30, 2025, 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 prior fiscal years, the City incurred substantial costs related to Hurricanes. 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, 2025, PW's for prior year expenditures of $789,536 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, 2025

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	Assistance Listing No.:
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027
Emergency Watershed Protection Program	10.293
Dollar Threshold Used to Distinguish Between Type A and Type B Programs – Federal Programs	$1,000,000
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, 2025

Identification of Major State Projects

	CSFA:
Aviation Development Grants	55.004
Dollar Threshold Used to Distinguish Between Type A and Type B Programs – State Projects	$431,057

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

There were no prior audit findings.

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, 2025. 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, 2025.

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.

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

April 30, 2026
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, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 30, 2026.

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.

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

April 30, 2026
Gainesville, Florida

PURVIS GRAY

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

To the Honorable Mayer, 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, 2025. 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, 2025, 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, 2025, 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, 2025. 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, 2025.

Purvis Gray

April 30, 2026
Gainesville, Florida

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, 2025, and have issued our report thereon dated April 30, 2026.

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 April 30, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings
Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no prior year findings or recommendations.

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.

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

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

April 30, 2026
Gainesville, Florida