



# The City of Daytona Beach Comprehensive Annual Financial Report

*Fiscal Year ended September 30, 2020*



# **City of Daytona Beach, Florida**

## **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**For the year ended September 30, 2020**

# Introduction Section



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# The CITY OF DAYTONA BEACH

—“THE WORLD’S MOST FAMOUS BEACH”—

June 30, 2021

To the Honorable Mayor and City Commissioners, and  
Citizens of The City of Daytona Beach

We are pleased to submit the Comprehensive Annual Financial Report of The City of Daytona Beach, Florida for the fiscal year ended September 30, 2020. The report fulfills the requirements of Article X, Section 41 of The City of Daytona Beach Charter; Section 166.241, Florida Statutes; and Section 10.550 of the Rules of the Florida Auditor General. The financial statements included in this report conform to Generally Accepted Accounting Principles in the United States (GAAP), as prescribed by the Governmental Accounting Standards Board (GASB).

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance the financial statements are free of any material misstatements.

Carr, Riggs & Ingram, LLC, Certified Public Accountants, have issued an unmodified (“clean”) opinion on the City of Daytona Beach’s financial statements for the year ended September 30, 2020. The independent auditor’s report is located at the front of the financial section of this report. Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

## **Profile of The City of Daytona Beach**

The City of Daytona Beach, Florida, (the “City”) is an incorporated municipality of the State of Florida located within the County of Volusia. The City, which currently encompasses 68 square miles, is located on the central east coast of the State of Florida, 89 miles south of Jacksonville and 50 miles northeast of Orlando.

The City was incorporated on July 26, 1876 and operates under a Commission-Manager form of government. Policy-making and legislative authority are vested in the City Commission consisting of the mayor, elected citywide, and six commissioners elected by district. The Mayor and Commissioners are elected on a non-partisan basis to four (4) year terms. The City Commission is responsible for, among other things, setting policy, passing ordinances and resolutions, adopting the budget, appointing committee and board members, and hiring the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and directives of the City Commission, overseeing the day-to-day operations of the City and appointing various department managers.

The City is empowered to levy a property tax on both real and personal property located within the city limits and provides general government, public safety, transportation, economic environment, and cultural, leisure and recreation services to its 70,200 residents. To provide these services, the City operates five (5) enterprise activities: a water and sewer system, a solid waste system, a stormwater system, a marina with office plaza, and pier operations.

To effectively manage its financial resources, The City of Daytona Beach prepares and adopts an annual operating budget and a five-year capital program that encompasses all funds as necessary. The budget process starts each January with a strategic planning session with the City Commission and management. Later, the operating



department managers submit their requests to the City Manager, who then reviews these requests and, considering available revenue sources, prepares his proposed budget. The City Manager's proposed budget is submitted to the City Commission by July 15th of each year. Budget workshops are scheduled as necessary, and two advertisements and two public hearings are held with final adoption by September 30, all in compliance with Florida's Truth in Millage (TRIM) requirements. Annual budgets are legally adopted for activities of the general fund, certain special revenue funds, debt service funds, and capital projects funds. Certain special revenue funds and capital projects funds such as multi-year grant funds are appropriated on a project basis. The legal level of budgetary control is at the fund level at which management may not overspend appropriated amounts.

### **Financial Reporting Entity**

This financial report includes all funds and component units of the City in accordance with Governmental Accounting Standards Board, Statement No. 14, as amended, which clarifies the criteria in defining the governmental reporting entity. Included as part of this report is the fiscal information that the City maintains for the Daytona Beach Downtown Development Authority, which is a dependent taxing entity. The First Step Shelter Inc., a 501(c)3 not-for-profit corporation which provides homeless services, is a discretely presented component unit of the City as the City Commission is responsible for appointing and removing its board members.

The Daytona Beach Housing Authority is not a part of this report because the City's accountability does not extend beyond making appointments to their board and the City cannot impose its will on the Daytona Beach Housing Authority, nor does the City derive any financial benefit or burden from the relationship.

The City, in conjunction with the County of Volusia and two (2) other cities in Volusia County have created the Eastern Volusia Regional Water Authority (EVRWA), whose purpose is to protect the area's future water supply. The EVRWA is composed of one member from the governing board of each of the municipalities and county. This year the City did not contribute to the EVRWA; furthermore, the EVRWA is not a part of this financial report.

### **Factors Affecting Financial Condition**

**Local economy.** Like most of the country, the City of Daytona Beach's economy has been negatively impacted by the novel coronavirus (COVID-19) pandemic. The impact COVID-19 will have on property values and state shared revenue, such as sales tax, in FY 2021 and beyond will depend on the length of time the pandemic-induced economy continues as costs related to COVID-19 continue to grow and are not fully known at this time.

Even with this uncertainty, the City has taken proactive steps. Eligible employees continued to receive normal pay to limit the adverse impact the pandemic is having on the local economy. The closure of city buildings beginning in March 2020 resulted in savings of operating expenses. The decrease in typical operational costs were replaced with repaired and improved facilities and additional protective procedures and expenses. When limited offices were reopened beginning in June 2020, the public and employees were greeted to facilities which had been retrofitted with COVID barriers and protections. However, community centers were not reopened until May 2021 to limit exposure to COVID.

Concurrently, the City has seen an enormous wave of new housing opportunities. Over 7,700 single family residential and apartment rental units have been recently completed or currently under construction with an additional 7,000 units being planned. Several complexes are "class A" apartments with high end features and amenities while others are fully furnished, resort-style apartments or geared toward college students. Commissioners are interested in work force housing prospects, too. This overall growth opportunity will be a surge in population and puts the City in position to improve its financial position and that of its resident workers and business community.

While tourism is returning slowly, developers' interest in housing, retail and manufacturing has continued at its pre-COVID pace. The City's growth is the generator for the entire Volusia County's growth which means making smart planning choices now are more important than ever before. The financial picture of the City includes resources to ensure adequate infrastructure to support existing and planned growth, a safe, healthy and welcoming

community of desirable neighborhoods, and an environment of prosperity to promote economic vitality and opportunity for everyone. The local area unemployment rate of 6.3 percent at September 2020 is an increase from the 3.5 percent rate at September 2019 and lower than the state unemployment rate, which increased to 7.3 percent from 3.2 percent for the same period primarily due to the COVID pandemic.

The City is aware of the business community's need for a healthy and well-educated workforce. Two well attended programs, the Mayor's Literacy Initiative which encourages childhood reading and the Mayor's Fitness Challenge which promotes healthy living, were postponed to limit COVID exposure within the community. Instead of these programs, the Mayor hosted virtual listening sessions and focus groups for the Equity Initiative to discuss criminal justice, education, health services and social services. An under-40 community discussion group continues to be held as the City is home to one state college and three private universities.

Daytona Beach has always been heavily tourist-oriented and in pre-COVID times drew more than 9 million tourists annually for family vacations or to attend many of the major special events held in the City throughout the year. The City's investment over the past several years to create a diversified employment base is paying off with additional high-paying jobs being created by various non-tourism businesses. Small and mid-sized firms as well as industry giants such as Brown & Brown Inc., the 5<sup>th</sup> largest insurance brokerage in the nation, and B. Braun Medical Inc., a German-based manufacturer of intravenous drug systems, call Daytona Beach home. These companies will provide an expansion of the City's tax base in the long-term.

**Long-term financial planning.** The City Commission's budget process is to plan for resilience and sustainability for its residents and the business community. The primary focus related to economic growth is to enhance commercial and residential property values through continued revitalization. The City continues to stress expenditure control and employ cost-cutting measures and will seek to leverage its dollars by grant funding and additional sources of recurring revenues whenever opportunities arise. One of the ongoing budgetary challenges is anticipating the impact of state mandates. There were several legislative initiatives that put financial restraints on all Florida local governments. The last legislative session included proposed changes which continue the erosion of home-rule capabilities. The failed legislation proposals of past sessions remain an area of vulnerability for all municipal governments throughout the State of Florida.

**Relevant financial policies.** To ensure sound financial management policies and procedures are in place in Daytona Beach, the City forefathers adopted the Fiscal Integrity Principles Ordinance. The City Commission recognizes the need to meet seasonal shortfalls in cash flows, its susceptibility to emergency or unanticipated expenditures, or to the possibility of revenue shortfalls during any fiscal year. To address these issues, the Fiscal Integrity Principles Ordinance contains a policy to maintain a segregated budgetary cash reserve in the General Fund of not less than 10 percent of next year's budgeted operating expenditures. The segregated budgetary cash reserve is shown as unassigned fund balance on the General Fund Balance Sheet. Funds totaling over \$3.5 million were used in April 2020 for stimulus recovery as a rebate on utility bills for residents and business owners during the pandemic. On September 30, 2020, the General Fund unassigned fund balance is \$14.9 million, which is 16 percent of fiscal year 2020-21 budgeted operating expenditures of \$90.4 million. Additionally, these funds will be used for future stimulus recovery aid and unreimbursed expenditures from Hurricanes Matthew, Irma, and Dorian which occurred in October 2016, September 2017, and September 2019, respectively, and which still have open, unpaid FEMA claims.

**Major initiatives.** The Beach Street streetscape project located along Beach Street from Orange Avenue to Main Street has benefited from the COVID-reduced traffic flow and construction scheduling is progressing quickly to increase the width of pedestrian walkways and reduce traffic lanes in order to provide a more pedestrian orientated and aesthetically improved downtown area. Likewise, the City's seawall restoration project, which is installing a new, positive 4 elevation, 1,428 linear feet of composite sheet pile seawall in downtown Daytona Beach is expected to be completed in July 2021. The Brown Foundation's \$25 million overhaul of the mile-long Riverfront Park that parallels Beach Street from Jackie Robinson Ballpark/Orange Avenue to the Main Street Bridge continues. The re-imagined park will have different garden and outlook areas, walking paths, a splash park for children, fountains, kayak launch, restroom and office buildings mimicking the architecture of iconic Daytona Beach downtown structures from the 1930s. The 22.5-acre park transformation of replanted mature trees, new

retention ponds and berms will turn the plain, linear park into a sculptured, rolling gardens destination with an anticipated completion in 2022.

In the Midtown area, Dr. Martin Luther King Jr. Boulevard (MLK) corridor improvements in the Midtown Community Redevelopment Agency was completed in FY2020-2021. This area on MLK between Orange Avenue and International Speedway Boulevard has some of the oldest infrastructure in the City. This \$3 million MLK streetscape project, combined with the prior years' Orange Avenue streetscape project, replaced outdated sanitary sewer lateral connections and potable water infrastructure, and leveraged multiple funding sources and grants which added reclaimed water service, improved street lighting, and provided new pedestrian-friendly features such as decorative 8-foot-wide sidewalks compared to the old sidewalks which were between 4 to 6-feet wide.

Recently, the City has targeted more than 100 dilapidated and unsafe properties through its condemnation program. While this effort has significantly helped improve safety and remove visual blight in neighborhoods, there are still more opportunities to address other damaged and structurally unsound features on residential and commercial properties. In the past two years, the collection of demolition liens via the inclusion on these code violations on the property tax bills has held the responsible property owners accountable and provided financial recovery of city expenditures. A grant application to remove abandoned and derelict vessels located in the Halifax River was approved with twenty vessels extricated and demolished and nine still pending removal.

Investment in the water and wastewater utility systems also continues. Over \$40 million in upgrades to several treatment processes is currently under way at the Westside Regional Water Reclamation Facility (WRF) and is funded by a zero percent interest loan from the State's Revolving Fund loan program. When the improvements are completed, the City will be able to more reliably treat wastewater to reclaimed standards. This multi-year project is being delivered via the construction-management-at-risk method, creating a more collaborative environment in which the City has a higher level of input and can help ensure it gets the most value for each dollar spent.

Helping our community's less fortunate is a top priority of our City Commission. The City is committed to finding a solution to reduce homelessness and improve affordable housing options in Daytona Beach. The Commission pledged to budget \$2 million over a five-year period towards operational costs of the First Step Shelter, Inc., a 501(c)3 created by the City. The homeless assistance center opened on December 16, 2019 and offers housing and rehabilitation service to adults as they move on a path from homelessness to housing. The construction of the 15,000 square foot shelter was funded with collaborative support from the City of Daytona Beach and Volusia County. Shelter operations are funded by the City of Daytona Beach, Volusia County, other area cities, and financial commitments from local businesses, individuals, and the faith community. The shelter currently holds 45 residents as CDC safety COVID guidelines allow. Additionally, families enrolled in the Supplemental Nutrition Assistance Program (SNAP) can now use their benefits at the Downtown Farmer's Market to purchase items such as fresh fruits and vegetables, dairy products, and other eligible items. Affordable housing incentives likely will be the focus of Commission's upcoming strategic planning for future budgets.

During the COVID shutdown, local parks and public spaces provided a healthy outlet for the community. Various segments of the Sweetheart Trail, a multi-use pathway that runs along the Halifax River across from the downtown area with unique outdoor eateries and trendy boutique shops, continues to be constructed and will positively impact hundreds of residents and guests to our community. The Sweetheart Trail is Daytona Beach's section of the 2,900-mile-long East Coast Greenway Trail between Calais, Maine and Key West, Florida. Funding in the amount of \$1.2 million was secured for construction of the next phase of the southernmost end of the trail. The entire trail is scheduled to be finished in 2021.

**Tax abatements.** Tax abatements are a temporary reduction in property tax revenues for a limited length of time. The City is authorized by City Resolution No. 13-313 and Section 196.1995, Florida Statutes, to enter into economic development ad valorem tax exemption agreements with new or expanding businesses. Under the program, property tax abatements are used to attract or retain businesses which contributes to the economy of the City with new jobs, improvements to designated Brownfield properties, and increases to real and personal

property values. During the current fiscal year, no new agreements were created and three previously adopted agreements became eligible for the program. First, B. Braun Medical, Inc. completed its Phase 2 expansion of the existing pharmaceutical production plant providing high quality employment opportunities for residents of Daytona Beach and enhancing the economic foundations of the area. It is expected to create 175 new jobs with an annualized average wage of at least \$41,963. The value of the abatement for this location over seven years is expected to be \$1,384,327 of which \$54,978 was exempt in this fiscal year. Moreover, at a second B. Braun location, construction of a new 400,000 square foot distribution center and warehouse within a designated Brownfield area on Clyde Morris Boulevard with a projected capital investment of \$40 million was opened. This is projected to create 30 new jobs with an annualized average wage of at least \$39,900. It was awarded a real and tangible property tax abatement over the next seven years valued at \$298,650. The value of the real estate and tangible exemption for this fiscal year is \$143,949. Lastly, the Summit Hospitality Group renovated an existing hotel and anticipates creating 76 new jobs with an annualized average wage of at least \$30,000. The former Desert Inn Hotel was rebranded to a Hard Rock Hotel with resort-style amenities, panoramic oceanfront views, live music stage and 20,000 square feet of meeting and event space. Over a seven-year period, a total value of \$181,887 is expected to be abated, of which \$8,261 was abated this fiscal year.

Over the last several years, the City has made significant progress in planning for future development, fostering a positive business climate and improving the City's appearance along gateway corridors and in neighborhoods, upgrading roadways and utility systems, renovating community centers, creating master plans for redevelopment areas, and revitalizing Daytona Beach all while reducing crime rates and preserving Daytona Beach's outstanding quality of life.

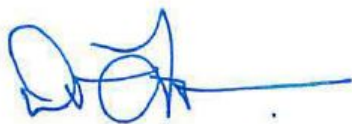
#### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to The City of Daytona Beach for its comprehensive annual financial report for the fiscal year ended September 30, 2019. This was the 48<sup>th</sup> consecutive year the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one (1) year only. We believe that our current report continues to conform to the Certificate of Achievement Program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

#### **Acknowledgments**

A comprehensive annual financial report of this nature could not have been prepared without the dedicated efforts of all staff members concerned. We would like to express our appreciation to all those who helped to produce this report and for their interest and support in planning and conducting the fiscal operations of the City. A special note of thanks and acknowledgement is extended to the Accounting staff of the Finance Department for their continued dedicated contribution especially under the COVID-19 pandemic working conditions, and their proficient effort in the preparation of this report and to Carr, Riggs & Ingram LLC for their professional approach and high standards in conducting the independent audit. Thanks to former City Manager, Jim Chisholm, who served as the chief administrative officer a majority of the current fiscal year and for the entirety of the audited year for his service to the City of Daytona Beach.

Respectfully submitted,



Deric C. Feacher  
City Manager

June 1, 2021 commencement



Patricia Bliss  
Chief Financial Officer



Christine Aiken  
Financial Services Manager



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Daytona Beach  
Florida**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

September 30, 2019

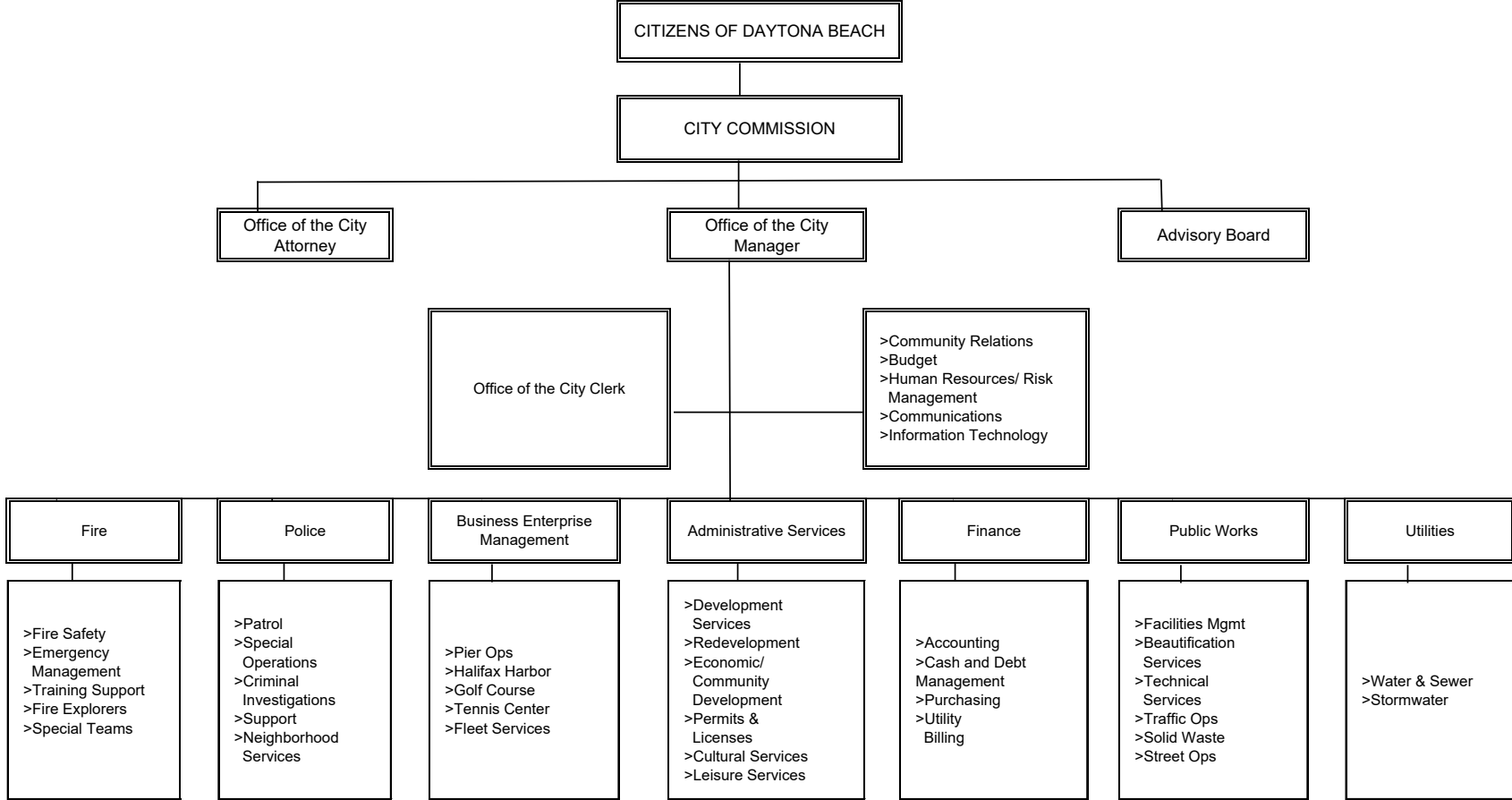
*Christopher P. Morill*

Executive Director/CEO



**City of Daytona Beach, Florida**  
**Organization Chart**  
**September 30, 2020**

**City of Daytona Beach, Florida**  
**Organizational Structure**  
**Fiscal Year 2019 - 2020**



**City of Daytona Beach, Florida  
Mayor, City Commissioners and City Officials  
September 30, 2020**

**MAYOR AND COMMISSIONERS**



*Front Row, left to right: Ruth Trager, Mayor Derrick L. Henry, Dannette Henry  
Back Row, left to right: Quanita May, Aaron Delgado, Stacy Cantu, Paula R. Reed*

**CITY MANAGER**  
James V. Chisholm \*

**CHIEF FINANCIAL OFFICER**  
Patricia Bliss

**CITY ATTORNEY**  
Robert Jagger

**CITY CLERK**  
Letitia LaMagna

\* Deric C. Feacher appointed to City Manager on June 1, 2021.

# Financial Section



## **INDEPENDENT AUDITORS' REPORT**

Honorable Mayor and Members of the City Commission  
City of Daytona Beach, Florida

### **Report on the Financial Statements**

We have audited the accompanying 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 Daytona Beach, Florida (the "City"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility 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; this includes 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.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Police and Fire Pension Trust Fund, which represents 100% of the assets, net position and additions of the pension trust fiduciary fund. We also did not audit the financial statements of First Step Shelter, Inc., which represents 98%, 98%, and 91%, respectively, of the assets, net position and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the Police and Fire Pension Trust Fund and to First Step Shelter, Inc., is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position 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, as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund and the redevelopment trust special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 21 to the financial statements, net position and fund balances as of September 30, 2019 have been restated to reclassify four non-major enterprise funds to the general fund and to reclassify certain capital assets of governmental activities to a non-major enterprise funds. Our opinions are not modified with respect to these matters.

### ***Other Matters***

#### *Required Supplementary Information*

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

#### *Other 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 introductory section, combining and individual nonmajor fund financial statements, budgetary schedules of special revenue and debt service funds, combining internal service funds financial statements, combining discretely presented component units financial statements, combining schedule of deposits and withdrawals for the redevelopment trust funds, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Chapter 10.550 Rules of the Florida Auditor General, and is also not a required part of the basic financial statements.



The combining and individual nonmajor fund financial statements, budgetary schedules of special revenue and debt service funds, combining internal service fund financial statements, combining discretely presented component units financial statements, combining schedule of deposits and withdrawals for the redevelopment trust funds, and schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such 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 combining and individual nonmajor fund financial statements, budgetary schedules of special revenue and debt service funds, combining internal service fund financial statements, combining discretely presented component units financial statements, combining schedule of deposits and withdrawals for the redevelopment trust funds, and schedule of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2021, 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.

*Caru, Riggs & Ingram, L.L.C.*

Melbourne, Florida  
June 30, 2021



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# Management's Discussion and Analysis



## City of Daytona Beach, Florida Management's Discussion and Analysis

On behalf of the City of Daytona Beach (the “City”), management presents to the readers of the City’s financial statements this narrative overview and analysis of financial activities of the City of Daytona Beach for the fiscal year ended September 30, 2020. We are providing this discussion and analysis to assist the reader in a better understanding of the City’s overall financial position. This discussion and analysis should be considered in conjunction with the additional information in the letter of transmittal beginning on page 5, and the City’s financial statements beginning on page 31.

### FINANCIAL HIGHLIGHTS

- The City’s assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of FY 2019-20 by \$181.7 million (*net position*). Because the City has non-asset related debt and due to the impact of the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other than Pensions*, the unrestricted net position reflects a deficit of \$26.1 million.
- For FY 2019-20, the City’s total net position increased by \$17.6 million when compared to last fiscal year’s net position, as restated. The governmental activities net position increased by \$8.5 million. The business-type activities net position increased by \$9.1 million.
- At the close of the current fiscal year, the City’s governmental funds reported combined fund balances of \$76.1 million, an increase of \$9.0 million from the prior fiscal year. Of this amount, \$7.6 million is from current year’s operations and \$1.4 million is from a prior period adjustment. Approximately \$14.9 million of this amount is available for spending at the City’s discretion (*unassigned fund balance*).
- At the end of FY 2019-20, the General Fund’s unrestricted fund balance (the total of *committed, assigned, and unassigned* components of *fund balance*) was \$24.7 million.
- In compliance with the City’s Fiscal Integrity Principles Ordinance, segregated budgetary cash reserves (*unassigned fund balance*) in the General Fund at September 30, 2020 is 16.5 percent of the future year’s (FY 2020-21) budgeted operating expenditures, which is greater than the 10 percent minimum requirement. Water and Sewer System, Stormwater Improvement, and Daytona Beach Pier enterprise funds contain a FY 2019-20 budget appropriation designated for capital renewal and replacement equal to 8 percent of the preceding fiscal year’s (FY2018-19) revenues, which is the minimum amount required.
- The City’s total outstanding long-term debt from bonds, loans and notes increased by \$5.2 million during the current fiscal year. Governmental activities debt decreased \$3.3 million due to principal retirement. Business-type activities debt increased \$8.5 million which is net of principal retirement of \$7.2 million and a new borrowing of \$15.7 million for new utility projects.

### 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 comprised of the following components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also includes required supplementary information intended to furnish additional detail to support the basic financial statements themselves.

**Government-wide Financial Statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City’s finances, in a manner similar to a private-sector business. The *statement of net position* presents information on all of the City’s assets, liabilities and deferred inflows/outflows

## City of Daytona Beach, Florida Management's Discussion and Analysis

of resources, with the difference reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The *statement of activities* presents information on how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government services, public safety, transportation, economic environment, human services, cultural, leisure and recreation. The business-type activities of the City include the water and sewer system, solid waste management, stormwater improvement, marina with office plaza, and pier operations. The government-wide financial statements include not only the City itself (known as the *primary government*), but also the legally separate Downtown Development Authority and First Step Shelter, Inc. for which the City discretely reports separately from the primary government. The government-wide financial statements can be found on pages 31 and 32 of this report.

**Fund Financial Statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three (3) categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted into cash. Such information may be useful in evaluating the City's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*. These reconciliations can be found on pages 34 and 36.

The City maintains twenty-one (21) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Redevelopment Trust Fund, and Capital Projects Fund, all of which are major funds. Data from the other eighteen (18) nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* in the combining and individual fund statements and schedules section of this report.

The City adopts an annual appropriated budget for its General Fund and Redevelopment Trust Fund. Budgetary comparison statements have been provided for the General Fund and Redevelopment Trust Fund (special revenue fund) to demonstrate compliance with the adopted budgets. The basic governmental fund financial statements can be found on pages 33-38 of this report.



## City of Daytona Beach, Florida Management's Discussion and Analysis

**Proprietary Funds.** The City maintains two (2) different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses five (5) enterprise funds to account for its water and sewer system, solid waste management, stormwater improvement, marina and office plaza, and pier operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses five (5) internal service funds to account for its fleet vehicle maintenance, employment services, property maintenance, information technology systems, and consolidated insurance. These internal service funds have been included within *governmental activities* in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements only in more detail. The proprietary fund financial statements provide separate information for the water and sewer system, solid waste management, and stormwater improvement, all of which are major funds. Data from the other nonmajor proprietary funds are combined into a single, aggregated presentation. Internal service funds are also combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the nonmajor proprietary funds and the internal service funds is provided in the form of *combining statements* in the combining and individual fund statements and schedules section of this report. The basic proprietary fund financial statements can be found on pages 39-42 of this report.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are *not* reported in the government-wide financial statements because the resources of those funds are *not* available to support the City's programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City maintains two (2) different types of fiduciary funds. The Police and Fire Pension Trust Fund is used to report resources held in trust for retirees and beneficiaries covered by this pension trust fund. The Police Asset Agency Fund is used to report resources held in trust that were seized by police officials and held in evidence until the criminal investigations are complete. The basic fiduciary fund financial statements can be found on pages 43 and 44 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 45-110 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* on pages 111-115 concerning the City's proportionate share of and changes in the net pension liability for Florida Retirement System, Health Insurance Subsidy, the Police and Fire pensions, and the total liability and changes in the total liability for post-employment benefits (OPEB), as well as the City's progress in funding its contribution requirements for pension benefits and other post-employment benefits to certain employees.

The *combining statements* referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds and internal service funds are presented immediately following the required supplementary information on pensions and other post-employment benefits. Combining and individual fund statements and budget and actual schedules can be found on pages 119-166 of this report.

### GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

As noted previously, net position over time may serve as a useful indicator of a government's financial position. The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of FY 2019-20 by \$181.7 million, which is an increase of \$17.6 million or 10.8 percent from the previous fiscal year.

**City of Daytona Beach, Florida**  
**Management's Discussion and Analysis**

**The City of Daytona Beach, Florida**  
**Net Position**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$94,701,913	\$86,466,615	\$95,359,097	\$99,686,459	\$190,061,010	\$186,153,074
Capital assets	<u>115,099,996</u>	<u>115,644,136</u>	<u>175,802,169</u>	<u>150,537,539</u>	<u>290,902,165</u>	<u>266,181,675</u>
Total assets	209,801,909	202,110,751	271,161,266	250,223,998	480,963,175	452,334,749
Total deferred outflows of resources	<u>14,389,695</u>	<u>13,822,567</u>	<u>5,052,696</u>	<u>4,571,450</u>	<u>19,442,391</u>	<u>18,394,017</u>
Current liabilities	16,236,452	16,245,222	27,263,016	25,263,286	43,499,468	41,508,508
Long-term liabilities	<u>142,852,609</u>	<u>145,986,498</u>	<u>124,815,522</u>	<u>116,054,878</u>	<u>267,668,131</u>	<u>262,041,376</u>
Total liabilities	159,089,061	162,231,720	152,078,538	141,318,164	311,167,599	303,549,884
Total deferred inflows of resources	<u>7,284,368</u>	<u>2,303,464</u>	<u>242,344</u>	<u>806,083</u>	<u>7,526,712</u>	<u>3,109,547</u>
Net position:						
Net investment						
in capital assets	75,684,936	94,042,068	54,938,452	38,072,559	130,623,388	132,114,627
Restricted	39,171,020	33,982,717	38,023,320	41,238,440	77,194,340	75,221,157
Prior period adjustment	-	(2,100,719)	-	2,100,719	-	-
Unrestricted (deficit)	<u>(57,037,781)</u>	<u>(76,626,642)</u>	<u>30,931,308</u>	<u>33,360,202</u>	<u>(26,106,473)</u>	<u>(43,266,440)</u>
Total net position	<u>\$57,818,175</u>	<u>\$49,297,424</u>	<u>\$123,893,080</u>	<u>\$114,771,920</u>	<u>\$181,711,255</u>	<u>\$164,069,344</u>

The largest portion of the City's net position (\$130.6 million) reflects its substantial investment in capital assets (e.g., land, buildings, improvements, equipment, and infrastructure) less any related debt used to acquire those assets that is still outstanding. This displays the City's commitment to investing in assets that have useful lives more than the life of the debt issues used to finance the assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. It should be noted that resources needed to repay capital-related debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate the liabilities.

A smaller portion of net position (\$77.2 million) represents resources that are subject to external restrictions on how they may be used. These restrictions include debt covenants, enabling legislation, capital improvements, and other legal requirements.

The negative (deficit) unrestricted net position in the governmental activities is primarily due to the implementation of GASB Statement No. 68 in FY 2014-15, and GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other than Pensions* in FY 2017-18, as well as non-asset related debt issued for funds that were contributed to developers to support public areas in their specific development projects in the Main Street Community Redevelopment area. While the funds were contributed to developers for public areas, the City did not receive any capital assets on the City's records.

The City's overall net position increased \$17.6 million compared to the prior fiscal year's balance. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

**City of Daytona Beach, Florida**  
**Management's Discussion and Analysis**

**Statement of Activities.** The following is a comparison of major revenue and expense categories for the fiscal years ending September 30, 2020 and 2019:

**The City of Daytona Beach, Florida**  
**Changes in Net Position**

	Governmental		Business-Type		Total	
	Activities		Activities		Primary Government	
	2020	2019	2020	2019	2020	2019
<b>REVENUES:</b>						
Program revenues:						
Charges for services	\$ 19,636,384	\$ 16,045,349	\$ 91,198,528	\$ 95,235,668	\$ 110,834,912	\$ 111,281,017
Operating grants and contributions	6,385,834	3,023,525	-	98,781	6,385,834	3,122,306
Capital grants and contributions	1,137,268	1,945,826	6,459,983	7,162,086	7,597,251	9,107,912
General revenues:						
Property taxes levied for general purpose	31,460,044	30,359,003	-	-	31,460,044	30,359,003
Gas taxes	1,782,150	1,991,925	-	-	1,782,150	1,991,925
Public service taxes	11,561,162	11,768,805	-	-	11,561,162	11,768,805
Sales taxes	3,723,080	3,809,242	-	-	3,723,080	3,809,242
Franchise taxes	6,049,136	6,470,703	-	-	6,049,136	6,470,703
Tax increment taxes	3,381,051	3,212,092	-	-	3,381,051	3,212,092
Other taxes	1,058,682	991,258	-	-	1,058,682	991,258
Intergovernmental revenue not restricted to specific programs	2,645,381	2,787,678	-	-	2,645,381	2,787,678
Income on investments	2,188,981	2,767,495	535,839	790,992	2,724,820	3,558,487
Other general revenues	1,709,696	1,104,048	111,737	511,045	1,821,433	1,615,093
Total revenues	<u>92,718,849</u>	<u>86,276,949</u>	<u>98,306,087</u>	<u>103,798,572</u>	<u>191,024,936</u>	<u>190,075,521</u>
<b>EXPENSES:</b>						
General government	20,700,101	15,152,044	-	-	20,700,101	15,152,044
Public safety	55,222,208	56,319,605	-	-	55,222,208	56,319,605
Physical environment	875,087	1,089,956	-	-	875,087	1,089,956
Transportation	13,904,629	13,516,573	-	-	13,904,629	13,516,573
Economic environment	2,904,699	3,714,034	-	-	2,904,699	3,714,034
Human services	804,993	2,529	-	-	804,993	2,529
Culture and recreation	13,338,815	5,364,082	-	-	13,338,815	5,364,082
Interest and fiscal charges	1,610,615	1,725,803	-	-	1,610,615	1,725,803
Water and sewer system	-	-	43,346,808	41,629,642	43,346,808	41,629,642
Solid waste management	-	-	10,467,111	9,923,620	10,467,111	9,923,620
Stormwater improvement	-	-	5,333,481	6,272,899	5,333,481	6,272,899
Halifax Harbor Marina	-	-	2,926,017	3,004,463	2,926,017	3,004,463
Cultural services	-	-	-	3,543,121	-	3,543,121
Municipal Golf Course	-	-	-	1,986,735	-	1,986,735
Florida Tennis Center	-	-	-	599,536	-	599,536
Municipal Stadium/Jackie Robinson Ballpark	-	-	-	175,748	-	175,748
Daytona Beach Pier	-	-	1,948,461	711,578	1,948,461	711,578
Total expenses	<u>109,361,147</u>	<u>96,884,626</u>	<u>64,021,878</u>	<u>67,847,342</u>	<u>173,383,025</u>	<u>164,731,968</u>
Excess (deficiency) before transfers	(16,642,298)	(10,607,677)	34,284,209	35,951,230	17,641,911	25,343,553
Net transfers - in (out)	<u>25,163,049</u>	<u>25,357,605</u>	<u>(25,163,049)</u>	<u>(25,357,605)</u>	<u>-</u>	<u>-</u>
Changes in net position	8,520,751	14,749,928	9,121,160	10,593,625	17,641,911	25,343,553
<b>NET POSITION:</b>						
Net position-beginning, as restated	49,297,424	36,648,215	114,771,920	102,077,576	164,069,344	138,725,791
Net position-ending	<u>\$ 57,818,175</u>	<u>\$ 51,398,143</u>	<u>\$ 123,893,080</u>	<u>\$ 112,671,201</u>	<u>\$ 181,711,255</u>	<u>\$ 164,069,344</u>

**City of Daytona Beach, Florida  
Management's Discussion and Analysis**

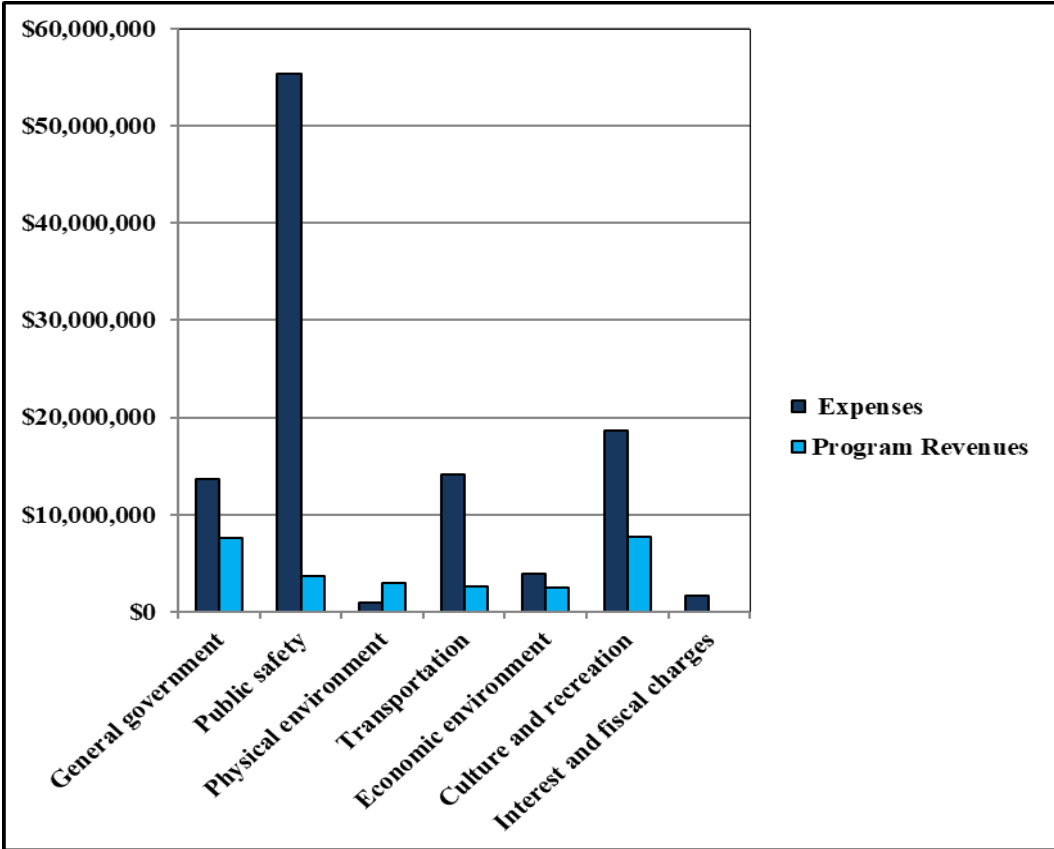
**Governmental Activities:**

Revenues for the governmental activities increased approximately \$6.2 million, or 5.6 percent from the prior fiscal year. This increase is attributable to increases in property tax revenue (\$1.1 million), charges for services (\$3.6 million) primarily due to increased revenue generation from four reclassified nonmajor enterprise funds; operating and capital grants and contributions (\$2.5 million); and, were offset by a decreases in gas, public service, sales, franchise and tax increment taxes of (\$.08 million) as a result of the economic downturn as affected by the pandemic; and income on investments of (\$0.6 million), attributable to declining domestic and international stock market indices resulting from the COVID-19 pandemic.

The cost of all governmental activities this fiscal year was \$109.4 million compared to \$96.9 million last fiscal year. The increase in general government (\$5.5 million) is primarily due to the rebate on utility bills which was provided to residents and business owners in April 2020 as a stimulus COVID-19 pandemic recovery aid. Increases in culture and recreation (\$8.0 million) were due to the decision to move four underperforming nonmajor enterprise fund, which had accounted for activities at the golf course, tennis center, bandshell, theater, football stadium and baseball park, into the general fund. However, this increase was partially offset by decreases in public safety (\$1.1 million) and economic environment (\$0.8 million) due to cancellation of major events within the year. The increase in human services (\$0.8 million) is the direct contribution to fund the operational costs of the homeless shelter which opened in December 2019.

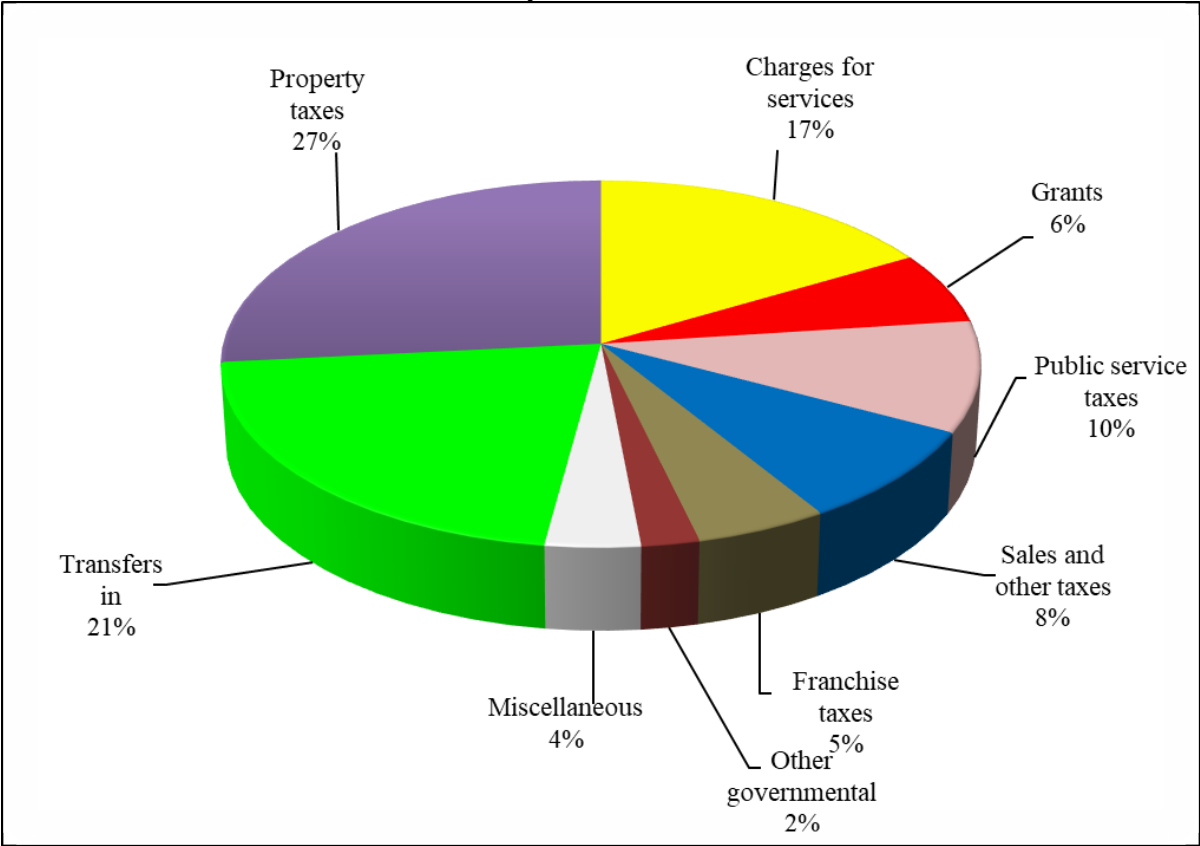
The overall change in net position for governmental activities was an increase of \$8.5 million.

**FY 2019-20 Expenses and Program Revenues - Governmental Activities**

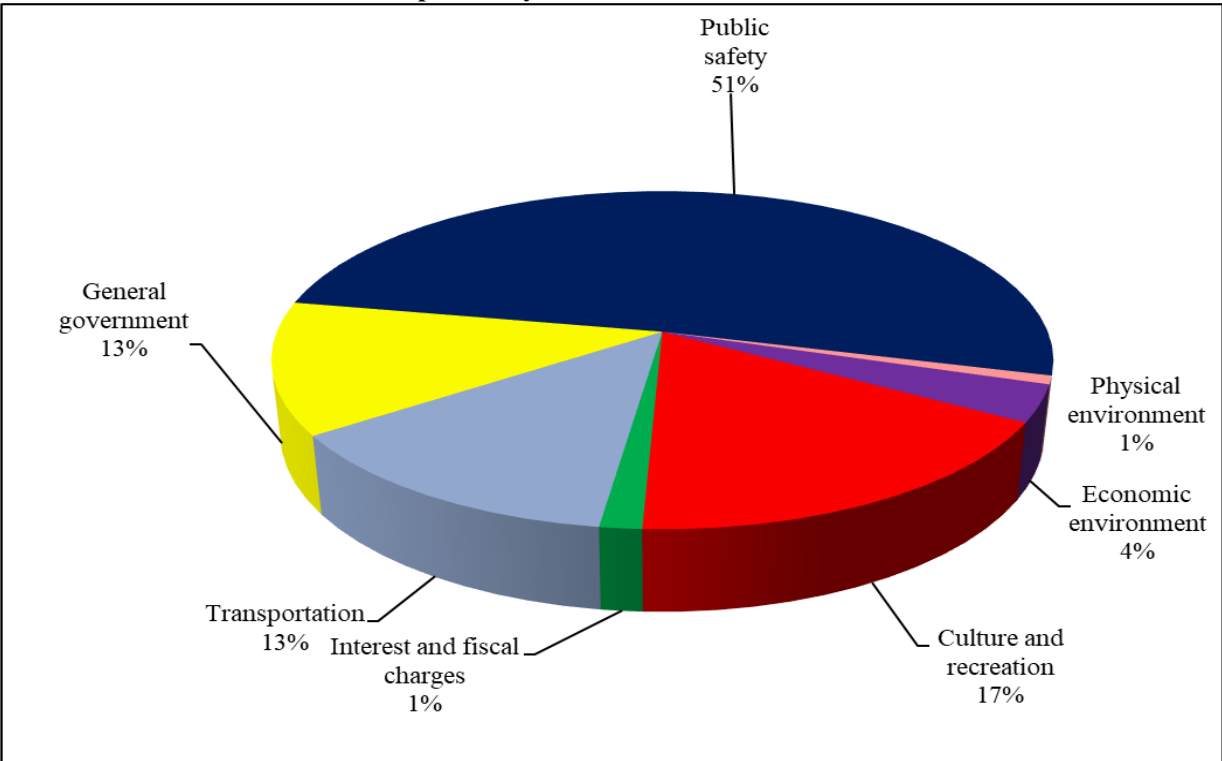


**City of Daytona Beach, Florida  
Management's Discussion and Analysis**

**FY 2019-20 Revenues by Source – Governmental Activities**



**FY 2019-20 Expenses by Function – Governmental Activities**



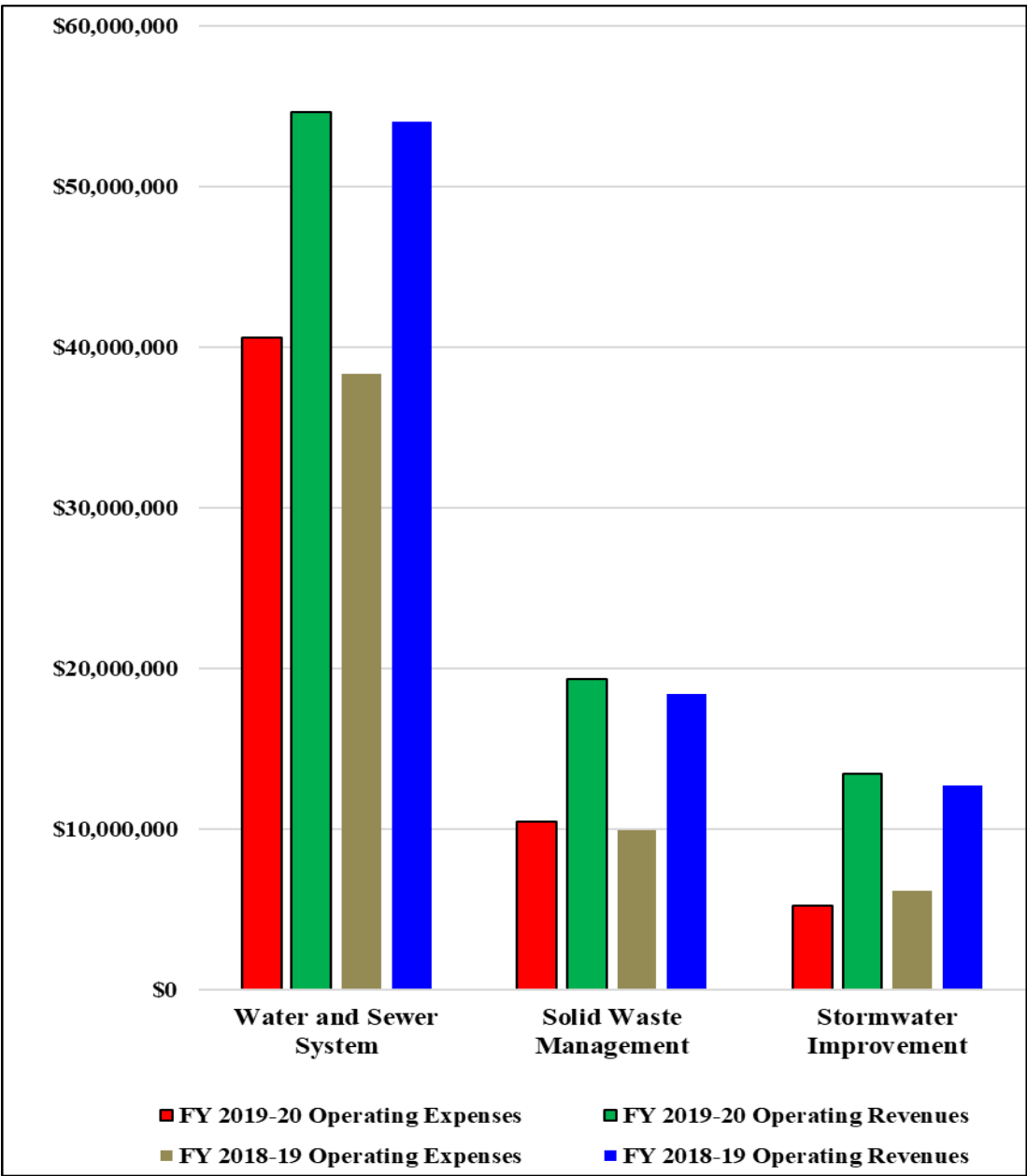


**City of Daytona Beach, Florida  
Management's Discussion and Analysis**

**Business-Type Activities:**

The results of the City’s business-type activities for the current fiscal year were positive in that overall net position increased to reach an ending balance of \$123.9 million. The City's utilities have acquired subsidized, low interest rate loans from the Florida Department of Environmental Protection and has aggressively sought capital grants to fund major construction initiatives. The total increase in net position was \$9.1 million, or 7.9 percent, compared to the prior fiscal year, as restated. The growth in net position, in large part, is attributable to collection of excess water, sewer, stormwater and solid waste rate revenues over operating expenditures. The utility intentionally planned small incremental rate increases linked to the CPI index to accommodate future increasing debt service payments that will become due in future fiscal years instead of a one-time significant rate adjustment in the year when the debt service is due.

**FY 2019-20 Business-Type Activities – Major Funds – Operating Expenses and Operating Revenues**



## City of Daytona Beach, Florida Management's Discussion and Analysis

Water and Sewer System Fund operating revenues increased \$0.6 million or 1.1 percent from the prior fiscal year primarily due to the net effect of the increases from the annual CPI rate change and the suspension of disconnections and late penalties to residential and commercial customers city-wide in response to the COVID-19 pandemic. Operating expenses increased \$2.2 million or 5.9 percent, from the prior fiscal year. The majority of the operating expense change is due to an increase in personal services and contractual services. An increase in contractual services is largely attributed to improvements on the wastewater treatment plant facilities, Beach Street force main installation and the City's incentive agreement payment to the One Daytona Community Development District. The fund's net operating income decreased by \$1.6 million for a total of \$14 million, a 10.0 percent decrease from the prior fiscal year. The fund reported a change in net position of \$10.3 million primarily due to increased revenues attributed to usage increases, annual CPI adjustment, and grant contribution.

Solid Waste Management Fund operating revenues increased \$0.9 million, or 5 percent, from the prior fiscal year primarily due to the annual CPI adjustment and increased demand for services. Operating expenses increased by \$0.5 million, or 5.4 percent. The increased operating expenses is primarily due to increasing contractual services for solid waste collection with Waste Pro and for landfill tipping fee with Volusia County. The fund reported net operating income of \$8.9 million for fiscal year 2019-20, as compared to \$8.5 million in FY 2018-19, a 4.5 percent increase. Net position decreased by \$1.1 million mainly due to increased transfers out to the capital projects fund and general fund for upcoming projects.

Stormwater Improvement Fund operating revenues increased \$0.7 million, or 5.3 percent, from the prior fiscal year to \$13.4 million. This increase was primarily due to the annual CPI rate change. Operating expenses decreased by \$0.9 million or 15.2 percent, when compared to the prior fiscal year due to reduced contractual services for engineering studies and repairs. Net operating income at the end of the fiscal year was \$8.2 million, an increase of \$1.6 million, or 24.6 percent, over the previous fiscal year. The fund also reported an increase in net position of \$0.7 million which was largely due to increases in charges for services.

### FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

**Governmental Funds.** The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as it represents the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City Commission.

As of September 30, 2020, governmental funds reported combined fund balances of \$76.1 million, which is an increase of \$9.0 million, or 13.5 percent, in comparison with the prior fiscal year. This increase is primarily due to lower than budgeted expenditures across all governmental funds as a result of cost reduction measures taken throughout the year in response to the pandemic. Approximately 19.6 percent of this total fund balance amount, \$14.9 million, constitutes unassigned fund balance which is available for spending at the City's discretion. The remainder of fund balance is *non-spendable, restricted, committed or assigned* to indicate the following:

- non-spendable for inventories and prepaid items (\$0.4 million)
- legally required to be maintained intact for debt covenants (\$3.3 million)
- restricted by external grantors and outside agencies for particular purposes (\$36.1 million)
- assigned by the City for particular purposes (\$21.3 million)

## City of Daytona Beach, Florida Management's Discussion and Analysis

The General Fund is the chief operating fund of the City. The general fund ended the year with a fund balance of \$25.1 million. Of this amount, \$0.4 million is considered nonspendable because it cannot be easily converted to cash or is contractually required to remain intact. The remaining spendable portions are either restricted for a particular purpose (\$0.8 million) or assigned to fund the FY 2020-21 budget (\$6.2 million) and capital/other projects (\$2.8 million). As of September 30, 2020, the unassigned fund balance in the General Fund was \$14.9 million, which is a decrease of \$1.0 million compared to FY 2018-19. There are three major reasons for the decrease. Firstly, unassigned fund balance was used in April 2020 for stimulus recovery in the form of rebate on utility bills for residential and business owners totaling over \$3.5 million during the COVID-19 pandemic. Secondly, the net impact of the reclassification of four nonmajor enterprise funds increased revenues while savings from vacant positions and reduced operations because of the economic downturn from the pandemic occurred. Lastly, a portion of the change is due to the modification in terminology applied to unassigned balance per the updated Fiscal Integrity Ordinance in FY 2018-19. According to the Fiscal Integrity Ordinance, some of the surplus will be included in the budget and be reported as an assigned balance the next budget year balance. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 17.2 percent of total current year's (FY 2019-20) General Fund expenditures (excluding transfers out, capital, and other financing uses). Total fund balance represents approximately 29.0 percent of that same amount.

The Redevelopment Trust Fund is a special revenue fund that reports the activities of the five (5) tax increment redevelopment areas of the City. For fiscal year ended September 30, 2020, the Redevelopment Trust Fund reflected an increase of \$2.0 million when revenues are compared to expenditures including transfers. Total revenues increased by \$0.2 million because of rising property values. Ending fund balance at September 30, 2020 was \$10.1 million. At the end of the fiscal year, any unspent funds will be used for future projects per state statutes. More detailed financial information on the Redevelopment Trust Fund can be found on page 166 in the combining and individual fund statements and schedules section of this report.

The Capital Projects Fund reflected a total fund balance of \$12.3 million at the end of FY 2019-20 compared to \$8.2 million in the prior fiscal year. The fund has remaining unspent funds for several high-dollar capital projects expected to be completed in the next year.

**Proprietary Funds.** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Other pertinent information concerning the finances of the enterprise funds have already been addressed in the discussion of business-type activities.

### GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year, the total City budget was amended after adoption by the City Commission and in accordance with the Fiscal Integrity Ordinance and Resolutions of the City Commission. Four (4) nonmajor enterprise funds, namely the Golf Fund, Tennis Fund, Cultural Services Fund, and the Municipal Stadium/Jackie Robinson Ball Park Fund, were reclassified into the General Fund at the beginning of fiscal year 2019-20. These funds had been subsidized by the General Fund for over 10 years and no longer meet the requirements of Enterprise Fund. The combined adjustment resulted in a reduction in the Enterprise Funds net position of \$2.3m and an increase in fund balance in the General Fund of \$1.3 million. Additionally, a partial debt owed by the Tennis Center Fund was transferred to the debt service funds in the amount of \$0.1 million. The remaining balance of \$0.9 million was treated as a prior period adjustment to the governmental net position. Additional information regarding the reclassification of funds can be found in Note 21 in the notes to the financial statements. The General Fund final expenditure budget, including transfers out, increased by approximately \$17.2 million, or 18.2 percent, from the originally adopted expenditure budget. The most significant amendments made to the budget were as follows:

- \$2.3 million for the capital projects, including the carryforward of unexpended project funds from FY 2019-20 to FY 2020-21

## City of Daytona Beach, Florida Management's Discussion and Analysis

- \$12.4 million for cash surpluses as a result of the implementation of the modified Fiscal Integrity Ordinance
- \$4.2 million for appropriated reserves used in response to the COVID-19 pandemic

Actual expenditures were \$10.1 million lower than final budgeted appropriations. A portion can be attributed to reduced operations in response to the COVID-19 pandemic for public safety special event personnel, transportation costs, and cultural and recreation operations. All departments' expenditures exhibited positive variances compared to budgeted amounts. In addition, \$2.1 million of capital projects were not completed by the end of the fiscal year and will be carried forward for completion in the following fiscal years.

Final budgeted revenues in the General Fund (including transfers in and reserves) were \$2.1 million more than original budgeted primarily due to \$0.4 million of loan proceeds for the purchase of IT equipment, \$0.6 million from a lump sum payment of contractual charges, and \$0.7 million transfer from consolidated insurance fund for reimbursement from the excess carrier policy.

Overall, actual General Fund revenues not including reserves were marginally increased by \$0.1 million over final budgeted revenues. Some of the major increases include \$0.2 million in investment income, \$0.7 in miscellaneous revenue and \$0.2 million in insurance proceeds from damage recoveries which were offset by decreases of \$0.5 million in charges for services, \$0.4 million on taxes, and \$0.3 million in license and permits, all of which is attributed to the pandemic. A budgetary comparison statement can be found in the basic financial statements section on page 37.

### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### Capital Assets

The City's investment in capital assets includes land, buildings, improvements and infrastructure, equipment, and construction in progress. At September 30, 2020, the City had investment in capital assets, net of depreciation, of \$290.9 million. This represents a net increase (consisting of additions, deletions, and depreciation) of \$24.7 million from the prior fiscal year. The following is a summary of the City's capital assets, net of depreciation, as of September 30, 2020 and 2019:

#### The City of Daytona Beach, Florida Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Land	\$ 28,821,471	\$ 27,323,324	\$ 6,428,187	\$ 7,926,554	\$ 35,249,658	\$ 35,249,878
Construction in progress	9,416,389	8,989,959	50,436,625	8,652,784	59,853,014	17,642,743
Buildings	33,129,958	33,792,957	13,568,226	12,736,366	46,698,184	46,529,323
Improvements and infrastructure	33,685,381	35,813,277	72,189,045	71,418,658	105,874,426	107,231,935
Equipment	10,046,793	9,724,631	33,180,056	34,436,106	43,226,849	44,160,737
<b>Total</b>	<b>\$ 115,099,992</b>	<b>\$ 115,644,148</b>	<b>\$ 175,802,139</b>	<b>\$ 135,170,468</b>	<b>\$ 290,902,131</b>	<b>\$ 250,814,616</b>

This fiscal year's major additions to capital assets, including projects completed during the year, are as follows:

- First Step Shelter - \$5,373,619
- Sanitary sewer & potable water infrastructure improvements at One Daytona – \$2,000,000
- Two (2) E-One Typhoon fire engines – \$1,018,925
- Softener/Clarifier No.2 rehabilitation - \$734,096
- Sanitary sewer lines rehabilitation - \$643,023

**City of Daytona Beach, Florida  
Management's Discussion and Analysis**

- Vactor Jetter sewer cleaner- \$404,900
- Football practice field at Derbyshire Park - \$352,341
- Sunnyland Park improvements - \$271,212
- CCTV pipeline inspection truck - \$207,570

Additional information regarding the City’s capital assets can be found in Note 8 in the notes to the financial statements section of this report.

**Debt Administration**

At fiscal year end, the City had \$157.8 million in debt outstanding compared to \$152.6 million the previous fiscal year as shown in the table below.

**The City of Daytona Beach, Florida  
Outstanding Debt (Net)**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Revenue bonds	\$ 21,591,273	\$ 23,108,876	\$ 32,652,409	\$ 35,674,613	\$ 54,243,682	\$ 58,783,489
General obligation bonds	11,118,766	12,182,518	-	-	11,118,766	12,182,518
Notes payable	5,179,387	5,999,128	23,196,000	25,931,000	28,375,387	31,930,128
State Revolving Fund loans	-	-	62,047,380	47,771,765	62,047,380	47,771,765
Capital lease payable	1,979,461	1,945,481	-	-	1,979,461	1,945,481
<b>Total</b>	<b>\$ 39,868,887</b>	<b>\$ 43,236,003</b>	<b>\$ 117,895,789</b>	<b>\$ 109,377,378</b>	<b>\$ 157,764,676</b>	<b>\$ 152,613,381</b>

Governmental debt decreased \$3.3 million due to principal retirement. Business-type debt increased \$8.5 million which is net of principal retirement of \$7.2 million and new debt issuance of \$15.7 million. Currently, the City has 100 percent fixed rate debt. Of the outstanding debt, approximately 7.0 percent is backed by the full faith and credit of the government and the balance is secured by various revenue sources. The City Commission adopted a Municipal Securities Disclosure Policy on November 19, 2014 and uses the services of a financial advisor for debt administration related to new debt issues.

The following table provides a list of the bond ratings by bond issue and rating agency.

**The City of Daytona Beach, Florida  
Bond Ratings**

Revenue Bond Issue	Moody's	Standard & Poor's
General Obligation Refunding Bonds, Series 2012	Aa2	AA
Capital Improvement Revenue Bonds, Series 2011 A and B	Aa3	AA
Utility System Refunding and Improvement Revenue Bonds, Series 2012	A1	A

Additional information on the City’s long-term debt can be found in Notes 9, 10 and 11 in the notes to the financial statements section of this report.

**Fiscal Integrity Principles Ordinance**

On June 2, 2004, the City Commission established the Fiscal Integrity Principles Ordinance (the “Ordinance”) to institute sound financial policies and procedures in assuring the optimal use of public funds. The Ordinance was amended in FY 2006-07, FY 2007-08, FY 2011-12, and FY 2018-19 and was used as a basis for the FY

## **City of Daytona Beach, Florida Management's Discussion and Analysis**

2005-06 through FY 2020-21 budgets. Some of the more salient points of the Ordinance include: maintaining a General Fund segregated budgetary cash reserve at a minimum of 10 percent of next year's budgeted operating expenditures, limiting new personnel requests to an increase in services and new recurring revenue, limiting annual salary increases to increases in recurring revenues, funding the pension plan contributions as actuarially computed and in a manner that provides for a more level annual contribution, funding a self-insurance program through fees charged to user departments, performing user fee rate studies when an operating loss has occurred for two (2) consecutive fiscal years and cash reserves fall below 10 percent, preparing and updating a 5-year financial plan annually, and establishing a budget review committee to review and verify the assumptions and estimates underlying the annual budget and 5-year financial plan. Additionally, non-recurring revenues from the City's fund balance account cannot be used to balance the annual budget for recurring expenditures.

The purpose of the FY 2011-12 amendment was to establish renewal and replacement funds for the Water and Sewer System and Stormwater Improvement funds for the purpose of maintaining infrastructure and the quality of services provided. Annually, the City will appropriate 8 percent of the preceding fiscal year's actual operating revenues for the specific fund. Usually, the amount of this renewal and replacement appropriation provides funds for system repairs and improvements equal to approximately 50 percent of the annual depreciation expense and shows the City's commitment to maintaining its existing infrastructure.

The purpose of the FY 2018-19 amendment was to clarify the policy as it relates to segregated budgetary cash reserves which changes terminology applied to unassigned fund balance, establish renewal and replacement fund for certain other enterprise funds, and modified the re-appropriation budgetary process of donation or grant funded expenditures. According to the updated Fiscal Integrity Ordinance, additions to surplus or use of reserves will be included in the budget and are shown on budget vs. actual statements and schedules as net budgetary reserves.

The City is in compliance with the Ordinance by having segregated budgetary cash reserve in the General Fund of 15.0 percent of future year's (FY2020-21) budgeted operating expenditures and by appropriating 8 percent of the prior year's (FY 2019-20) budget for renewal and replacement in the Water and Sewer System, Stormwater Improvement, and Daytona Beach Pier funds.

### **ECONOMIC FACTORS AFFECTING NEXT YEAR'S BUDGET AND RATES**

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

Prior to the effects of the COVID-19 pandemic and the resulting economic impacts, as Volusia County's commercial sector leader, Daytona Beach had a growing local economy, rising home values, record number of new housing starts, commercial growth in the northwest section of our city, and low unemployment rates.

The most recent estimates available for unemployment data in the Deltona-Daytona Beach-Ormond Beach Area are compiled by the U.S. Bureau of Labor Statistics. This agency estimates a local area unemployment rate of 6.3% at the end of September 2020, which has increased primarily due to the COVID pandemic compared to the 3.5% unemployment rate experienced one year earlier. This trend can be compared to the change in State of Florida rates as well, which increased to 7.3% from 3.2% in the same period.

When the FY 2020-21 budget was developed, market and taxable property values had increased for the sixth straight year since 2014 by an overall growth of 65.3% and 45.8%, respectively. The single year growth has been 9.4% and 11.0%, respectively. The General Fund and Redevelopment Trust Fund have benefited from the growth in tax revenue due to the rising valuations. The adopted millage rate of \$5.5300 per \$1,000 of taxable value for the FY 2020-21 annual operating budget is a reduction from the FY 2019-20 millage rate of \$5.8587.



## City of Daytona Beach, Florida Management's Discussion and Analysis

In addition to property taxes the City's other major revenue source is water and sewer utility revenue. An automatic annual rate adjustment tied to the CPI index is in effect in accordance with City ordinance and impacted the water, sewer, stormwater and solid waste rates for the FY 2020-21 budget. The CPI increased rates by 2.9 percent effective October 1, 2020. On March 4, 2020, the city engaged a Utilities rate consultant to perform the annual revenue sufficiency study and to review its water and sewer rates and impact fees, which resulted in Commission adoption on February 17, 2021 of a modified rate structure to address equitability in rates and improve revenue stability. The new retail rate structure will be effective October 1, 2021, and the new impact fees will be effective July 1, 2021.

The City's infrastructure needs to be in place and available to coincide with the growth and private capital investments occurring within the City's boundaries. Management has continued to look for ways to streamline City functions to keep expenditures low and continues to pursue cost saving measures such as outsourcing. The City and its four unions –the Coastal Florida Police Benevolent Association (CFPBA), the American Federation of State, County and Municipal Employees, Florida Council (AFSCME), the International Association of Firefighters Local 1162 (IAFF), and the Florida State Lodge Fraternal Order of Police (FOP)-executed two-year collective bargaining agreements, which began on October 1, 2019 and will expire on September 30, 2021. All union contracts will impact future budgets.

The FY 2020-21 budget was developed to address the City Commission's priorities, which includes improvements for stormwater mitigation, addressing the homeless population of Daytona Beach, initiatives for proactive public safety, repaving of roads, evaluation of the utility system, funding for sidewalk and trail projects, and redevelopment of the downtown and midtown areas. Additionally, beginning in March 2020 due to the COVID-19 pandemic, every department was engaged to find budget modifications which would present minimal impact to operations, avoid staffing reductions, and ensure the resulting budget aligned with City Commission priorities. While the magnitude and duration of the pandemic remains unknown at this time, management is handling the impacts of the emergency using proactive planning. The City will continue to monitor revenue and expenditure trends during the nationwide economic financial downturn and pursue financial assistance to stabilize the local economy.

Despite the financial constraints from dealing with the COVID-19 pandemic and the ongoing restraints put on all local governments to keep taxes and service fees as low as possible, the City continues with a long-term strategic focus on improving the quality of life for all citizens, encouraging a positive business environment, and improving tourist gateway corridor appearances. It is anticipated that the City's spending requirements for FY 2020-21 will be met with current financial resources including federal aid and grants from COVID relief funds.

The impact of the novel coronavirus COVID-19 pandemic has impacted the fair value of investments held by the City and its pension plans negatively due to decline in domestic and international stock market indices, which resulted in decreased investment income of \$0.7 million. This trend is expected to continue into future fiscal years, and thus may affect the amounts reported in future financial statements.

### **FINANCIAL CONTACT**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions regarding this report or need additional financial information, contact the Chief Financial Officer, 301 South Ridgewood Avenue, P. O. Box 2451, Daytona Beach, Florida 32115-2451. Additional financial information can also be found on the City's web site: <http://www.codb.us>.

# Basic Financial Statements



**City of Daytona Beach, Florida**  
**Statement of Net Position**  
**September 30, 2020**

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS:</b>				
Equity in pooled cash, cash equivalents, and investments	\$ 83,673,145	\$ 43,992,351	\$ 127,665,496	\$ 634,431
Receivables (net):				
Accounts	2,985,364	12,187,091	15,172,455	882,211
Taxes	256,400	-	256,400	-
Notes	158,396	-	158,396	-
Accrued interest	242,098	-	242,098	-
Intergovernmental receivable	5,028,931	-	5,028,931	-
Internal balances	(1,992,221)	1,992,221	-	-
Inventory	530,398	872,991	1,403,389	-
Prepays	392,115	17,960	410,075	12,999
Other assets	10,150	27,000	37,150	19,145
Restricted assets:				
Equity in pooled cash, cash equivalents, and investments	3,370,388	36,197,745	39,568,133	-
Prepaid insurance costs - bonds	46,749	71,738	118,487	-
Capital assets:				
Land and construction in progress	38,237,862	56,864,812	95,102,674	159,210
Other capital assets, net of accumulated depreciation	76,862,134	118,937,357	195,799,491	217,522
<b>Total assets</b>	<b>209,801,909</b>	<b>271,161,266</b>	<b>480,963,175</b>	<b>1,925,518</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
Deferred amount on refunding	453,831	1,047,956	1,501,787	-
Deferred amount for other post-employment benefits	747,917	214,386	962,303	-
Deferred amount for pensions	13,187,947	3,790,354	16,978,301	-
<b>Total deferred outflows of resources</b>	<b>14,389,695</b>	<b>5,052,696</b>	<b>19,442,391</b>	<b>-</b>
<b>LIABILITIES:</b>				
Accounts payable and other liabilities	4,582,265	2,695,574	7,277,839	163,445
Contracts payable	-	130,127	130,127	-
Intergovernmental payable	103,376	41,227	144,603	-
Deposits	89,751	9,130,040	9,219,791	-
Unearned revenue	2,074,514	1,485,936	3,560,450	-
Payable from restricted assets:				
Accounts payable and other liabilities	-	2,061,486	2,061,486	-
Contracts payable	632,836	1,843,586	2,476,422	-
Accrued interest	335,882	1,016,741	1,352,623	-
Due within one year:				
Bonds, loans, and notes payable	3,962,165	8,216,403	12,178,568	18,900
Insurance claims payable	2,127,000	-	2,127,000	-
Other liabilities	2,328,663	641,896	2,970,559	9,360
Due in more than one year:				
Bonds, loans, and notes payable	35,906,726	109,679,388	145,586,114	-
Net pension liability	89,178,773	12,537,023	101,715,796	-
Insurance claims payable	7,570,000	-	7,570,000	-
Other liabilities	10,197,110	2,599,111	12,796,221	-
<b>Total liabilities</b>	<b>159,089,061</b>	<b>152,078,538</b>	<b>311,167,599</b>	<b>191,705</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Deferred amount for pensions	7,284,368	242,344	7,526,712	-
<b>Total deferred inflows of resources</b>	<b>7,284,368</b>	<b>242,344</b>	<b>7,526,712</b>	<b>-</b>
<b>NET POSITION:</b>				
Net investment in capital assets	75,684,936	54,938,452	130,623,388	376,732
Restricted for:				
Debt covenants	3,264,824	7,720,743	10,985,567	-
General government	15,984,698	-	15,984,698	-
Public safety	2,165,574	-	2,165,574	-
Transportation	2,286,583	-	2,286,583	-
Economic environment	10,750,673	-	10,750,673	-
Human services	157	-	157	1,115,830
Culture and recreation	4,718,511	-	4,718,511	-
Capital projects	-	29,551,777	29,551,777	-
Landfill	-	750,800	750,800	-
Unrestricted (deficit)	(57,037,781)	30,931,308	(26,106,473)	241,251
<b>Total net position</b>	<b>\$ 57,818,175</b>	<b>\$ 123,893,080</b>	<b>\$ 181,711,255</b>	<b>\$ 1,733,813</b>

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

**City of Daytona Beach, Florida**  
**Statement of Activities**  
**September 30, 2020**

FUNCTIONS/PROGRAMS:	EXPENSES	PROGRAM REVENUES			Net (Expense) Revenue and Changes in Net Position			
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business - type Activities	Total	
<b>Primary Government:</b>								
<b>Governmental Activities:</b>								
General government	\$ 20,700,101	\$ 7,591,361	\$ -	\$ -	\$ (13,108,740)	\$ -	\$ (13,108,740)	\$ -
Public safety	55,222,208	3,344,059	279,771	26,730	(51,571,648)	-	(51,571,648)	-
Physical environment	875,087	-	2,885,576	-	2,010,489	-	2,010,489	-
Transportation	13,904,629	701,615	1,039,276	794,079	(11,369,659)	-	(11,369,659)	-
Economic environment	2,904,699	528,952	1,522,183	-	(853,564)	-	(853,564)	-
Human services	804,993	-	400,000	316,459	(88,534)	-	(88,534)	-
Culture and recreation	13,338,815	7,470,397	259,028	-	(5,609,390)	-	(5,609,390)	-
Interest and fiscal charges	1,610,615	-	-	-	(1,610,615)	-	(1,610,615)	-
<b>Total governmental activities</b>	<b>109,361,147</b>	<b>19,636,384</b>	<b>6,385,834</b>	<b>1,137,268</b>	<b>(82,201,661)</b>	<b>-</b>	<b>(82,201,661)</b>	<b>-</b>
<b>Business-Type Activities:</b>								
Water and sewer system	43,346,808	54,472,595	-	6,459,983	-	17,585,770	17,585,770	-
Solid waste management	10,467,111	19,327,220	-	-	-	8,860,109	8,860,109	-
Stormwater improvement	5,333,481	13,400,621	-	-	-	8,067,140	8,067,140	-
Halifax Harbor	2,926,017	3,403,976	-	-	-	477,959	477,959	-
Daytona Beach Pier	1,948,461	594,116	-	-	-	(1,354,345)	(1,354,345)	-
<b>Total business-type activities</b>	<b>64,021,878</b>	<b>91,198,528</b>	<b>-</b>	<b>6,459,983</b>	<b>-</b>	<b>33,636,633</b>	<b>33,636,633</b>	<b>-</b>
<b>Total primary government</b>	<b>\$ 173,383,025</b>	<b>\$ 110,834,912</b>	<b>\$ 6,385,834</b>	<b>\$ 7,597,251</b>	<b>(82,201,661)</b>	<b>33,636,633</b>	<b>(48,565,028)</b>	<b>-</b>
<b>Component Unit:</b>								
Downtown Development Authority	\$ 202,723	\$ -	\$ 55,657	\$ -	-	-	-	(147,066)
First Step Shelter, Inc.	1,210,439	-	1,990,148	-	-	-	-	779,709
<b>Total component unit</b>	<b>\$ 1,413,162</b>	<b>\$ -</b>	<b>\$ 2,045,805</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>632,643</b>
<b>GENERAL REVENUES:</b>								
<b>Taxes:</b>								
Property taxes, levied for general purposes					31,460,044	-	31,460,044	139,550
Local option gas taxes					1,782,150	-	1,782,150	-
Public service taxes					11,561,162	-	11,561,162	-
Sales taxes					3,723,080	-	3,723,080	-
Franchise taxes					6,049,136	-	6,049,136	-
Tax increment taxes					3,381,051	-	3,381,051	-
Other taxes					1,058,682	-	1,058,682	-
Intergovernmental revenues not restricted to specific programs					2,645,381	-	2,645,381	-
Income on investments					2,188,981	535,839	2,724,820	3,092
Miscellaneous					1,709,696	111,737	1,821,433	7,923
Transfers					25,163,049	(25,163,049)	-	-
<b>Total general revenues and transfers</b>					<b>90,722,412</b>	<b>(24,515,473)</b>	<b>66,206,939</b>	<b>150,565</b>
Change in net position					8,520,751	9,121,160	17,641,911	783,208
<b>NET POSITION:</b>								
Beginning of year, as previously reported					51,398,143	112,671,201	164,069,344	950,605
Prior period adjustment (Note 21)					(2,100,719)	2,100,719	-	-
Beginning of year, as restated					49,297,424	114,771,920	164,069,344	950,605
End of year					\$ 57,818,175	\$ 123,893,080	\$ 181,711,255	\$ 1,733,813

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

**City of Daytona Beach, Florida**  
**Balance Sheet – Governmental Funds**  
**September 30, 2020**

	General	Redevelopment Trust	Capital Projects	Nonmajor Governmental	Total Governmental Funds
<b>ASSETS:</b>					
Equity in pooled cash, cash equivalents, and investments	\$ 21,135,265	\$ 9,991,503	\$ 13,323,563	\$ 25,556,033	\$ 70,006,364
Receivables (net):					
Accounts	2,839,524	-	-	145,840	2,985,364
Taxes	243,620	-	-	12,780	256,400
Notes	-	158,396	-	-	158,396
Accrued interest	242,098	-	-	-	242,098
Due from other funds	2,438,000	-	-	-	2,438,000
Intergovernmental receivable	1,177,560	-	-	3,851,371	5,028,931
Deposits	10,150	-	-	-	10,150
Inventory	398,859	-	-	-	398,859
Prepays	20,293	31,267	-	-	51,560
Restricted equity in pooled cash, cash equivalents, and investments	-	-	11,009	3,359,379	3,370,388
<b>Total assets</b>	<b>\$ 28,505,369</b>	<b>\$ 10,181,166</b>	<b>\$ 13,334,572</b>	<b>\$ 32,925,403</b>	<b>\$ 84,946,510</b>
<b>LIABILITIES:</b>					
Accounts payable and other liabilities	\$ 2,387,966	\$ 72,969	\$ 1,024,565	\$ 677,723	\$ 4,163,223
Due to other funds	-	-	-	2,438,000	2,438,000
Intergovernmental payable	89,818	611	-	4,967	95,396
Deposits	87,687	-	-	2,064	89,751
Contracts payable	-	35,273	-	-	35,273
Unearned revenue	810,813	-	-	1,263,701	2,074,514
<b>Total liabilities</b>	<b>3,376,284</b>	<b>108,853</b>	<b>1,024,565</b>	<b>4,386,455</b>	<b>8,896,157</b>
<b>FUND BALANCES:</b>					
Non-Spendable:					
Inventory	398,859	-	-	-	398,859
Prepays	20,293	-	-	-	20,293
Restricted:					
Debt covenants	-	-	-	3,264,824	3,264,824
General government	-	-	-	15,984,698	15,984,698
Public safety	69,880	-	-	2,095,694	2,165,574
Physical environment	-	-	-	236,730	236,730
Transportation	-	-	11,009	2,275,574	2,286,583
Economic environment	-	10,072,313	-	678,360	10,750,673
Human services	-	-	-	157	157
Culture and recreation	722,650	-	-	3,995,861	4,718,511
Assigned:					
Capital projects	2,290,588	-	12,298,998	-	14,589,586
Fiscal year 2020 budget	6,151,860	-	-	-	6,151,860
Other projects	552,777	-	-	-	552,777
Unassigned	14,922,178	-	-	7,050	14,929,228
<b>Total fund balances</b>	<b>25,129,085</b>	<b>10,072,313</b>	<b>12,310,007</b>	<b>28,538,948</b>	<b>76,050,353</b>
<b>Total liabilities and fund balances</b>	<b>\$ 28,505,369</b>	<b>\$ 10,181,166</b>	<b>\$ 13,334,572</b>	<b>\$ 32,925,403</b>	<b>\$ 84,946,510</b>

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

**City of Daytona Beach, Florida**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**September 30, 2020**

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

Fund balance - governmental funds	\$	76,050,353
<p>Certain assets, liabilities, deferred inflow of resources, and deferred outflow of resources reported in governmental activities are not financial resources and therefore are not reported in the funds:</p>		
Land		28,821,471
Construction in progress		9,416,391
Buildings		33,109,441
Improvements and infrastructure		33,605,824
Equipment		9,525,675
<b>Total</b>		<b>114,478,802</b>
<p>Internal service funds are used by management to charge the costs of fleet maintenance, employment services, property maintenance, information systems, and insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.</p>		
		(2,350,731)
<p>Long-term liabilities - liabilities are not due and payable in the current period and are not reported in the funds:</p>		
Prepaid bond insurance costs (to be amortized over life of debt)		46,749
Deferred amount on refunding (to be amortized as interest revenue)		453,831
Deferred amount for pensions (net)		4,560,760
Deferred amount for other post-employment benefits (net)		684,202
Accrued interest payable		(335,882)
Bonds, loans, and notes payable		(39,868,891)
Net pension liability		(84,438,996)
Compensated absences		(6,936,356)
Other post-employment benefits		(4,525,666)
		(130,360,249)
<b>Net position - governmental activities</b>		<b>\$ 57,818,175</b>

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



**City of Daytona Beach, Florida**  
**Statement of Revenues, Expenditures and Changes in Fund Balances –**  
**Governmental Funds**  
**September 30, 2020**

	General	Redevelopment Trust	Capital Projects	Nonmajor Governmental	Total Governmental Funds
<b>REVENUES:</b>					
Taxes	\$ 44,709,839	\$ -	\$ -	\$ 2,196,130	\$ 46,905,969
Licenses and permits	6,084,297	11,808	-	3,141,363	9,237,468
Intergovernmental	7,629,204	3,436,708	-	5,567,498	16,633,410
Charges for services	9,021,205	12,600	-	318,997	9,352,802
Fines and forfeitures	433,701	-	-	33,619	467,320
Special assessments/impact fees	47,582	-	-	5,377,183	5,424,765
Income on investments	1,999,174	28,375	26,835	97,945	2,152,329
Miscellaneous	1,219,191	17	-	1,188,660	2,407,868
<b>Total revenues</b>	<b>71,144,193</b>	<b>3,489,508</b>	<b>26,835</b>	<b>17,921,395</b>	<b>92,581,931</b>
<b>EXPENDITURES:</b>					
Current operating:					
General government	12,203,409	-	15,718	3,051,771	15,270,898
Public safety	51,505,439	-	6,897	411,216	51,923,552
Physical environment	-	-	-	875,087	875,087
Transportation	11,774,739	-	889,622	16,454	12,680,815
Economic environment	380,026	934,956	-	1,408,067	2,723,049
Human services	400,910	-	4,083	400,000	804,993
Culture and recreation	9,606,020	-	1,247,682	53,781	10,907,483
Capital outlay	739,362	732,514	4,848,958	4,806,516	11,127,350
Debt service:					
Principal	-	-	-	3,789,786	3,789,786
Interest and fiscal charges	-	-	-	1,586,296	1,586,296
<b>Total expenditures</b>	<b>86,609,905</b>	<b>1,667,470</b>	<b>7,012,960</b>	<b>16,398,974</b>	<b>111,689,309</b>
Excess (deficiency) of revenues over (under) expenditures	(15,465,712)	1,822,038	(6,986,125)	1,522,421	(19,107,378)
<b>OTHER FINANCING SOURCES (USES):</b>					
Debt proceeds	354,030	-	-	-	354,030
Proceeds from insurance recovery	216,050	-	-	-	216,050
Transfers in	26,598,527	3,048,677	11,225,156	3,861,840	44,734,200
Transfers (out)	(14,916,686)	(2,895,698)	(148,234)	(650,415)	(18,611,033)
<b>Total other financing sources (uses)</b>	<b>12,251,921</b>	<b>152,979</b>	<b>11,076,922</b>	<b>3,211,425</b>	<b>26,693,247</b>
<b>Net change in fund balances</b>	<b>(3,213,791)</b>	<b>1,975,017</b>	<b>4,090,797</b>	<b>4,733,846</b>	<b>7,585,869</b>
<b>FUND BALANCES:</b>					
Beginning of year, as previously reported	27,000,203	8,097,296	8,219,210	23,697,769	67,014,478
Prior period adjustment (Note 21)	1,342,673	-	-	107,333	1,450,006
Beginning of year, restated	28,342,876	8,097,296	8,219,210	23,805,102	68,464,484
Ending	\$ 25,129,085	\$ 10,072,313	\$ 12,310,007	\$ 28,538,948	\$ 76,050,353

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

**City of Daytona Beach, Florida**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes**  
**In Fund Balances of Governmental Funds to the Statement of Activities**  
**September 30, 2020**

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

Net change in fund balance - total governmental funds	\$	7,585,869
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. Also, certain capital assets are contributed to the City upon completion, requiring recognition of capital contributions not reported in the funds.</p>		
Capital assets acquired by use of financial resources	\$	11,127,350
Current year depreciation		(7,155,248)
		3,972,102
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.</p>		
		(1,834,597)
<p>The issuance of long-term debt (i.e., bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of prepaid bond insurance costs and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
Principal paid	\$	3,789,786
Debt proceeds		(354,030)
		3,435,756
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Amortization of prepaid bond insurance costs	\$	(8,410)
Amortization of deferred amount on refunding		(73,371)
Amortization of bond premium		21,986
Accrued interest		27,066
Pension expense		(2,861,502)
Change in deferred outflows related to pensions		466,791
Compensated absences		(990,369)
Other post-employment benefits		27,891
		(3,389,918)
<p>Internal service funds are used by management to charge the costs of fleet maintenance, employment services, property maintenance, information systems, and insurance to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.</p>		
		(1,248,461)
Change in net position - governmental activities	\$	8,520,751

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

**City of Daytona Beach, Florida**  
**Statement of Revenues, Expenditures, and Changes In Fund Balances –**  
**Budget and Actual**  
**General Fund**  
**September 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 45,155,626	\$ 45,155,626	\$ 44,709,839	\$ (445,787)
Licenses and permits	6,389,136	6,389,136	6,084,297	(304,839)
Intergovernmental	7,600,997	7,600,997	7,629,204	28,207
Charges for services	8,984,749	9,542,981	9,021,205	(521,776)
Fines and forfeitures	372,401	372,401	433,701	61,300
Special assessment/impact fees	48,617	48,617	47,582	(1,035)
Income on investments	1,763,930	1,763,930	1,999,174	235,244
Miscellaneous	456,271	503,397	1,219,191	715,794
<b>Total revenues</b>	<b>70,771,727</b>	<b>71,377,085</b>	<b>71,144,193</b>	<b>(232,892)</b>
<b>EXPENDITURES:</b>				
General government:				
Legislative	967,065	1,018,711	732,874	285,837
City Manager	3,472,789	8,074,681	5,722,983	2,351,698
City Attorney	1,396,280	1,541,328	1,510,843	30,485
Finance	2,228,207	2,281,573	2,166,116	115,457
Comprehensive Planning	1,331,027	1,389,771	1,200,491	189,280
Other Physical Environment	835,028	872,871	870,102	2,769
Public safety:				
Police	35,661,308	38,575,506	37,136,288	1,439,218
Fire	15,344,765	15,319,287	14,369,151	950,136
Transportation	12,594,123	12,696,767	11,774,739	922,028
Economic environment	352,454	556,118	380,026	176,092
Human services	500,000	500,910	400,910	100,000
Culture and recreation	10,297,722	10,990,062	9,606,020	1,384,042
Capital outlay	3,753,020	2,808,136	739,362	2,068,774
<b>Total expenditures</b>	<b>88,733,788</b>	<b>96,625,721</b>	<b>86,609,905</b>	<b>10,015,816</b>
Excess (deficiency) of revenues over (under) expenditures	(17,962,061)	(25,248,636)	(15,465,712)	9,782,924
<b>OTHER FINANCING</b>				
<b>SOURCES (USES):</b>				
Budgetary reserves, net	(1,895,493)	13,205,338	-	(13,205,338)
Debt proceeds	-	354,030	354,030	-
Proceeds from insurance recovery	-	-	216,050	216,050
Transfers in	25,592,922	26,701,274	26,598,527	(102,747)
Transfers (out)	(5,735,368)	(15,012,006)	(14,916,686)	95,320
<b>Total other financing sources (uses)</b>	<b>17,962,061</b>	<b>25,248,636</b>	<b>12,251,921</b>	<b>(12,996,715)</b>
Net change in fund balance	-	-	(3,213,791)	(3,213,791)
<b>FUND BALANCE:</b>				
Beginning of year, as previously reported	27,000,203	27,000,203	27,000,203	-
Prior period adjustment (Note 21)	1,342,673	1,342,673	1,342,673	-
Beginning of year, restated	28,342,876	28,342,876	28,342,876	-
Ending	\$ 28,342,876	\$ 28,342,876	\$ 25,129,085	\$ (3,213,791)

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

**City of Daytona Beach, Florida**  
**Statement of Revenues, Expenditures, and Changes In Fund Balances –**  
**Budget and Actual**  
**Redevelopment Trust Special Revenue Fund**  
**September 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
<b>REVENUES:</b>				
Licenses and permits	\$ 18,561	\$ 18,561	\$ 11,808	\$ (6,753)
Intergovernmental	3,460,677	3,495,992	3,436,708	(59,284)
Charges for services	12,000	12,000	12,600	600
Income on investments	-	-	28,375	28,375
Miscellaneous	2,602,026	2,026	17	(2,009)
<b>Total revenues</b>	<b>6,093,264</b>	<b>3,528,579</b>	<b>3,489,508</b>	<b>(39,071)</b>
<b>EXPENDITURES:</b>				
Current operating:				
Economic environment	2,510,341	2,696,675	934,956	1,761,719
Grants and aids	-	1,206,240	-	1,206,240
Capital outlay	4,244,796	7,714,328	732,514	6,981,814
<b>Total expenditures</b>	<b>6,755,137</b>	<b>11,617,243</b>	<b>1,667,470</b>	<b>9,949,773</b>
Excess (deficiency) of revenues over (under) expenditures	(661,873)	(8,088,664)	1,822,038	9,910,702
<b>OTHER FINANCING</b>				
<b>SOURCES (USES):</b>				
Budgetary reserves, net	506,114	7,935,900	-	(7,935,900)
Transfers in	3,051,457	3,048,462	3,048,677	215
Transfers (out)	(2,895,698)	(2,895,698)	(2,895,698)	-
<b>Total other financing sources (uses)</b>	<b>661,873</b>	<b>8,088,664</b>	<b>152,979</b>	<b>(7,935,685)</b>
Net change in fund balance	-	-	1,975,017	1,975,017
<b>FUND BALANCE:</b>				
Beginning	8,097,296	8,097,296	8,097,296	-
Ending	\$ 8,097,296	\$ 8,097,296	\$ 10,072,313	\$ 1,975,017

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

**City of Daytona Beach, Florida**  
**Statement of Net Position**  
**Proprietary Funds**  
**September 30, 2020**

	Business-Type Activities - Enterprise Funds					Governmental
	Water and Sewer System	Solid Waste Management	Stormwater Improvement	Nonmajor Enterprise	Totals	Internal Service Funds
<b>ASSETS:</b>						
<b>Current assets:</b>						
Equity in pooled cash, cash equivalents, and investments	\$ 31,643,224	\$ 3,378,263	\$ 6,358,111	\$ 2,612,753	\$ 43,992,351	\$ 13,666,781
Accounts receivable (net)	7,768,768	2,761,150	1,657,173	-	12,187,091	-
Inventory	842,293	-	-	30,698	872,991	131,539
Prepays	-	-	-	17,960	17,960	340,555
<b>Total current assets</b>	<b>40,254,285</b>	<b>6,139,413</b>	<b>8,015,284</b>	<b>2,661,411</b>	<b>57,070,393</b>	<b>14,138,875</b>
<b>Noncurrent assets:</b>						
Restricted equity in pooled cash, cash equivalents, and investments	34,502,769	750,800	468,148	476,028	36,197,745	-
Prepaid insurance costs - bonds	70,804	-	934	-	71,738	-
Deposits	27,000	-	-	-	27,000	-
Advances to other funds	650,416	-	346,702	-	997,118	-
<b>Capital assets:</b>						
Non-depreciable	54,070,430	25,021	2,730,758	38,603	56,864,812	-
Depreciable (net)	92,870,661	55,167	17,678,106	8,333,423	118,937,357	621,195
<b>Total noncurrent assets</b>	<b>182,192,080</b>	<b>830,988</b>	<b>21,224,648</b>	<b>8,848,054</b>	<b>213,095,770</b>	<b>621,195</b>
<b>Total assets</b>	<b>222,446,365</b>	<b>6,970,401</b>	<b>29,239,932</b>	<b>11,509,465</b>	<b>270,166,163</b>	<b>14,760,070</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>						
Deferred amount on refunding	957,209	-	9,703	81,044	1,047,956	-
Deferred amount for other	173,273	3,059	35,910	2,144	214,386	63,715
Deferred amount for pensions	2,780,653	93,980	774,139	141,582	3,790,354	1,455,499
<b>Total deferred outflows of resources</b>	<b>3,911,135</b>	<b>97,039</b>	<b>819,752</b>	<b>224,770</b>	<b>5,052,696</b>	<b>1,519,214</b>
<b>LIABILITIES:</b>						
<b>Current liabilities:</b>						
Accounts payable and other liabilities	1,429,155	799,983	323,823	142,613	2,695,574	1,016,605
Contracts payable	130,127	-	-	-	130,127	-
Intergovernmental payable	19,060	426	4,110	17,631	41,227	7,980
Insurance claims payable	-	-	-	-	-	2,127,000
Unearned revenues	-	-	1,428,053	57,883	1,485,936	-
Compensated absences	494,478	13,946	120,861	12,611	641,896	245,857
Bonds payable	2,695,000	-	-	-	2,695,000	-
Notes and loans payable	4,648,848	-	335,555	537,000	5,521,403	-
<b>Payable from restricted assets:</b>						
Accounts payable	2,061,486	-	-	-	2,061,486	-
Contracts payable	1,822,645	-	20,941	-	1,843,586	-
Accrued interest	906,857	-	28,158	81,726	1,016,741	-
<b>Total current liabilities</b>	<b>14,207,656</b>	<b>814,355</b>	<b>2,261,501</b>	<b>849,464</b>	<b>18,132,976</b>	<b>3,397,442</b>
<b>Noncurrent liabilities:</b>						
Insurance claims payable	-	-	-	-	-	7,570,000
Deposits	9,066,692	-	-	63,348	9,130,040	-
Compensated absences	829,297	15,260	145,132	62,683	1,052,372	443,310
Other post-employment benefits	987,098	38,072	245,974	7,623	1,278,767	374,584
Net pension liability	9,248,266	398,195	2,500,729	389,833	12,537,023	4,739,777
Pollution remediation	-	90,996	-	-	90,996	-
Landfill closure and post-closure	-	176,976	-	-	176,976	-
Bonds payable	29,212,547	-	744,862	-	29,957,409	-
Notes and loans payable	73,623,520	-	1,072,459	5,026,000	79,721,979	-
Advances from other funds	-	-	-	997,118	997,118	-
<b>Total noncurrent liabilities</b>	<b>122,967,420</b>	<b>719,499</b>	<b>4,709,156</b>	<b>6,546,605</b>	<b>134,942,680</b>	<b>13,127,671</b>
<b>Total liabilities</b>	<b>137,175,076</b>	<b>1,533,854</b>	<b>6,970,657</b>	<b>7,396,069</b>	<b>153,075,656</b>	<b>16,525,113</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>						
Deferred amount for pensions	166,988	6,327	55,954	13,075	242,344	112,680
<b>Total deferred inflows of resources</b>	<b>166,988</b>	<b>6,327</b>	<b>55,954</b>	<b>13,075</b>	<b>242,344</b>	<b>112,680</b>
<b>NET POSITION:</b>						
Net investment in capital assets	33,701,568	80,188	18,266,625	2,890,071	54,938,452	621,195
<b>Restricted for:</b>						
Debt covenants	6,216,110	-	1,110,331	394,302	7,720,743	-
Capital projects	28,722,548	829,229	-	-	29,551,777	-
Landfill	-	750,800	-	-	750,800	-
Unrestricted	20,375,210	3,867,042	3,656,117	1,040,718	28,939,087	(979,704)
<b>Total net position</b>	<b>\$ 89,015,436</b>	<b>\$ 5,527,259</b>	<b>\$ 23,033,073</b>	<b>\$ 4,325,091</b>	<b>121,900,859</b>	<b>\$ (358,509)</b>
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time					1,992,221	
<b>Net position of business-type activities</b>					<b>\$ 123,893,080</b>	

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

**City of Daytona Beach, Florida**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**September 30, 2020**

	Business-Type Activities - Enterprise Funds					Governmental
	Water and Sewer System	Solid Waste Management	Stormwater Improvement	Nonmajor Enterprise	Totals	Internal Service Funds
<b>OPERATING REVENUES:</b>						
Charges for services	\$ 54,472,595	\$ 19,327,220	\$ 13,400,621	\$ 3,998,092	\$ 91,198,528	\$ 14,765,612
Other receipts	134,716	1,110	202	9,589	145,617	9,778
<b>Total operating revenues</b>	<b>54,607,311</b>	<b>19,328,330</b>	<b>13,400,823</b>	<b>4,007,681</b>	<b>91,344,145</b>	<b>14,775,390</b>
<b>OPERATING EXPENSES:</b>						
Personnel services	12,650,470	294,327	2,678,931	264,173	15,887,901	5,482,933
Contractual services	15,738,257	10,126,689	1,268,203	3,381,848	30,514,997	8,206,774
Materials and supplies	4,312,915	23,351	124,614	484,474	4,945,354	1,375,983
Depreciation	7,884,926	12,521	1,161,986	527,334	9,586,767	238,465
<b>Total operating expenses</b>	<b>40,586,568</b>	<b>10,456,888</b>	<b>5,233,734</b>	<b>4,657,829</b>	<b>60,935,019</b>	<b>15,304,155</b>
<b>Operating income (loss)</b>	<b>14,020,743</b>	<b>8,871,442</b>	<b>8,167,089</b>	<b>(650,148)</b>	<b>30,409,126</b>	<b>(528,765)</b>
<b>NONOPERATING REVENUE (EXPENSE):</b>						
Income on investments	485,429	20,283	21,273	8,854	535,839	36,652
Interest expense	(2,603,170)	-	(75,302)	(208,518)	(2,886,990)	-
Gain (loss) on disposal of capital assets	(37,562)	-	6,000	(2,318)	(33,880)	3,901
<b>Total nonoperating revenue (expense)</b>	<b>(2,155,303)</b>	<b>20,283</b>	<b>(48,029)</b>	<b>(201,982)</b>	<b>(2,385,031)</b>	<b>40,553</b>
<b>Income (loss) before capital grants, contributions and transfers</b>	<b>11,865,440</b>	<b>8,891,725</b>	<b>8,119,060</b>	<b>(852,130)</b>	<b>28,024,095</b>	<b>(488,212)</b>
Capital grants and contributions	6,459,983	-	-	-	6,459,983	-
Transfers in	-	-	-	283,850	283,850	-
Transfers (out)	(7,994,155)	(9,962,062)	(7,430,878)	(59,804)	(25,446,899)	(960,118)
<b>Change in net position</b>	<b>10,331,268</b>	<b>(1,070,337)</b>	<b>688,182</b>	<b>(628,084)</b>	<b>9,321,029</b>	<b>(1,448,330)</b>
<b>NET POSITION (DEFICIT):</b>						
Beginning of year, as previously reported	78,684,168	6,597,596	22,344,891	2,852,456	110,479,111	1,089,821
Prior period adjustment (Note 21)	-	-	-	2,100,719	2,100,719	-
Beginning of year, restated	78,684,168	6,597,596	22,344,891	4,953,175	112,579,830	1,089,821
<b>Ending</b>	<b>\$ 89,015,436</b>	<b>\$ 5,527,259</b>	<b>\$ 23,033,073</b>	<b>\$ 4,325,091</b>	<b>\$ 121,900,859</b>	<b>\$ (358,509)</b>
Change in net position from above					\$ 9,321,029	
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds					(199,869)	
<b>Change in net position of business-type activities</b>					<b>\$ 9,121,160</b>	

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



**City of Daytona Beach, Florida**  
**Statement of Cash Flows – Proprietary Funds**  
**September 30, 2020**

	Business-Type Activities - Enterprise Funds					Governmental
	Water and Sewer System	Solid Waste Management	Stormwater Improvement	Nonmajor Enterprise	Totals	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>						
Receipts from customers	\$ 62,108,969	\$ 19,106,662	\$ 13,302,846	\$ 4,055,975	\$ 98,574,452	\$ 14,771,323
Other receipts	134,716	1,110	202	9,589	145,617	9,778
Payments to suppliers	(15,322,677)	(7,872,576)	290,943	(3,839,822)	(26,744,132)	(9,289,250)
Payments to employees	(11,138,210)	(243,530)	(2,364,978)	(209,774)	(13,956,492)	(4,951,994)
Payment to other funds for services provided	(6,247,489)	(2,229,740)	(1,428,531)	-	(9,905,760)	-
<b>Net cash provided by operating activities</b>	<b>29,535,309</b>	<b>8,761,926</b>	<b>9,800,482</b>	<b>15,968</b>	<b>48,113,685</b>	<b>539,857</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>						
Transfers from other funds	-	-	-	283,850	283,850	-
Transfers (to) other funds	(7,994,155)	(9,962,062)	(7,430,878)	(59,804)	(25,446,899)	(960,118)
<b>Net cash provided by (used for) noncapital financing activities</b>	<b>(7,994,155)</b>	<b>(9,962,062)</b>	<b>(7,430,878)</b>	<b>224,046</b>	<b>(25,163,049)</b>	<b>(960,118)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>						
Proceeds from sale of capital assets	-	-	6,000	-	6,000	3,901
Acquisition and construction of capital assets	(30,659,351)	-	(567,903)	(7,468)	(31,234,722)	(41,683)
Proceeds from debt	15,739,327	-	-	-	15,739,327	-
Principal payments on bonds, loans, and notes	(5,879,468)	-	(325,244)	(519,000)	(6,723,712)	-
Interest payments on bonds, loans, and notes	(2,924,286)	-	(82,453)	(208,435)	(3,215,174)	-
Capital grants and contributions for purchase of capital assets	6,459,983	-	-	-	6,459,983	-
<b>Net cash used for capital and related financing activities</b>	<b>(17,263,795)</b>	<b>-</b>	<b>(969,600)</b>	<b>(734,903)</b>	<b>(18,968,298)</b>	<b>(37,782)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>						
Interest received	485,429	20,283	21,273	8,854	535,839	36,652
<b>Net cash provided by investing activities</b>	<b>485,429</b>	<b>20,283</b>	<b>21,273</b>	<b>8,854</b>	<b>535,839</b>	<b>36,652</b>
<b>Net increase (decrease) in cash, cash equivalents, and investments</b>	<b>4,762,788</b>	<b>(1,179,853)</b>	<b>1,421,277</b>	<b>(486,035)</b>	<b>4,518,177</b>	<b>(421,391)</b>
<b>EQUITY IN POOLED CASH, CASH EQUIVALENTS, AND INVESTMENTS:</b>						
Beginning	61,383,205	5,308,916	5,404,982	3,574,816	75,671,919	14,088,172
Ending	\$ 66,145,993	\$ 4,129,063	\$ 6,826,259	\$ 3,088,781	\$ 80,190,096	\$ 13,666,781
<b>Classified as:</b>						
Unrestricted	\$ 31,643,224	\$ 3,378,263	\$ 6,358,111	\$ 2,612,753	\$ 43,992,351	\$ 13,666,781
Restricted	34,502,769	750,800	468,148	476,028	36,197,745	-
<b>Total</b>	<b>\$ 66,145,993</b>	<b>\$ 4,129,063</b>	<b>\$ 6,826,259</b>	<b>\$ 3,088,781</b>	<b>\$ 80,190,096</b>	<b>\$ 13,666,781</b>

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

**City of Daytona Beach, Florida**  
**Statement of Cash Flows – Proprietary Funds (Continued)**  
**September 30, 2020**

	Business-Type Activities - Enterprise Funds					Governmental
	Water and Sewer System	Solid Waste Management	Stormwater Improvement	Nonmajor Enterprise	Totals	Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:						
Operating income (loss)	\$ 14,020,743	\$ 8,871,442	\$ 8,167,089	\$ (650,148)	\$ 30,409,126	\$ (528,765)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	7,884,926	12,521	1,161,986	527,334	9,586,767	238,465
(Increase) decrease in:						
Accounts receivable (net)	(847,345)	(231,117)	(277,510)	-	(1,355,972)	5,711
Intergovernmental receivable	7,823,587	-	-	-	7,823,587	-
Inventory	206,811	-	-	(7,966)	198,845	(238)
Prepays	11,689	-	(934)	(39)	10,716	13,078
Deferred outflow amount for pensions	(244,702)	(7,121)	(52,422)	(13,953)	(318,198)	(280,941)
Deferred outflow amount for OPEB	(112,458)	(2,001)	(24,760)	(1,515)	(140,734)	(41,518)
Increase (decrease) in:						
Accounts payable and other liabilities	(955,813)	47,928	233,603	(5,658)	(679,940)	301,988
Contracts payable	(786,421)	-	20,941	-	(765,480)	-
Intergovernmental payable	4,740	103	1,619	4,030	10,492	1,679
Insurance claims payable	-	-	-	-	-	(23,000)
Unearned revenues	-	-	179,735	57,883	237,618	-
Deposits	660,132	-	-	36,133	696,265	-
Pollution remediation obligation	-	6,416	-	-	6,416	-
Landfill closure and post-closure	-	3,836	-	-	3,836	-
Compensated absences	259,391	14,256	45,595	18,202	337,444	118,735
Other post-employment benefits	105,461	1,876	23,220	1,420	131,977	38,936
Net pension liability	1,879,816	54,708	402,709	69,903	2,407,136	869,244
Deferred inflow amount for pensions	(375,248)	(10,921)	(80,389)	(19,658)	(486,216)	(173,517)
Total adjustments	15,514,566	(109,516)	1,633,393	666,116	17,704,559	1,068,622
Net cash provided by operating activities	\$ 29,535,309	\$ 8,761,926	\$ 9,800,482	\$ 15,968	\$ 48,113,685	\$ 539,857
Noncash capital and related financing activities:						
Amortization of deferred amount on refunding	\$ 19,249	\$ -	\$ -	\$ 10,026	\$ 29,275	\$ -

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

**City of Daytona Beach, Florida**  
**Statement of Net Position – Fiduciary Funds**  
**September 30, 2020**

	Police and Fire Pension Trust Fund	Police Asset Agency Fund
<b>ASSETS:</b>		
Cash and cash equivalents	\$ -	\$ 429,172
Investments, at fair value:		
Equities - stocks	164,855,919	-
Fixed income - bonds and notes	39,474,438	-
Receivables:		
Contributions	86,280	-
Accrued interest and dividends	26,121	-
<b>Total assets</b>	<b>204,442,758</b>	<b>\$ 429,172</b>
<b>LIABILITIES:</b>		
Accounts payable and other liabilities	324,713	429,172
<b>Total liabilities</b>	<b>324,713</b>	<b>\$ 429,172</b>
<b>NET POSITION RESTRICTED FOR PENSIONS:</b>	<b>\$ 204,118,045</b>	

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

**City of Daytona Beach, Florida**  
**Statement of Changes in Net Position – Fiduciary Fund**  
**September 30, 2020**

	Police and Fire Pension Trust Fund
<b>ADDITIONS:</b>	
Contributions:	
Employer	\$ 8,109,940
Employee	1,887,917
Employer from state	1,058,682
Total contributions	11,056,539
Investment income:	
Net appreciation in fair value of plan investments	23,549,696
Interest and dividends	3,372,031
Total investment income	26,921,727
Less: Investment expense	(658,615)
Net investment income	26,263,112
Total additions	37,319,651
<b>DEDUCTIONS:</b>	
Benefit payments	17,571,253
Refunds on member contributions	247,991
Administrative expenses	304,456
Total deductions	18,123,700
Change in net position	19,195,951
NET POSITION - beginning	184,922,094
NET POSITION - ending	\$ 204,118,045

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

# Notes to the Financial Statements



**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of The City of Daytona Beach, Florida (the “City”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies of the City:

***Reporting Entity***

The City is a municipal corporation created pursuant to the laws of Florida, Chapter 67-1274, governed by an elected seven (7) member board composed of a Mayor and six (6) district Commissioners. The accompanying financial statements present The City of Daytona Beach (the primary government) and its component units, entities for which the City is considered to be financially accountable. 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. The discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the City. All component units have a September 30 year-end.

**Blended Component Unit – The Daytona Beach Community Redevelopment Agency (CRA)**

The Daytona Beach Community Redevelopment Agency (CRA) was created pursuant to Chapter 163, Part III, Florida Statutes, and Ordinance 82-255 in August 1982. Although legally separate, the CRA is a blended component unit of the City and is reported as if it were part of the City, as a special revenue fund. The CRA is governed by a board of directors which is comprised of the City Commission; the CRA’s Chairman is the City’s Mayor. The purpose of the CRA is to eliminate and prevent blight within the designated Community Redevelopment Areas of the City. These services provided by the CRA almost entirely benefit the City. Bond issuance authorization is approved by the City Commission. The CRA’s resources are pledged to repay its associated debt; and, if those resources are insufficient, then the City has obligated its non-ad valorem revenues in any amount necessary to make such debt repayment. The CRA issues separate financial statements. As required by Section 163.387(8), Florida Statutes, additional financial information is included on page 161 in the Combining and Individual Fund Statements and Schedules section of this report.

**Blended Component Unit – City of Daytona Beach Police Officers’ and Firefighters’ Retirement System**

The City of Daytona Beach Police Officers’ and Firefighters’ Retirement System (the “Police and Fire Pension”) was established in 1959 under Subpart C and Subpart D of the City’s Code of Ordinances. The City Commission only appoints two of the five members of the governing board, but the City is financially responsible for funding the police officers’ and firefighters’ pension benefits. The Police and Fire Pension Trust Fund only exists to provide benefits to the City police officers and firefighters. It is accounted for in the Police and Fire Pension Trust fund. The Police and Fire Pension Board of Trustees issues separate



**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Reporting Entity (Continued)***

Blended Component Unit – City of Daytona Beach Police Officers’ and Firefighters’ Retirement System (Continued)

financial statements on the Fund which may be obtained by writing to the City of Daytona Beach Police and Fire Pension Board, PO Box 2451, Daytona Beach, FL 32115-2451.

Discretely Presented Component Unit – The Downtown Development Authority (DDA)

The Downtown Development Authority (DDA) (created pursuant to Section 163.01, Florida Statutes) is governed by a five (5) member board appointed by the City Commission. The purpose of the DDA is to finance and promote redevelopment of the City’s designated downtown redevelopment area. While the City does appoint the DDA board members and does receive some financial benefit/burden from the DDA, the DDA is discretely presented since the City cannot impose its will on the DDA and the DDA does not provide service entirely to the City. The DDA has established a one mill tax rate cap on property within its downtown district, which is adopted by the DDA Board. The DDA does not and is not anticipated to have any outstanding debt. Additional financial information may be obtained by writing to The City of Daytona Beach, Finance Department, PO Box 2451, Daytona Beach, Florida 32115-2451.

Discretely Presented Component Unit – First Step Shelter, Inc.

The First Step Shelter, Inc. is governed by a board of directors consisting of three (3) to seven (7) voting members. Board members are appointed and removed by the City Commission via resolution. First Step Shelter, Inc. is a not-for-profit Florida corporation and is organized exclusively for charitable purposes as defined by 501(c)(3) of the Internal Revenue Code. The purpose of First Step Shelter, Inc. is to develop, manage, and operate the First Step Shelter Program, a homeless assistance service program located in Volusia County, Florida. The program includes a homeless shelter located within the City of Daytona Beach municipal boundaries, and is located at 3889 West International Speedway Boulevard, which opened on December 16, 2019. The First Step Shelter, Inc. is discretely presented since the First Step Shelter, Inc.’s governing body is not substantively the same as the City’s governing body, and does not provide services almost entirely to the City, and its debt, if any, is not expected to be repaid almost entirely with the City’s resources. The First Step Shelter, Inc. is considered a discrete component unit of the City since all board members of The First Step Shelter, Inc. are appointed by the City. This condition represents the City’s ability to *impose its will* on the organization. Separate financial statements for the First Step Shelter, Inc. may be obtained by writing to First Step Shelter, Inc., Executive Director, 3889 West International Speedway Boulevard, Daytona Beach, FL 32124.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Reporting Entity (Continued)***

Related Organization – The Daytona Beach Housing Authority

The City Commission is responsible for appointing the members of the board for the Daytona Beach 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 just cause. The City cannot impose its will on the Daytona Beach Housing Authority and does not derive any financial benefit/burden from the relationship. Financial information related to the Daytona Beach Housing Authority is not included in these financial statements.

Jointly Governed Organization – Eastern Volusia Regional Water Authority

The City, in conjunction with the County of Volusia and two (2) other cities in Volusia County have created the Eastern Volusia Regional Water Authority (EVRWA), whose purpose is to protect the area's future water supply. The EVRWA is composed of one (1) member from the governing board of each of the municipalities and the County. During FY 2019-20, the City did not make a contribution to the EVRWA. Financial information related to the EVRWA is not included in these financial statements.

***Description of Government-Wide Financial Statements***

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

***Basis of Presentation – Government-Wide Financial Statements***

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the City's enterprise funds. 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. As discussed earlier, the City has two discretely presented component units. While they are not considered to be major component units, they are nevertheless shown in a separate column in the government-wide financial statements.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Basis of Presentation – Government-Wide Financial Statements (Continued)***

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and indirect cost allocations where the amounts are reasonably equivalent in value to the interfund services provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

***Basis of Presentation – Fund Financial Statements***

The fund financial statements provide information about the City's funds, including its fiduciary funds and blended component units. Separate statements for each fund category – governmental, proprietary, and fiduciary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

*General Fund* – the primary operating fund that accounts for all financial resources of the general government except those accounted for in another fund.

*Redevelopment Trust Fund* – a special revenue fund that accounts for financial resources related to economic development. These funds include proceeds from the City's redevelopment tax increment financing districts which are legally restricted and expended for these specific purposes.

*Capital Projects Fund* – accounts for acquisition or construction of major capital facilities.

The City reports the following major enterprise funds:

*Water and Sewer System Fund* – accounts for activities of one (1) water treatment plant and distribution system and two (2) sewage treatment plants, re-use system, sewage pumping stations and collection system.

*Solid Waste Management Fund* – accounts for activities of solid waste collection and disposal.

*Stormwater Improvement Fund* – accounts for operations of and capital improvements to the stormwater system.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Basis of Presentation – Fund Financial Statements (Continued)***

Additionally, the City reports the following fund types:

*Internal Service Funds* – account for activities of fleet maintenance, employment services, property maintenance, information technology, and consolidated insurance services provided to other City departments on a cost-reimbursement basis.

*Pension Trust Fund* – accounts for activities of the Police and Fire Pension, which accumulates financial resources to pay pension benefits to qualified police officers and firefighters. All resources of the fund, including any earnings on invested resources, are used to pay the participants over a stated period of time.

*Agency Fund* – accounts for assets seized by law enforcement officials during criminal investigations. These funds are held until adjudication occurs at which time the funds are either returned to the defendant or forfeited to the Law Enforcement Trust Fund.

*Component Unit Funds* – account for activities of the Downtown Development Authority and First Step Shelter, Inc.

During the course of operations the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due to/from other funds (i.e., the current portion of interfund loans) or advances to/from other funds (i.e., the noncurrent portion of interfund loans). While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Measurement Focus and Basis of Accounting***

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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. The agency fund has no measurement focus but utilizes the *accrual basis of accounting* for reporting its assets and liabilities. 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 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 City considers revenues (except entitlements) to be available if they are collected within 60 days of the end of the current fiscal period. 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, other post-employment benefits, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources in governmental funds.

Property taxes, franchise fees, utility taxes, licenses, permits, 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.

Entitlements (grants) are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 120 days of fiscal year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 120 days of the fiscal year end). All other entitlements are considered to be measurable and available only when cash is received by the government.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Measurement Focus and Basis of Accounting (Continued)***

Preparation of the basic financial statements in conformity with GAAP requires management to make use of estimates that affect reported amounts in the basic financial statements. Actual results could differ from estimates.

***Budgetary Information***

Annual budgets are adopted on a basis consistent with GAAP for all governmental funds except the Capital Projects Fund, the Grants Special Revenue Fund and the Emergency Management Grants Fund, which adopt project-length and grant period budgets, respectively. The Police and Fire Pension Trust Fund budget is approved by the Police and Fire Pension Board, and therefore, is not legally adopted by the City Commission. The City does not budget for depreciation expense or amortization of debt related costs.

Prior to October 1, the budget is legally enacted through passage of a resolution. The City Commission, by resolution, may make supplemental appropriations in excess of those estimated for the fiscal year up to the amount of available revenues. The City Manager is authorized to transfer part or all of an unencumbered appropriation balance from one department to another within a fund. Additionally, upon written request by the City Manager, the City Commission may, by resolution, transfer part or all of any unencumbered appropriation balance from one fund to another. The level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is at the fund level.

Every appropriation, with the exception of capital expenditures and grant commitments, lapses at fiscal year-end even if they have related encumbrances. An appropriation for a capital expenditure shall continue in force until the purpose for which it has been made has been accomplished or abandoned. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at fiscal year-end, with the exception of capital expenditures and grant commitments, valid outstanding encumbrances (those for which performance under the executor contract is expected in the next fiscal year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance***

*Cash, Cash Equivalents, and Investments*

Cash and cash equivalents are considered to be cash on hand, demand deposits, time deposits, and short-term investments with original maturities of three (3) months or less from the date of acquisition. Investments are reported at fair value, with the exception of external investments which comply with criteria set forth in Section In5: *Investment Pools (External)* of the GASB Codification and have elected to measure their investments at amortized cost. All Police and Fire Pension Trust Fund investments are stated at fair value.

*Receivables and Payables*

*A. Interfund Receivables and Payables*

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are reported in the fund financial statements and 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.) In the government-wide financial statements, any residual balances outstanding between the governmental activities and business-type activities are reported as “internal balances”.

*B. Unbilled Service Receivables*

An amount for unbilled revenue is recorded in the General Fund, Water and Sewer System Fund, Solid Waste Management Fund, and Stormwater Improvement Fund for services rendered, but not yet billed as of the end of the fiscal year. The receivable is derived from the cycle billings generated subsequent to fiscal year end and prorated for usage in September.

*C. Allowance for Doubtful Accounts*

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

*D. Unearned Revenue*

Unearned revenue recorded on the governmental fund balance sheet represents amounts received before eligibility requirements are met.



**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)***

*Inventories and Prepaid Items*

Inventory for the Halifax Harbor Fund and Fleet Maintenance Fund are valued at cost using the first-in/first-out method. The Water and Sewer System Fund, the Municipal Golf Course, Cultural Services and the Florida Tennis Center inventories are valued using the weighted average cost method. The costs of all inventories are recorded as expenditures or expenses when consumed rather than when purchased with the exception of Traffic Engineering inventory, which is recorded as an expenditure in the General Fund at the time of purchase with an annual adjustment to record the inventory balance at year end.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Costs are recorded as expenditures or expenses when consumed rather than when purchased.

*Restricted Assets for Debt Covenants*

Certain debt proceeds, as well as certain resources set aside for their repayments, are classified as restricted assets on the balance sheet because their use is limited by applicable debt covenants. Restricted funds are comprised of the following:

*Sinking Funds* – used to segregate resources accumulated for debt service payments.

*Reserve Funds* – used to report debt proceeds designated to pay debt service if pledged revenues are insufficient to satisfy debt service requirements.

*Construction Funds* – used to report proceeds from debt issuances that are restricted for use in construction for which the debt was issued.

*Renewal and Replacement Funds* – used to report resources set aside, per bond covenants, to meet unexpected repairs or fund future asset renewal and replacement.

*Capital Assets*

Capital assets, which include buildings, improvements, equipment, and infrastructure (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 City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two (2) years. Infrastructure acquired prior to the implementation of GASB Statement No. 34 has been reported at estimated historical cost.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)***

*Capital Assets (Continued)*

As the City constructs or acquires additional capital assets, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their acquisition value at the date of donation. Interest incurred during the construction phase of capital assets of enterprise funds is included as part of the capitalized value of the assets constructed. As of September 30, 2020, the City had capitalized interest of \$1,038,434.

Land and construction in progress are not depreciated. Buildings, improvements, equipment, and infrastructure of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Capital Asset Class</u>	<u>Lives in Years</u>
Buildings.....	10-50
Improvements.....	10-50
Infrastructure.....	15-50
Equipment.....	2-30

*Long-Term Obligations*

In the government-wide financial statements and proprietary 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 statement of net position. Bond premiums and discounts and prepaid bond insurance costs 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. Bond issuance costs (excluding prepaid insurance) are reported as an expense in the period incurred.

For refunding of debt reported in the government-wide and proprietary fund financial statements, the difference between the reacquisition price and the net carrying amount of the old debt will be deferred and amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter. On the statement of net position, the deferred amount is reported as deferred outflows/inflows of resources. Bond issuance costs (excluding prepaid insurance) are reported as an expense in the period.

In the fund financial statements, governmental fund types recognize premiums, discounts and issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt issuance received, are reported as debt service expenditures.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)***

*Compensated Absences*

It is the City's policy to grant employees personal leave, based upon the number of years of employment with the City. Personal leave may be accrued up to the maximum of 264 hours annually and used as time off each fiscal year. Any employee retiring or leaving the City is entitled to be paid for accrued unused personal leave benefits to their credit at the rate of one (1) hour's pay for every two (2) hours accrued during the first five (5) years or less of employment and one (1) hour's pay for every one (1) hour accrued after five (5) years of employment at the employee's then current rate of pay up to the maximum carryover of 960 hours. Compensated absences are reported in the government-wide and proprietary fund financial statements. A liability is recorded in governmental funds only if an employee has left City employment and the funds are to be paid in the next fiscal year. The liability for compensated absences includes salary-related benefits, where applicable.

*Other Post-Employment Benefits (OPEB)*

Pursuant to Section 112.0801, Florida Statutes, the City is mandated to permit participation in the health insurance program by 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. The rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. The City also provides an explicit subsidy for a portion of the premium charged for dependent coverage. These benefits are provided in accordance with the vesting and retirement requirements for its employees. The City is financing the post-employee benefits on a pay-as-you-go basis. As determined by an actuarial valuation, a total OPEB liability related to the implicit and explicit subsidies is recorded in the proprietary fund and government-wide financial statements in accordance with GASB Codification P52: *Other Postemployment Benefits Other than Pensions*.

*Deferred Outflows/Inflows of Resources*

The City has three (3) items that qualify for reporting as deferred outflows of resources; the *deferred amount on refunding*, the *deferred amount for pensions* and the *deferred amount for other post-employment benefits*. All three are reported in the government-wide and proprietary funds statements of net position. The deferred amount on refunding results from debt refinancing, whereby the reacquisition price of the funding debt instruments exceed their net carrying amount. The deferred amount on refunding is amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria*. The deferred outflows related to pensions will be recognized as either pension expense or a reduction in the net pension liability in future reporting years. The deferred outflows on other post-employment benefits results from the change in assumptions for the discount rate and will be amortized for twelve years.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)***

*Deferred Outflows/Inflows of Resources (Continued)*

The deferred outflows related to other post-employment benefits will be recognized as either group health insurance expense or a reduction in the net other post-employment benefits liability in future reporting years.

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, deferred inflows of resources, represents an acquisition of net position that applies to future periods and will *not* be recognized as an inflow of resources (revenue) until that time. The City has one (1) item that qualifies for reporting as deferred inflows of resources which is the *deferred amount for pensions*. The deferred inflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria*. The deferred inflows related to pensions will be recognized as a reduction to pension expense in future reporting years.

*Pensions and Net Pension Liability*

The City participates in both the Florida Retirement System (FRS) defined benefit pension plan and the Health Insurance Subsidy Program (HIS) defined benefit plan administered by Florida Division of Retirement (collectively, FRS/HIS). In the government-wide and proprietary fund statements of net position, a net pension liability has been recorded representing the City's proportionate share of the net pension liability of the cost-sharing pension plans in which it participates. This proportionate amount represents a share of the present value of projected benefit payments to be provided through the cost-sharing pension plan to current and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the cost-sharing pension plan's fiduciary net position.

The City also sponsors a single-employer defined benefit pension plan for police officers and firefighters which is administered by the Police and Fire Pension Board appointed by the City Commission. In the government-wide statement of net position, the net pension liability represents the present value of projected benefit payments to be provided through the pension plan to current and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position.

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 net position of each plan and additions to/deductions from each plan's net position have been determined on the same basis as they are reported by each plan. 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.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)***

*Fund Balance Policies*

The City adopted a fund balance policy whereby fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (*committed fund balance*) or an assignment (*assigned fund balance*).

The City's adopted fund balance policy is as follows:

*Non-spendable* – fund balance amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash such as inventories and prepaid amounts. It also includes the long-term portion of loans and notes receivable as well as property acquired for resale unless the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

*Restricted* – fund balance amounts that can be spent only for the purposes specified by external resource providers (such as grantors, creditors, or contributors), the City Charter, enabling legislation, or laws or regulations of other governmental agencies. Restrictions may be changed or lifted only with the consent of the resource providers.

*Committed* – fund balance amounts that can only be used for specific purposes pursuant to constraints imposed by ordinance of the City Commission. Those committed amounts cannot be used for any other purpose unless the City Commission removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The City has no committed fund balance at September 30, 2020.

*Assigned* – fund balance amounts, other than restricted or committed fund balance, that the City intends to use for a specific purpose. The intent shall be expressed by the City Commission, or the City Manager or Chief Financial Officer if authorized by the City Commission per the City's fund balance policy. Unlike commitments, assignments generally exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

*Unassigned* – this is the residual classification for the General Fund and represents amounts that have not been assigned to other funds and have not been restricted, committed or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)***

*Fund Balance Policies (Continued)*

Minimum Unreserved (Unassigned) Fund Balance – as per City Code, Section 46-26, the City has established a minimum ten percent (10%) segregated budgetary cash reserve of total current year budgeted operating expenditures in the general fund. Should the segregated budgetary cash reserve fall below this minimum, a financial plan outlining an increase in revenues or a decrease in expenditures will be submitted to the city commission for approval. This plan will require the segregated budgetary cash reserve be fully funded within a two-year period. Use of the segregated budgetary cash reserve below the ten percent (10%) reserve would be permitted only in the case of a legitimate emergency or disaster, or in the case of an unanticipated economic downturn resulting in a "material" loss in revenues.

The City considers restricted fund balances to be spent first when both restricted and unrestricted resources are available for use. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the City considers Committed amounts to be reduced first, followed by Assigned amounts and then Unassigned amounts.

*Net Position*

The government-wide and proprietary funds financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets into one component of net position; accumulated depreciation and the outstanding balances of debt that are attributed to the acquisition, construction or improvement of these assets reduce the balance in this category. Restricted net position includes all net position with external restrictions imposed by creditors, grantors, or laws and regulations of other governments. Unrestricted net position is the residual amount of net position of the City that is not restricted for any particular purpose.

*Net Position Flow Assumption*

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., debt or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as net position-restricted and net position-unrestricted in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider net position-restricted to have been depleted before net position-unrestricted is applied.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Revenues and Expenditures/Expenses***

*Property Taxes*

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 Volusia County Property Appraiser and Chief Financial Officer. The laws of the state regulating tax assessment are designed to assure a consistent property valuation method statewide. State statutes permit municipalities to levy property taxes at a rate of up to ten (10) mills. The millage rate assessed by the City for operating purpose was 5.8587 mills and for debt service was 0.2771 mills for a total millage rate of 6.1358 mills for the fiscal year ended September 30, 2020.

The property tax calendar is as follows:

- Valuation date ..... January 1, 2019
- Each taxing authority is notified of their respective valuations based on the assessment roll prepared by the property appraiser and approved by the State ..... July 1, 2019
- City Commission holds two (2) required public hearings, adopts an ad valorem tax millage rate, and adopts the budget for the coming fiscal year..... September 2019
- All real and tangible personal property taxes are due and payable (levy date) ..... November 1, 2019
- The County mails Notice of Taxes to property owners on the assessment roll ..... November 2019

Taxes are paid from November 2019 through March 2020, with the following applicable discounts:

Month Paid	Percent Discount
November .....	4%
December .....	3%
January .....	2%
February .....	1%
March .....	0%

- All unpaid taxes on real and tangible personal property become delinquent ..... April 1, 2020
- Tax certificates are sold on all parcels with unpaid real property taxes (lien date) ..... May 31, 2020
- A court order is obtained by the County authorizing the seizure and sale of personal property if the taxpayer fails to pay the delinquent personal property taxes ..... August 2020



**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Revenues and Expenditures/Expenses (Continued)***

*Program Revenues*

Amounts reported as *program revenues* include: 1) fees, fines and charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment.

All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than program revenues.

*Proprietary Funds Operating and Nonoperating Revenues and Expenses*

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and internal service funds are charges to customers for sales and services.

Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

*Fair Value Measurement*

The City follows GASB Codification 150: *Investments*, which provides guidance for determining, applying and disclosing fair values measurement for financial reporting purposes for financial and non-financial assets, including real estate, intangible assets, land rights, natural resources and alternative investments. A three level hierarchy of valuation techniques used to measure fair value was established. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are inputs other than quoted prices that are observable either directly or indirectly. Level 3 inputs are unobservable inputs. These standards require disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques.

*Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued Accounting Pronouncements***

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this statement is to improve the guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement.

The City is currently evaluating the effects that these statements will have on its financial statements.

**Note 2: DEFICIT NET POSITION, STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

The following funds had a deficit net position at fiscal year-end September 30, 2020.

Grants Fund – The Grants Fund had a deficit unassigned fund balance of \$100,285 at September 30, 2020. This deficit was the result of retainage expense incurred in grant funded projects which was not grant reimbursable at the end of Fiscal Year 2020. These expenditures will be reimbursed in Fiscal Year 2021.

Halifax Harbor Fund - The Halifax Harbor Fund (the “Marina”) had a deficit net position of \$302,169 at September 30, 2020. This deficit was the result of: 1) transfers out to other funds in prior fiscal years for capital improvements, and 2) a reduction in operating revenues caused by the economic recession. City management re-negotiated certain leases with existing commercial tenants of the Plaza, which has since produced continued growth in annual lease revenues collected. The Marina’s management services company has maintained an aggressive marketing initiative in order to stimulate steady growth in the Marina’s dockage and boat slip rentals. Management’s steady growth in the Plaza’s commercial lease revenues coupled with an increase in the Marina’s operating revenues will make it possible to recover most of the Fund’s deficit over the next five (5) fiscal years.

Fleet Maintenance Fund - The Fleet Maintenance Fund had a deficit net position of \$8,350 at September 30, 2020. The deficit was the result of transfers to the General Fund that were required in order for the General Fund to maintain its minimum fund balance policy.

Employment Services Fund - The Employment Services Fund had a deficit net position of \$28,537 at September 30, 2020. This deficit was a result of a restatement to the fund’s beginning net position in FY 2014-15, due to the required implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which requires employers participating in cost-sharing multiple-employer defined benefit pension plans to report the employers’ proportionate share of the net pension liabilities of the defined benefit pension plans. The requirements of this Statement were implemented prospectively, with the City reporting its proportionate share of the actuarially determined liabilities at October 1, 2014. On an annual basis the City calculates its internal rate structure and includes the amount required for the current pension funding. The deficit caused by implementing GASB Statement No. 68, is a long-term net pension liability and will be reduced over a significant period of time.

Consolidated Insurance Fund - The Consolidated Insurance Fund had a deficit net position of \$919,727 at September 30, 2020. This deficit was mostly as a result of transfers out to the General Fund for the Excess Carrier Reimbursement Project.

**Note 3: DEPOSITS AND INVESTMENTS**

A common cash and investment pool is maintained for the use of all funds. All cash and investments are managed in accordance with City ordinances except the Police and Fire Pension Trust Fund which is separately managed under the direction of the Police and Fire Pension Board. See Note 17 for further information regarding the Police and Fire Pension. On February 21, 2001, the City Commission formally adopted a comprehensive investment policy pursuant to Section 218.415, Florida Statutes, which established permitted investments, asset allocation limits, credit ratings requirements and maturity limits to protect the City's cash and investments. On August 5, 2009 the City Commission approved a revised policy to change the asset allocations due to changes that had occurred in the financial markets.

Custodial Credit Risk - All cash deposits are held by banks that qualify as a public depository under the Florida Security for Public Deposits Act as required by Chapter 280.02, Florida Statutes. Any potential losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral by the bank and, if necessary, assessments against other qualified public depositories of the same type as the depository in default. Therefore, the City has no custodial credit risk associated with deposits. The City's investment policy allows for the following investments: Local Government Surplus Funds Trust Fund, United States Government Securities, United States Government Agencies, Federal Instrumentalities, Interest Bearing Time Deposit or Savings Accounts, Repurchase Agreements, Corporate Notes, Commercial Paper, Corporate Obligations, Bankers' Acceptances, State and/or Local Government Taxable Debt, Registered Investment Companies (Mutual Funds and Money Market Mutual Funds) and Intergovernmental Investment Pools. For all investments authorized by the policy, the City applies the "Prudent Person" standard when developing investment strategies.

Interest Rate Risk - Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value. The City's investment policy limits investments to those having a maturity, at the time of purchase, of less than ten (10) years. There were no investments that exceeded this maximum maturity at September 30, 2020. The City utilizes "duration" as a measurement of interest rate risk and as of September 30, 2020, the combined cash and investment portfolios had a weighted average duration of 1.59 years.

Credit Risk - Credit risk exists when there is a possibility the issuer or other counter-party to an investment may be unable to fulfill its obligations. The City's investment policy protects its investments by requiring specific credit ratings for each type of investment in the portfolio. All are rated within policy guidelines.

Custodial Credit Risk - The City's investment policy, pursuant to Section 218.415(18), Florida Statutes, requires securities, with the exception of certificates of deposit, to be held with a third-party custodian and all securities purchased by, and all collateral obtained by the City, should be properly designated as an asset of the City. The securities must be held in an account separate and apart from the assets of the financial institution. Security transactions between a broker/dealer and the custodian involving the purchase or sale of securities by transfer of money or securities must be made on a "delivery versus payment" basis, if applicable, to ensure the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction. As of September 30, 2020, the City's investment portfolios were held with a third-party custodian as required by the investment policy.

**City of Daytona Beach, Florida**  
**Notes to Financial Statements**  
**September 30, 2020**

**Note 3: DEPOSITS AND INVESTMENTS (Continued)**

Concentration of Credit Risk - In addition to describing the credit risk of investments in the portfolio, governmental entities need to disclose the concentration of any single investment type or holding per single issuer. The City's investment policy allows investment concentrations in various percentages for different types of investments. The investments held at year end are all within the allowable percentages.

Foreign Currency Risk - The City's investment policy does not allow for investments in foreign currency; therefore, the City has no exposure to foreign currency risk.

The table below shows the cash, cash equivalents, and investments including their respective durations (in years), ratings of investments held at year end, and percent allocations of each investment type in the portfolio at September 30, 2020:

Portfolio	Fair Value	Duration (Years)	Weighted Average Rating Moody's/S&P	Percent Distribution
Cash Deposits	\$ 106,277,881	-		63.55%
PFM Prime Money Market Fund	8,756,262	-		0.71%
First American Treasury Money Market Fund	1,188,202	-	Aaa/AAAm	5.24%
US Treasury Notes	19,510,216	1.84		11.67%
US Instrumentalities:				0.00%
Federal Home Loan Bank	11,127,449	1.75	Aaa/AA+	6.65%
Federal Home Loan Mortgage Corporation	3,717,593	0.26	Aaa/AA+	2.22%
Federal National Mortgage Association	9,049,926	2.94	Aaa/AA+	5.41%
Federal Farm Credit Bank	4,679,950	1.74	Aaa/AA+	2.80%
Corporate Notes:				0.00%
Microsoft Corporation	1,026,530	1.37	Aaa/AAA	0.61%
Apple Incorporated	618,736	1.61	Aa1/AA+	0.37%
Chevron Corporation	514,615	1.42	Aa2/AA+	0.31%
Wal Mart Stores Incorporated	766,269	0.73	Aa2/AA	0.46%
<b>Total</b>	<b>\$ 167,233,629</b>			<b>100.00%</b>

The City follows Section 150: *Investments* of the GASB Codification which establishes a framework for measuring fair value. This framework provides a 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 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

**City of Daytona Beach, Florida**  
**Notes to Financial Statements**  
**September 30, 2020**

**Note 3: DEPOSITS AND INVESTMENTS (Continued)**

The three levels of the fair value hierarchy under Section 150: *Investments* of the GASB Codification are described 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;
- 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 City had the following fair value measurements as of September 30, 2020. At the end of fiscal year, the City did not have investments classified as Level 1 and Level 3 assets in its portfolio.

Portfolio	Fair Value	Quoted Prices in Active Markets for Identical Assets Level 2
US Treasury Notes	\$ 19,510,216	\$ 19,510,005
US Instrumentalities:		
Federal Home Loan Bank	11,127,449	11,122,725
Federal Home Loan Mortgage Corporation	3,717,593	3,716,270
Federal National Mortgage Association	9,049,926	9,051,700
Federal Farm Credit Bank	4,679,950	4,670,085
Corporate Notes:		
Microsoft Corporation	1,026,530	1,028,400
Apple Incorporated	618,736	618,600
Chevron Corporation	514,615	515,250
Wal Mart Stores Incorporated	766,269	765,975
Subtotal	51,011,284	50,999,010
First American Treasury Money Market Fund	8,756,262	N/A
PFM Prime Money Market Fund	1,188,202	N/A
Cash Deposits	106,277,881	N/A
<b>Total</b>	<b>\$ 167,233,629</b>	<b>\$ 50,999,010</b>

**City of Daytona Beach, Florida**  
**Notes to Financial Statements**  
**September 30, 2020**

**Note 3: DEPOSITS AND INVESTMENTS (Continued)**

The City has the following recurring fair value measurements as of September 30, 2020:

- Fixed income funds – valued using price models maximizing the use of observable inputs for similar securities. This includes basing value on yield currently available on comparable securities of issuers with similar credit ratings.
- Common stock – valued at quoted market prices for identical assets in active markets.

The above table summarizes the assets of the City for which fair values are determined on a recurring basis as of September 30, 2020. In accordance with GASB Codification 150: *Investments*, money market funds have not been classified in the fair value hierarchy as they are measured at net asset value (NAV). There are no unfunded commitments for money market funds and they can be redeemed daily with no redemption notice period.

**Note 4: RECEIVABLES**

Below is the detail of receivables, including applicable allowances for uncollectible accounts, at September 30, 2020:

Description	Receivables	(Less) Allowance for Uncollectibles	Receivables (Net)
General Fund	\$ 3,927,010	\$ 601,768	\$ 3,325,242
Redevelopment Trust	158,396	-	158,396
Nonmajor governmental funds	424,974	266,354	158,620
<b>Total - Governmental Funds</b>	<b>4,510,380</b>	<b>868,122</b>	<b>3,642,258</b>
Proprietary Funds:			
Water and Sewer System	9,019,884	1,251,116	7,768,768
Solid Waste Management	3,314,783	553,633	2,761,150
Stormwater Improvement	1,779,561	122,388	1,657,173
<b>Total - Proprietary Funds</b>	<b>14,114,228</b>	<b>1,927,137</b>	<b>12,187,091</b>
Fiduciary Funds:			
Police and Fire Pension Trust	112,401	-	112,401
<b>Total</b>	<b>\$ 18,737,009</b>	<b>\$ 2,795,259</b>	<b>\$ 15,941,750</b>

Included in accounts receivable in the General Fund, Nonmajor governmental funds, Water and Sewer System Fund, and Solid Waste Management Fund are liens receivable. Liens receivable in the General and Nonmajor governmental funds consist of expenditures incurred for demolitions and are recorded as unearned revenue. Liens receivable in the Water and Sewer System Fund represent water and sewer charges not paid by the property owner. In the Solid Waste Management Fund, liens receivable represent charges incurred for lot clearances. Each recorded lien has been processed and filed with the Volusia County Clerk of Circuit Court against the specific property affected.



**City of Daytona Beach, Florida**  
**Notes to Financial Statements**  
**September 30, 2020**

**Note 4: RECEIVABLES (Continued)**

An estimated unbilled revenue amount is recorded within the General Fund of \$152,305, Water and Sewer System Fund of \$4,677,770, Solid Waste Management Fund of \$1,742,716, and Stormwater Improvement Fund of \$1,232,316 and represents services rendered but not yet billed as of the end of the fiscal year.

**Note 5: NOTES RECEIVABLE**

The following is a summary of notes receivable at September 30, 2020:

Redevelopment Trust Fund - On November 19, 2009, the Daytona Beach Community Redevelopment Agency (CRA) entered into an agreement to lend Central Florida Community and Economic Development Corporation, LLC, up to \$551,000 for retail development of property located at 456 South Martin Luther King Boulevard, Daytona Beach, Florida, which is within the Midtown Redevelopment area of the City. The note is secured by a mortgage on the property. The CRA agreed to forgive a repayment of up to \$250,000 for authorized CRA expenditures under Chapter 163, Florida Statutes, and the Midtown Redevelopment Area Plan pursuant to the terms of the loan agreement. During FY 2012-13, the loan agreement was modified and as of September 30, 2013, combined payments on the indebtedness totaled \$20,846, leaving a principal balance owed to the CRA of \$280,153. This remaining principal balance shall be amortized over 57 months and repaid in equal monthly installments of \$2,083 through December 2018, at which time a balloon payment will be due in the amount of \$161,396. The remaining principal balance owed at September 30, 2020 was \$158,396, wherewith the City Manager is in negotiations to get a settlement.

**Note 6: OPERATING LEASES - LESSOR**

The following is a summary of the City's operating lease agreements in which the City is the lessor at September 30, 2020. In response to the COVID pandemic economic conditions, all rent was suspended for a minimum period of three months and then on a case by case basis.

Halifax Harbor Fund - The City owns and operates a commercial plaza of approximately 39,500 square feet at the Halifax Harbor Marina through a management contract with an independent management firm. The Halifax Harbor Plaza has a mixture of retail, office, and restaurant space with a number of tenants and for varying lease periods with no period longer than five (5) years, not including lease-renewal options. Lessees pay a base rent amount plus common area maintenance fees. For the fiscal year September 30, 2020, Halifax Harbor Plaza lease revenues totaled \$236,873.

Halifax Harbor Plaza Assets:		
Building	\$	4,617,681
Infrastructure		452,974
Equipment		279,397
Less: Accumulated depreciation		(3,136,080)
<b>Total</b>	<b>\$</b>	<b>2,213,972</b>

**City of Daytona Beach, Florida**  
**Notes to Financial Statements**  
**September 30, 2020**

**Note 6: OPERATING LEASES – LESSOR (Continued)**

Daytona Beach Pier Fund – On December 6, 2011, the City entered into a 10-year agreement with Crab Addison, Inc. to lease the City-owned Daytona Beach Pier. The agreement contains four (4) options to extend the term an additional five (5) years each. Effective January 3, 2017, Crab Addison, Inc., a Texas corporation was converted to Joe’s Crab Shack, LLC, a Texas limited liability company as the new Tenant entity under the Lease. In August 2017 Landry’s Restaurants purchased Joe’s Crab Shack, LLC. Lease payments to the City for the leased premises are as follows:

Period	Annual Base Rent	Percentage Rent (of Gross Revenue)
6/1/12 - 6/30/13	\$275,000	8% over breakeven point of \$5.25 million
7/1/13 - 6/30/22	Prior year rent plus 1%	8% over prior year breakeven point plus 1%

For the fiscal year September 30, 2020, Daytona Beach Pier lease revenues, including percentage rent, totaled \$293,047.

Daytona Beach Pier Assets	
Building	\$ 6,136,161
Less: Accumulated depreciation	(1,965,787)
<b>Total</b>	<b>\$ 4,170,374</b>

Municipal Stadium – The City entered into a 30-year agreement with DME Sports in February 2018 to lease the City-owned Municipal Stadium. The agreement has two (2) renewal options of ten (10) years each. The terms include payment to the City as follows. Adversely, the City entered into an early termination of the agreement on September 10, 2020. As part of the termination, the City agreed to resolve all claims for an amount of \$23,467.

Period	Annual Base Rent	Percentage Rent (of Gross Sales)
2/22/18 - 9/30/18	\$150,000 (prorated)	N/A
10/1/18 - 9/30/19	\$150,000	Primary - 3% over breakeven point of \$3M plus Secondary - 5% over breakeven point of \$5M
10/1/19 - 9/30/47	Prior year plus annual CPI adjustment	Primary - 3% over breakeven point of \$3M + CPI Adjustment plus Secondary - 5% over breakeven point of \$5M + CPI Adjustment

**City of Daytona Beach, Florida**  
**Notes to Financial Statements**  
**September 30, 2020**

**Note 6: OPERATING LEASES – LESSOR (Continued)**

For the fiscal year September 30, 2020, the Municipal Stadium lease revenues totaled \$23,700.

Municipal Stadium Assets:		
Building	\$	4,690,869
Infrastructure		2,491,482
Equipment		1,346,961
Less: Accumulated depreciation		(5,233,200)
<b>Total</b>	<b>\$</b>	<b>3,296,112</b>

Jackie Robinson Ballpark (JRBP) – The City and Big Game Florida, LLC entered into a 10-year agreement to lease the City-owned JRBP effective January 1, 2013. The agreement may be renewed upon mutual consent of the parties. Subsequently, an assignment agreement was executed by Big Game LLC and Tortugas Baseball Club LLC effective October 1, 2014. The agreement includes payment to the City as follows:

Period	Annual Base Rent	Percentage Rent (of Gross Revenue)
1/1/13 - 12/31/13	\$55,000	N/A
1/1/14 - 12/31/22	1.5% over previous lease year	5% over breakeven point of \$3M

For the fiscal year September 30, 2020, JBRP lease revenues totaled \$40,471.

Jackie Robinson Ballpark Assets		
Building	\$	3,115,533
Infrastructure		3,804,089
Equipment		37,385
Less: Accumulated depreciation		(4,777,479)
<b>Total</b>	<b>\$</b>	<b>2,179,528</b>

**Note 7: INTERFUND BALANCES AND TRANSFERS**

The following is a summary of interfund receivable and payable balances at September 30, 2020:

Due To/From Other Funds:

Receivable Fund	Payable Fund	Amount
General Fund	Total nonmajor governmental funds	\$ 2,438,000

\$2,438,000 represent amounts payable from the Community Development Fund, Grants Fund and the Emergency Management Grant Fund, which were needed to cover cash deficits caused by timing of receipts and grant reimbursements, including \$1,805,000 attributable to Hurricanes Matthew, Irma and Dorian.

**City of Daytona Beach, Florida**  
**Notes to Financial Statements**  
**September 30, 2020**

**Note 7: INTERFUND BALANCES AND TRANSFERS (Continued)**

Advances To/From Other Funds:

Receivable Fund	Payable Fund	Amount
Water and Sewer System Fund	Total nonmajor proprietary funds	\$ 650,416
Stormwater Improvement Fund	Total nonmajor proprietary funds	346,702
		<u>\$ 997,118</u>

Advances payable to the Water and Sewer System Fund from the Halifax Harbor Fund were to cover operating costs over several previous fiscal years. Advances payable to the Stormwater Improvement Fund from the Halifax Harbor Fund were to cover cash deficits resulting from decreased operating revenues. These advances do not have any repayment terms.

Interfund Transfers:

Description	Transfers In						
	Governmental Funds				Proprietary Funds		
	Total Transfers (Out)	General Fund	Redevelopment Trust	Capital Projects	Nonmajor Governmental Funds	Nonmajor Enterprise Funds	
<b>Governmental Funds:</b>							
General Fund	\$ 14,916,686	\$ -	\$ 3,048,677	\$ 11,225,156	\$ 359,003	\$ 283,850	
Redevelopment Trust	2,895,698	-	-	-	2,895,698	-	
Capital Projects	148,234	148,234	-	-	-	-	
Nonmajor governmental	650,415	43,276	-	-	607,139	-	
<b>Total - governmental funds</b>	<b>18,611,033</b>	<b>191,510</b>	<b>3,048,677</b>	<b>11,225,156</b>	<b>3,861,840</b>	<b>283,850</b>	
<b>Proprietary Funds:</b>							
Water and Sewer System	7,994,155	7,994,155	-	-	-	-	
Solid Waste Management	9,962,062	9,962,062	-	-	-	-	
Stormwater Improvement	7,430,878	7,430,878	-	-	-	-	
Nonmajor Enterprise	59,804	59,804	-	-	-	-	
<b>Total - proprietary funds</b>	<b>25,446,899</b>	<b>25,446,899</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Internal Service Funds	960,118	960,118	-	-	-	-	
<b>Total</b>	<b>\$ 45,018,050</b>	<b>\$ 26,598,527</b>	<b>\$ 3,048,677</b>	<b>\$ 11,225,156</b>	<b>\$ 3,861,840</b>	<b>\$ 283,850</b>	

The transfer from the General Fund to the Redevelopment Trust Fund reflects the City's tax increment payment based on the difference in taxable values for the five (5) community redevelopment areas from the base year to 2020. Transfers from the General Fund to nonmajor Enterprise Funds were made to cover prior year deficits. Transfers were made from the Redevelopment Trust Fund to nonmajor governmental funds to meet debt service requirements. The transfers from General Fund to Capital Projects Fund were made to cover future improvements at various facilities and roadway projects. Transfers from the enterprise funds to the General Fund were primarily for payment in lieu of taxes for governmental services provided.

**City of Daytona Beach, Florida**  
**Notes to Financial Statements**  
**September 30, 2020**

**Note 8: CAPITAL ASSETS**

*Fiscal Year Activity:*

Capital asset activity for the fiscal year ended September 30, 2020 was as follows:

Description	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
(Includes internal service funds)				
<b>Capital assets, not being depreciated:</b>				
Land	\$ 28,836,146	\$ 8,000	\$ (22,675)	\$ 28,821,471
Construction in progress	8,989,959	8,407,603	(7,981,171)	9,416,391
<b>Total capital assets, not being depreciated</b>	<b>37,826,105</b>	<b>8,415,603</b>	<b>(8,003,846)</b>	<b>38,237,862</b>
<b>Capital assets, being depreciated:</b>				
Buildings	59,811,298	5,375,479	(31,903)	65,154,874
Improvements and infrastructure	38,806,275	3,024,233	(1,049,580)	40,780,928
Equipment	84,695,968	737,505	(40,569)	85,392,904
<b>Total capital assets, being depreciated</b>	<b>183,313,541</b>	<b>9,137,217</b>	<b>(1,122,052)</b>	<b>191,328,706</b>
<b>Less accumulated depreciation for:</b>				
Buildings	(30,170,388)	(1,833,708)	(20,817)	(32,024,913)
Improvements and infrastructure	(28,927,292)	(2,692,087)	885,243	(30,734,136)
Equipment	(48,882,691)	(2,867,920)	43,088	(51,707,523)
<b>Total accumulated depreciation</b>	<b>(107,980,371)</b>	<b>(7,393,715)</b>	<b>907,514</b>	<b>(114,466,572)</b>
<b>Total capital assets, being depreciated, net</b>	<b>75,333,170</b>	<b>1,743,502</b>	<b>(214,538)</b>	<b>76,862,134</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 113,159,275</b>	<b>\$ 10,159,105</b>	<b>\$ (8,218,384)</b>	<b>\$ 115,099,996</b>
<b>Business-type activities:</b>				
<b>Capital assets, not being depreciated:</b>				
Land	\$ 6,428,187	\$ -	\$ -	\$ 6,428,187
Construction in progress	23,552,662	29,493,528	(2,609,565)	50,436,625
<b>Total capital assets, not being depreciated</b>	<b>29,980,849</b>	<b>29,493,528</b>	<b>(2,609,565)</b>	<b>56,864,812</b>
<b>Capital assets, being depreciated:</b>				
Buildings	60,863,041	-	(128,335)	60,734,706
Improvements and infrastructure	153,534,905	2,683,622	(724,984)	155,493,543
Equipment	126,704,051	2,862,319	(138,152)	129,428,218
<b>Total capital assets, being depreciated</b>	<b>341,101,997</b>	<b>5,545,941</b>	<b>(991,471)</b>	<b>345,656,467</b>
<b>Less accumulated depreciation for:</b>				
Buildings	(45,541,940)	(1,752,873)	128,333	(47,166,480)
Improvements and infrastructure	(119,324,124)	(3,683,648)	694,315	(122,313,457)
Equipment	(53,194,382)	(4,150,246)	105,455	(57,239,173)
<b>Total accumulated depreciation</b>	<b>(218,060,446)</b>	<b>(9,586,767)</b>	<b>928,103</b>	<b>(226,719,110)</b>
<b>Total capital assets, being depreciated, net</b>	<b>123,041,551</b>	<b>(4,040,826)</b>	<b>(63,368)</b>	<b>118,937,357</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 153,022,400</b>	<b>\$ 25,452,702</b>	<b>\$ (2,672,933)</b>	<b>\$ 175,802,169</b>

**City of Daytona Beach, Florida**  
**Notes to Financial Statements**  
**September 30, 2020**

**Note 8: CAPITAL ASSETS (Continued)**

Construction in Progress:

As of the end of the fiscal year, the City had active construction projects including improvements to utilities, roads and right-of-way, public safety and recreational facilities, and drainage systems. Following is a schedule of construction in progress at September 30, 2020.

Project Description	Project Budget	Cumulative Amount Spent
Governmental activities:		
East International Speedway Boulevard streetscape	\$ 2,095,600	\$ 18,522
Ballough Road Redevelopment area streetscape/beautification	1,648,910	102,511
Halifax River Greenway Trail	2,829,124	2,737,144
Streets and sidewalks improvement program	2,351,023	954,281
Martin Luther King Boulevard reconstruction	2,902,161	1,036,068
Park renovations/improvements	3,912,439	992,962
Halifax Harbor marina seawall replacement	580,000	441,360
Beach Street streetscape improvements	4,570,547	2,986,286
Golf Course equipment purchase	705,037	147,255
<b>Total construction in progress – governmental activities</b>	<b>\$ 21,594,841</b>	<b>\$ 9,416,389</b>
Business-type activities:		
Wastewater treatment plant facilities improvements	\$ 49,100,700	\$ 41,695,263
Bethune Point treatment plant generator	1,206,149	149,337
Well 44 reconstruction	68,191	54,814
Lift Station 97 replacement	980,662	46,342
Derbyshire neighborhood sidewalks and stormwater improvements	138,000	127,497
Renewal and replacement program	8,677,525	23,732
Martin Luther King Boulevard reconstruction	1,373,853	1,258,822
Beach Street water and stormwater improvements	10,360,449	5,510,807
Potable water tank and pump station	500,000	364,108
Power feed to compliance lab	214,553	25,177
SCADA evaluation, design & implementation	3,200,049	176,938
Bethune WRF process upgrades	1,555,000	485,994
Regional WRF rain garden	75,000	6,537
Ballough Rd utility improvement	526,874	458,471
Halifax River greenway trail utility improvement	345,000	46,272
LPGA pond #6 weir replacement	129,855	6,514
<b>Total construction in progress – business-type activities</b>	<b>\$ 78,451,860</b>	<b>\$ 50,436,625</b>

**City of Daytona Beach, Florida**  
**Notes to Financial Statements**  
**September 30, 2020**

**Note 8: CAPITAL ASSETS (Continued)**

Depreciation Expense:

Depreciation expense was charged to individual functions and programs for the fiscal year ended September 30, 2020 as follows:

Function/Program:	Depreciation Expense
<b>Governmental activities:</b>	
General government	\$ 2,512,802
Public safety	2,060,665
Transportation	623,864
Culture and recreation	1,957,918
Subtotal	7,155,249
Capital assets held by internal service funds are charged to the various functions based on their usage of the assets	238,466
<b>Total depreciation expense – governmental activities</b>	<b>\$ 7,393,715</b>
 <b>Business-type activities:</b>	
Water and sewer system	\$ 7,884,926
Solid waste management	12,521
Stormwater improvement	1,161,986
Halifax Harbor	281,098
Main Street Pier	246,236
<b>Total depreciation expense – business-type activities</b>	<b>\$ 9,586,767</b>

**Note 9: LEASES PAYABLE**

Operating Leases:

Cancelable operating leases are utilized by the City for various purposes including equipment. For the year ended September 30, 2020, lease expenditures for governmental and business-type activities totaled \$411,977.

Capital Leases – Governmental Activities:

**Fire – Pumper Trucks:** Commencing March 2015, the City entered into a lease purchase agreement with U.S. Bancorp Government Leasing and Finance, Inc. for two (2) fire pumper trucks valued at \$755,366. The lease agreement qualifies as a capital lease and, therefore, has been recorded at the present value of future minimum lease payments as of the inception date. The General Fund is responsible for all lease payments which are due semi-annually, including interest at 2.041%, for a term of 10 years. The future minimum lease obligation and net present value are shown in the table below.



**Note 9: LEASES PAYABLE (Continued)**

Capital Leases – Governmental Activities: (Continued)

**Fire – Aerial Apparatus:** Commencing December 2015, the City entered into a lease purchase agreement with The Bancorp Bank for one (1) Sutphen SP-70 aerial fire apparatus valued at \$838,116. The lease agreement qualifies as a capital lease and, therefore, has been recorded at the present value of future minimum lease payments as of the inception date. The General Fund is responsible for all lease payments which are due in annual installments, including interest at 1.70%, for a term of 10 years. The future minimum lease obligation and net present value are shown in the table below.

**Fire – Pumper & Rescue Unit:** Commencing February 2017, the City entered into a lease purchase agreement with Branch Banking and Trust Company (“BB&T”) for one (1) Fire Pumper Truck valued at \$390,536 and one (1) Rescue Vehicle valued at \$145,295. The lease agreement qualifies as a capital lease and, therefore, has been recorded at the present value of future minimum lease payments as of the inception date. The General Fund is responsible for all lease payments which are due in annual installments, including interest at 1.96%, for a term of 7 years. The future minimum lease obligation and net present value are shown in the table below.

**Fire – E-One Pumper:** Commencing December 2017, the City entered into a lease purchase agreement with Branch Banking and Trust Company (“BB&T”) for one 2017 E-One Pumper valued at \$450,000. The lease agreement qualifies as a capital lease and, therefore, has been recorded at the present value of future minimum lease payments as of the inception date. The General Fund is responsible for all lease payments which are due in annual installments, including interest at 2.3% for a term of 10 years. The future minimum lease obligation and net present value are shown in the table below.

**Police – Prison Transports:** Commencing December 2015, the City entered into a lease purchase agreement with The Bancorp Bank and received six (6) Prison Transport Vehicles valued at \$42,318 each in December 2016 for a total value of \$253,908. The lease agreement qualifies as a capital lease and the General Fund is responsible for all lease payments which are due in annual installments, including interest at 1.70%, for a term of six (6) years. The future minimum lease obligation and net present value are shown in the table below.

**I.T. Computer Equipment:** Commencing September 2020, the City entered into a lease purchase agreement with Truist Bank for computer servers, data storage, networking components, installation and post-installation support, software, and five years of hardware and software support for a total value of \$354,030. The lease agreement qualifies as a capital lease and the General Fund is responsible for all lease payments which are due in annual installments, including interest at 1.80%, for a term of five (5) years. The future minimum lease obligation and net present value are shown in the table below.

**City of Daytona Beach, Florida**  
**Notes to Financial Statements**  
**September 30, 2020**

**Note 9: LEASES PAYABLE (Continued)**

Capital Leases – Governmental Activities: (Continued)

Future minimum lease obligations and net present values for governmental activities capital leases payable are as follows:

Fiscal Year Ending September 30,	Fire					Total
	Lease Fire Truck	Aerial Apparatus	Pumper & Rescue Unit	E-One Pumper		
2021	\$ 86,585	\$ 91,846	\$ 84,564	\$ 50,887	\$ 313,882	
2022	86,585	91,846	84,564	50,887	313,882	
2023	86,585	91,846	84,564	50,887	313,882	
2024	86,585	91,846	84,564	50,887	313,882	
2025	-	91,846	-	50,887	142,733	
2026-2030	-	91,846	-	152,661	244,507	
Total minimum lease payments	\$ 346,340	\$ 551,076	\$ 338,256	\$ 407,096	\$ 1,642,768	
Less: amount representing interest	(16,976)	(31,357)	(15,947)	(39,097)	(103,377)	
NPV of minimum lease payments	\$ 329,365	\$ 519,719	\$ 322,309	\$ 367,999	\$ 1,539,391	

Fiscal Year Ending September 30,	Police		General Government	
	Prison Transports		Computer Equipment	
2021	\$ 44,121	\$	74,675	\$
2022	44,121		74,675	
2023	-		74,675	
2024	-		74,675	
2025	-		74,675	
2026-2030	-		-	
Total minimum lease payments	\$ 88,242	\$	373,375	\$
Less: amount representing interest	(2,200)		(19,345)	
NPV of minimum lease payments	\$ 86,042	\$	354,030	\$

**Note 10: LONG-TERM DEBT AND LIABILITIES**

Bonds Payable:

The City issues various types of bonds to provide funding for the acquisition and construction of major capital facilities. These bonds include general obligation refunding bonds, capital improvement revenue bonds, and utility system refunding revenue bonds.

**Note 10: LONG-TERM DEBT AND LIABILITIES (Continued)**

*Bonds Payable: (Continued)*

***Capital Improvement Revenue Bonds, Series 2011 A and B – (Governmental and Business-Type Activities)***

On June 23, 2011, the City issued Capital Improvement Revenue Bonds, Series 2011 A and B in the amount of \$35,620,000.

The Series A portion of the debt in the amount of \$33,460,000 was issued for the purpose of refinancing FIFC Capital Revenue Bonds, Series 2001 C-1 of \$33,285,000, which was originally issued to finance certain public improvements benefitting the HBE and Ocean Walk prime areas. Certain tax increment revenues are pledged as security, with the City further obligating itself to budget and appropriate from non-ad valorem revenues any additional amounts necessary to make such repayment. A liability is recorded in the governmental activities section of the government-wide statement of net position. The remaining principal balance at September 30, 2020 was \$21,425,000.

The Series B portion of the debt in the amount of \$2,160,000 was issued for the purpose of refinancing FIFC Capital Revenue Bonds, Series 2001 C-2 of \$2,570,000 and is payable solely from non-ad valorem revenues. The original purpose was for the purchase of equipment in the amount of \$1,139,710 and the construction of the Florida Tennis Center in the amount of \$1,020,290. The remaining principal balance at September 30, 2020 was \$90,000.

The reacquisition price exceeded the net carrying amount of the old debt by \$1,041,164. This amount is being shown as a deferred outflow of resources and amortized over the term of the new debt issued, which is the same as the term of the old debt. The City reduced its total debt payments over 20 years by \$4,061,941 which resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$2,214,259. A liability is recorded in the governmental and business-type activities sections of the government-wide statement of net position.

***General Obligation Refunding Bonds, Series 2012 – (Governmental activities)***

On May 15, 2012, the City issued General Obligation Refunding Bonds, Series 2012 in the amount of \$18,810,000 for the purpose of refunding General Obligation Revenue Bonds, Series 2004 of \$18,560,000. The original bonds were issued to construct a new police complex. The reacquisition price exceeded the net carrying amount of the old debt by \$223,392. This amount is being shown as a deferred outflow of resources and amortized over the term of the new debt issued, which is the same as the term of the old debt. The City reduced its total debt payments over 18 years by \$2,634,350, which resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$2,090,135. The City has pledged the full faith and credit of its taxing power for the payment of principal and interest on the bonds. A liability is recorded in the governmental activities section of the government-wide statement of net position. The remaining principal balance at September 30, 2020 was \$10,995,000.

**Note 10: LONG-TERM DEBT AND LIABILITIES (Continued)**

*Bonds Payable: (Continued)*

**Utility System Refunding and Improvement Revenue Bonds, Series 2012 – (Business-Type Activities)**

On September 20, 2012, the City issued Utility Refunding and Improvement Revenue Bonds, Series 2012 in the amount of \$54,450,000. A portion of the debt was issued for the purpose of refinancing: (1) Utility System Refunding Revenue Bonds, Series 2002 A, B, and C in the amount of \$20,790,000, (2) Utility System Refunding Revenue Bonds, Series 2002 D in the amount of \$19,315,000, (3) 1997 State Revolving Fund Loan in the amount of \$10,443,543, and (4) 1999 State Revolving Fund Loan in the amount of \$3,077,285. The remaining portion of the debt of \$9,000,000 was issued to finance the cost of an automated meter reading system and software. The original bond proceeds financed the following: water, sewer, re-use and stormwater system improvements, expansion/upgrade of Westside Regional and Bethune Point wastewater treatment plants, replacement of Ridgewood Avenue sewer line, and installation of a reclaimed water main at Lincoln Avenue. The reacquisition price exceeded the net carrying amount of the old debt by \$2,084,796. This amount is being shown as a deferred outflow of resources and amortized over the term of the new debt issued, which is the same as the term of the old debt. The City reduced its total debt payments over 20 years by \$4,228,364 which resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$4,468,427. A liability is recorded in the business-type activities section of the government-wide statement of net position. The remaining principal balance at September 30, 2020 was \$29,895,000.

Following is a description of bonds payable at September 30, 2020:

Description	Original Amount Issued	Principal Outstanding at September 30, 2020	Interest Rate	Final Maturity
Governmental activities:				
Capital Improvement Revenue Bonds:				
Series 2011 A	\$ 33,460,000	21,425,000	2% - 5%	2031
Series 2011 B	2,160,000	90,000	2% - 5%	2021
Total Capital Improvement Revenue Bonds	35,620,000	21,515,000		
General Obligation Refunding Bonds:				
Series 2012	18,810,000	10,995,000	2% - 3.375%	2029
<b>Total - governmental activities</b>	<b>54,430,000</b>	<b>32,510,000</b>		
Business-type activities:				
Utility System Refunding revenue Bonds:				
Series 2012	54,450,000	29,895,000	0.5% - 5%	2033
<b>Total - business-type activities</b>	<b>\$ 54,450,000</b>	<b>29,895,000</b>		

**City of Daytona Beach, Florida**  
**Notes to Financial Statements**  
**September 30, 2020**

**Note 10: LONG-TERM DEBT AND LIABILITIES (Continued)**

*Bonds Payable: (Continued)*

**Utility System Refunding and Improvement Revenue Bonds, Series 2012 – (Business-Type Activities) (Continued)**

Annual debt service requirements to maturity for bonds payable are as follows:

Capital Improvement Revenue Bonds, Series 2011A and B						
Governmental activities						
Fiscal Year Ending	Series A		Series B		Total	
	Principal	Interest	Principal	Interest		
2021	\$ 1,555,000	\$ 948,419	\$ 90,000	\$ 1,688	\$ 2,595,107	
2022	1,615,000	879,581	-	-	2,494,581	
2023	1,695,000	805,306	-	-	2,500,306	
2024	1,765,000	735,003	-	-	2,500,003	
2025	1,835,000	659,606	-	-	2,494,606	
2026-2030	10,540,000	1,881,144	-	-	12,421,144	
2031-2035	2,420,000	57,475	-	-	2,477,475	
	21,425,000	5,966,534	90,000	1,688	27,483,222	
Unamortized Premium	75,917	-	356	-	76,273	
<b>Total</b>	<b>\$ 21,500,917</b>	<b>\$ 5,966,534</b>	<b>\$ 90,356</b>	<b>\$ 1,688</b>	<b>\$ 27,559,495</b>	

General Obligation Refunding Bonds, Series 2012			
Governmental activities			
Fiscal Year Ending	Principal	Interest	Total
2021	\$ 1,075,000	\$ 347,963	\$ 1,422,963
2022	1,110,000	315,713	1,425,713
2023	1,145,000	282,413	1,427,413
2024	1,175,000	248,063	1,423,063
2025	1,215,000	212,813	1,427,813
2026-2030	5,275,000	447,614	5,722,614
	10,995,000	1,854,579	12,849,579
Unamortized Premium	123,766	-	123,766
<b>Total</b>	<b>\$ 11,118,766</b>	<b>\$ 1,854,579</b>	<b>\$ 12,973,345</b>

**Note 10: LONG-TERM DEBT AND LIABILITIES (Continued)**

Bonds Payable: (Continued)

**Utility System Refunding and Improvement Revenue Bonds, Series 2012 – (Business-Type Activities) (Continued)**

Utility System Refunding and Improvement Revenue Bonds, Series 2012				
Business-type activities				
Fiscal Year				
Ending	Principal		Interest	Total
2021	\$ 2,695,000	\$	1,364,275	\$ 4,059,275
2022	2,865,000		1,225,275	4,090,275
2023	3,055,000		1,077,275	4,132,275
2024	745,000		986,000	1,731,000
2025	775,000		955,600	1,730,600
2026-2030	11,935,000		3,391,275	15,326,275
2031-2035	7,825,000		599,375	8,424,375
	29,895,000		9,599,075	39,494,075
Unamortized				
Premium	2,757,409		-	2,757,409
<b>Total</b>	<b>\$ 32,652,409</b>	<b>\$</b>	<b>9,599,075</b>	<b>\$ 42,251,484</b>

Notes and Loans Payable:

**Capital Improvement Revenue Note, Series 2017**

On December 28, 2017, the City of Daytona Beach issued Capital Improvement Revenue Note, Series 2017 in the amount of \$23,655,000 for the purpose of refunding Capital Improvement Revenue Note, Series 2009 of \$23,483,000. The reacquisition price exceeded the net carrying amount of the old debt by \$244,677. This amount is being shown as a deferred outflow of resources and amortized over the term of the new debt issued, which is the same as the term of old debt. The City reduced its total debt payments over 11 years by \$1,835,832 which resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,635,682. Following are the notes related to this loan.

Governmental Activities – Downtown Redevelopment Trust Fund

The City refinanced the Capital Improvement Revenue Note with a 3.54% fixed rate loan from Branch Banking & Trust Company in the amount of \$1,568,000. The reacquisition price exceeded the net carrying amount of the old debt by \$12,268. This amount is being shown as a deferred outflow of resources and amortized over the term of the new debt issued, which is the same as the term of old debt. The City

**Note 10: LONG-TERM DEBT AND LIABILITIES (Continued)**

Notes and Loans Payable: (Continued)

**Capital Improvement Revenue Note, Series 2017 (Continued)**

reduced its total debt payments over 11 years by \$159,385 which resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$135,129. The original proceeds were used for the Magnolia Street streetscape. Principal and interest are payable from the Downtown Redevelopment Trust Fund tax increment revenues. The City has covenanted and agreed to budget and appropriate sufficient amounts of non-ad valorem revenues to satisfy any loan payments required. This portion of the note's final maturity is November 1, 2028. A liability is recorded in the governmental activities section of the government-wide statement of net position. The remaining principal balance at September 30, 2020 was \$1,325,000.

Business-Type Activities – Water and Sewer System Fund

The City refinanced the Capital Improvement Revenue Note with a 3.54% fixed rate loan from Branch Banking & Trust Company in the amount of \$15,504,000. The reacquisition price exceeded the net carrying amount of the old debt by \$156,473. This amount is being shown as a deferred outflow of resources and amortized over the term of the new debt issued, which is the same as the term of old debt. The City reduced its total debt payments over 7 years by \$1,003,574 which resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$929,853. The original proceeds were used to finance certain water and sewer system improvements. Principal and interest are payable from water and sewer net operating revenues; additionally, the City has covenanted and agreed to budget and appropriate sufficient amounts of non-ad valorem revenues to satisfy any loan payments required. This portion of the note's final maturity is November 1, 2024. A liability is recorded in the business-type activities section of the government-wide statement of net position. The remaining principal balance at September 30, 2019 was \$11,478,000.

Business-Type Activities – Halifax Harbor Fund

The City refinanced the Capital Improvement Revenue Note with a 3.54% fixed rate loan from Branch Banking & Trust Company in the amount of \$6,583,000. The reacquisition price exceeded the net carrying amount of the old debt by \$75,936. This amount is being shown as a deferred outflow of resources and amortized over the term of the new debt issued, which is the same as the term of old debt. The City reduced its total debt payments over 11 years by \$672,873, which resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$570,700. The principal and interest on this loan are payable from marina operating revenues; additionally, the City has covenanted and agreed to budget and appropriate sufficient amounts of non-ad valorem revenues to satisfy any loan payments required. This portion of the note's final maturity is November 1, 2028. A liability is recorded in the business-type activities section of the government-wide statement of net position. The remaining principal balance at September 30, 2020 was \$5,563,000.



**Note 10: LONG-TERM DEBT AND LIABILITIES (Continued)**

Notes and Loans Payable: (Continued)

***Capital Improvement Revenue Note, Series 2010 – (Governmental Activities)***

On June 10, 2010, the City entered into a loan agreement with SunTrust Bank for \$9,345,000 at a fixed interest rate of 3.38% for the purpose of financing the costs of the Midtown Cultural and Educational Center, street and sidewalk enhancements located within the Midtown Redevelopment area, and street and sidewalk enhancements located outside the Midtown Redevelopment area. On October 20, 2016, an allonge to the loan agreement between the City and SunTrust Bank was executed which amended the interest rate of the series 2010 note from 3.38 percent to 2.40 percent for the remaining term. An economic gain (difference between the present values of the debt service payments on the old and new debt) of \$271,148 was realized on the transaction. Tax Cuts and Jobs Act that took effect on January 1, 2018 reduced the corporate tax rate to 21 percent from a maximum rate of 35 percent. As a result, the interest rate on the loan has changed from 2.40 percent to 2.92 percent for the remaining term. Principal and interest are payable from the Recreation/Parks/Culture Impact Fee Fund, the Midtown Redevelopment Trust Fund, and the Transportation 5-Cent Gas Tax Fund. The note's final maturity is November 1, 2024. A liability is recorded in the governmental activities section of the government-wide statement of net position. The remaining principal balance at September 30, 2020 was \$3,854,387.

***Subordinate Utility System Revenue Note, Series 2016 – (Business-Type Activities)***

On April 6, 2016, the City entered into loan agreement with Ameris Bank and issued Subordinate Utility System Revenue Note, Series 2016 in an amount not to exceed \$6,550,000. Interest accrued on principal amounts drawn down by the City over the initial eighteen months of the loan. Of the amount financed, the City has drawn down \$6,550,000, to be repaid over fifteen years with the first semi-annual payment due November 1, 2017 with a final maturity date of November 1, 2031. The Note has a fixed interest rate of 2.44% per annum. A final draw for \$3,730,000 was received on October 4, 2017. The debt was issued to finance the acquisition of emergency generators and plant process equipment for the City's Water and Wastewater Plants. Debt service payments are payable solely from net revenues of the City's Water and Sewer revenues. The remaining principal balance at September 30, 2020 was \$6,155,000.

**State Revolving Fund Loans – (Business-Type Activities):**

Stormwater Improvement Fund

On October 30, 2000, the City was notified by the State of Florida, Department of Environmental Protection that the City was awarded a State Revolving Fund Clean Water loan of \$8,625,000 to be used for the construction of stormwater retention ponds and South Street storm sewer replacement. The interest rate for the authorized loan is 1.665%. Of the amount awarded, the City has drawn down \$7,167,206, to be paid semi-annually over a 20-year period ending October 15, 2022. Principal and interest are payable from stormwater operating revenues. A liability is recorded in the business-type activities section of the government-wide statement of net position. The remaining principal balance at September 30, 2020 was \$762,559 which includes capitalized interest of \$132,942.

**Note 10: LONG-TERM DEBT AND LIABILITIES (Continued)**

Notes and Loans Payable: (Continued)

**State Revolving Fund Loans – (Business-Type Activities) (Continued):**

Stormwater Improvement Fund (Continued)

On December 18, 2012, the City was notified by the State of Florida, Department of Environmental Protection that the City was awarded a State Revolving Fund Clean Water loan of \$1,352,754 to be used for designing Midtown redevelopment area stormwater remediation. The interest rate for the authorized loan is 1.72%. Of the amount awarded, the City has drawn down \$876,928, to be paid semi-annually over a 20-year period beginning January 15, 2016 and ending July 15, 2035. Principal and interest are payable from stormwater operating revenues. A liability is recorded in the business-type activities section of the government-wide statement of net position. The remaining principal balance at September 30, 2020 was \$645,455, which includes capitalized interest of \$33,578.

Water and Sewer System Fund

On December 18, 2012, the City was notified by the State of Florida, Department of Environmental Protection that the City was awarded a State Revolving Fund Clean Water loan of \$1,307,607 to be used for improvements to Orange Avenue and Lift Station 10 and related force main improvements. The interest rate for the authorized loan is 1.72%. During fiscal year 2013-14 the loan was amended and the City was awarded an additional \$20,555,192 at an interest rate of 2.25% to begin the construction phase. On August 30, 2018 a final amendment reduced the total amount awarded to \$20,058,061 and adjusted the semi-annual debt service payment amount. Of the amount awarded, the City has drawn down \$18,989,740, accrued \$688,526 of capitalized interest and \$379,795 in service fees. The loan will be paid semi-annually over a 20 year period beginning July 15, 2017 and ending January 15, 2037. Principal and interest are payable from water and sewer operating revenues. A liability is recorded in the business-type activities section of the government-wide statement of net position. The remaining principal balance at September 30, 2020 was \$16,867,123, which includes capitalized interest of \$688,526.

On December 11, 2013, the City was notified by the State of Florida, Department of Environmental Protection that the City was awarded a State Revolving Fund Drinking Water loan of \$2,919,239, to be used for design and construction improvements to Orange Avenue water main infrastructure. The interest rate for the authorized loan is 2.59%. During fiscal year 2013-14 the loan was amended and the City was awarded an additional \$1,621,537 at an interest rate of 2.44%. Of the amount awarded totaling \$4,540,776, the City has drawn down \$3,002,833 to be paid beginning July 15, 2017 and semiannually thereafter until all amounts due have been fully paid. Principal and interest are payable from water and sewer operating revenues. A liability is recorded in the business-type activities section of the government-wide statement of net position. The remaining principal balance at September 30, 2020 was \$2,536,877 which includes capitalized interest of \$90,661.

**Note 10: LONG-TERM DEBT AND LIABILITIES (Continued)**

Notes and Loans Payable: (Continued)

**State Revolving Fund Loans – (Business-Type Activities) (Continued):**

Water and Sewer System Fund (Continued)

On December 24, 2014, the City was notified by the State of Florida, Department of Environmental Protection that the City was awarded a State Revolving Fund Clean Water loan of \$1,337,266, to be used for Beach Street force main and Regional Wastewater Treatment plant improvements. The interest rate for the authorized loan is 1.99%. During fiscal year 2016-17 and fiscal year 2017-18 the loan was amended with additional awards of \$29,782,429 and \$10,173,129, respectively, authorized for disbursement at an interest rate of 0.00% percent. During 2020 and 2019 the loan was amended with an additional award of \$12,475,190 at an interest rate of 0.00% percent. Of the total amount awarded for disbursements totaling \$43,594,885, the City has drawn down \$35,926,751 to be paid beginning August 15, 2021 and semiannually thereafter until all amounts due have been fully paid. Principal and interest are payable from water and sewer operating revenues. A liability is recorded in the business-type activities section of the government-wide statement of net position. The remaining principal balance at September 30, 2020 was \$36,019,477, which includes capitalized interest of \$92,727.

On March 17, 2017, the City was notified by the State of Florida, Department of Environmental Protection that the City was awarded a State Revolving Fund Clean Water loan of \$4,253,714, to be used for the design and construction of the Halifax River Force Main. The interest rate for the authorized loan is 0.00%. Of the amount awarded totaling \$4,253,714, the City has drawn down \$3,489,307 with the first payment to be paid beginning January 15, 2019 and semiannually thereafter until all amounts due have been fully paid. Principal and interest are payable from water and sewer operating revenues. A liability is recorded in the business-type activities section of the government-wide statement of net position. The remaining principal balance at September 30, 2020 was \$3,203,184, and no capitalized interest has been incurred.

On November 25, 2019, the City was notified by the State of Florida, Department of Environmental Protection that the City was awarded a State Revolving Fund Clean Water loan of \$7,494,002, to be used for the design and construction of the Beach Street Force Main. The interest rate for the authorized loan is 0.00%. Of the amount awarded totaling \$7,494,002, the City has drawn down \$2,012,707 with the first payment to be paid beginning February 15, 2022 and semiannually thereafter until all amounts due have been fully paid. Principal and interest are payable from water and sewer operating revenues. A liability is recorded in the business-type activities section of the government-wide statement of net position. The remaining principal balance at September 30, 2020 was \$2,012,707, and no capitalized interest has been incurred.

**City of Daytona Beach, Florida**  
**Notes to Financial Statements**  
**September 30, 2020**

**Note 10: LONG-TERM DEBT AND LIABILITIES (Continued)**

Annual debt service requirements to maturity for notes and loans payable through direct borrowings are as follows:

Fiscal Year	Notes and Loans Payable							Total
	Governmental Activities		Business-Type Activities					
	Bank Notes		Bank Notes		State Revolving Fund Loan			
Ending	Principal	Interest	Principal	Interest	Principal	Interest		
2021	\$ 847,661	\$ 146,572	\$ 2,904,000	\$ 702,830	\$ 2,617,404	\$ 481,223	\$ 7,699,690	
2022	876,404	120,617	2,968,000	600,518	3,192,489	611,237	8,369,265	
2023	906,997	93,769	3,029,000	496,049	3,294,268	426,349	8,246,432	
2024	938,471	65,985	3,325,000	386,609	3,161,919	398,483	8,276,467	
2025	970,854	37,239	3,391,000	272,190	3,187,731	372,672	8,231,686	
2026-2030	639,000	46,179	7,579,000	630,919	16,346,705	1,455,308	26,697,111	
2031-2035	-	-	-	-	17,085,321	716,693	17,802,014	
2036-2040	-	-	-	-	12,174,198	71,916	12,246,114	
2041-2045	-	-	-	-	987,346	212	987,558	
<b>Total</b>	<b>\$ 5,179,387</b>	<b>\$ 510,361</b>	<b>\$ 23,196,000</b>	<b>\$ 3,089,115</b>	<b>\$ 62,047,381</b>	<b>\$ 4,534,093</b>	<b>\$ 98,556,337</b>	

**Pledged Revenues:**

Information on pledged revenues and principal and interest payments are as follows:

Pledged Revenue	Debt Issue	Future Principal and Interest	Current Pledged Revenue	Current Principal and Interest	Current Percentage of Revenue
Impact Fees, Tax increment and 5-cent Gas Tax	Note Series 2010	\$ 4,143,056	\$ 2,956,936	\$ 818,317	28%
Tax Increment	Bond Series 2011 A	27,391,534	4,048,804	2,511,418	62%
	Note Series 2017	1,546,693	752,622	173,100	23%
		28,938,227	4,801,426	2,684,518	56%
Non Ad-Valorem Utility System Operating Revenues	Bond Series 2011 B	91,688	17,352,350	94,950	1%
	Bond Series 2012	39,494,075		4,019,775	
	Note Series 2016	7,285,025		291,890	
	Note Series 2017	12,506,157		2,519,066	
	State Revolving Fund Loans	65,045,357		1,593,660	
		124,330,614	21,339,132	8,424,391	39%
Marina Operating Revenues	Note Series 2017	6,493,931	974,227	725,117	74%
Stormwater Operating Revenues	State Revolving Fund Loans	1,536,117	9,257,345	369,430	4%
<b>Totals</b>		<b>\$ 165,533,633</b>	<b>\$ 56,681,416</b>	<b>\$ 13,116,723</b>	

**City of Daytona Beach, Florida**  
**Notes to Financial Statements**  
**September 30, 2020**

**Note 10: LONG-TERM DEBT AND LIABILITIES (Continued)**

Changes in Long-Term Debt and Liabilities:

Following is a summary of the changes in long-term debt and liabilities for the fiscal year ended September 30, 2020:

Description	Beginning Balance (adjusted)	Additions	Reductions	Ending Balance	Due in One Year
Governmental activities					
(Includes internal service funds):					
Bonds, loans and notes:					
Revenue bonds payable (net)	\$ 23,199,505	\$ -	\$ (1,600,796)	\$ 21,598,709	\$ 1,645,000
General obligation bonds	12,182,518	-	(1,071,187)	11,111,331	1,075,000
Total bonds payable (net)	35,382,023	-	(2,671,983)	32,710,040	2,720,000
Direct borrowings:					
Notes	5,999,128	-	(819,741)	5,179,387	847,661
Leases	1,945,478	354,030	(320,046)	1,979,462	394,506
Total bonds, loans and notes	43,326,629	354,030	(3,811,770)	39,868,889	3,962,167
Net pension liability	91,373,024		(2,194,251)	89,178,773	-
Insurance claims payable	9,720,000	2,810,409	(2,833,409)	9,697,000	2,127,000
Other liabilities:					
Compensated absences	6,516,421	4,366,952	(3,257,850)	7,625,523	2,328,663
Other post-employment benefits	4,440,881	756,604	(297,235)	4,900,250	-
Total other liabilities	10,957,302	5,123,556	(3,555,085)	12,525,773	2,328,663
<b>Total - governmental activities</b>	<b>\$ 155,376,955</b>	<b>\$ 8,287,995</b>	<b>\$ (12,394,515)</b>	<b>\$ 151,270,435</b>	<b>\$ 8,417,830</b>
Business-type activities					
Bonds, loans and notes:					
Revenue bonds payable (net)	\$ 35,583,983	\$ -	\$ (2,931,574)	\$ 32,652,409	\$ 2,695,000
Notes	25,931,000	-	(2,735,000)	23,196,000	2,904,000
State Revolving Fund loans	47,771,767	15,739,327	(1,463,712)	62,047,382	2,617,403
Total bonds, loans and notes	109,286,750	15,739,327	(7,130,286)	117,895,791	8,216,403
Net pension liability	10,129,887	2,407,137	-	12,537,024	
Other liabilities:					
Landfill closure and post-closure	173,140	3,836	-	176,976	-
Pollution remediation	84,580	6,416	-	90,996	-
Compensated absences	1,356,824	1,119,431	(781,987)	1,694,268	641,896
Other post-employment benefits	1,146,790	217,416	(85,438)	1,278,768	-
Total other liabilities	2,761,334	1,347,099	(867,425)	3,241,008	641,896
<b>Total - business type activities</b>	<b>\$ 122,177,971</b>	<b>\$ 19,493,563</b>	<b>\$ (7,997,711)</b>	<b>\$ 133,673,823</b>	<b>\$ 8,858,299</b>

At September 30, 2020, the following long-term liabilities for internal service funds are included as part of the above totals for governmental activities: net pension liability of \$4,739,777, insurance claims payable of \$2,127,000, compensated absences of \$689,167, and other post-employment benefits of \$374,584. For governmental activities, long-term liabilities other than debt related liabilities are liquidated primarily by the General Fund and Internal Service Funds. Landfill closure, post-closure and pollution remediation costs are liquidated by the Solid Waste Fund.

**City of Daytona Beach, Florida**  
**Notes to Financial Statements**  
**September 30, 2020**

**Note 11: Discount, Premium, Prepaid Bond Insurance Costs And Deferred Amount on Refunding**

At September 30, 2020, the balance of unamortized bond discount/premium, prepaid bond insurance costs, and deferred amount on refunding consisted of the following:

Description	Original Amount	Accumulated Amortization	Unamortized Amount
<b>Governmental activities:</b>			
Bond (premium)	\$ (397,534)	\$ 197,495	\$ (200,039)
Prepaid insurance costs - bonds	150,082	(103,333)	46,749
Deferred amount on refunding	1,237,489	(783,658)	453,831
<b>Total governmental activities</b>	<b>\$ 990,037</b>	<b>\$ (689,496)</b>	<b>\$ 300,541</b>
<b>Business-type activities:</b>			
Bond (premium)	\$ (6,311,785)	\$ 3,554,376	\$ (2,757,409)
Prepaid insurance costs - bonds	209,183	(137,445)	71,738
Deferred amount on refunding	2,458,687	(1,410,731)	1,047,956
<b>Total business-type activities</b>	<b>\$ (3,643,915)</b>	<b>\$ 2,006,200</b>	<b>\$ (1,637,715)</b>

**Note 12: RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; workers compensation and natural disasters.

Self-Insurance Program

The City is self-insured for most liability exposures to reduce insurance costs and provide a means of controlling workers' compensation and liability claims. General, special revenue and proprietary funds are charged premiums by the Consolidated Insurance Fund which is accounted for as an internal service fund. The accrued liability for insurance claims represents an estimate of the probable loss on claims arising prior to fiscal year-end. These losses include an estimate of claims that have been incurred but not reported.

This liability is the City's best estimate based on annual actuarial studies and does not result in an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends, and other economic and social factors. The estimated claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. At September 30, 2020, the amount of these liabilities discounted at 2.5 percent was \$9,697,000; the current portion of this amount was \$2,127,000.

**Note 12: RISK MANAGEMENT (Continued)**

Self-Insurance Program (Continued)

Changes in the reported claims liability since October 1, 2018, were as follows:

Fiscal Year Ending	Balance at October 1,	Current Year		Balance at September 30,
		Claims and Changes in Estimates	Claims Paid	
2020	\$ 9,720,000	\$ 2,810,409	\$ (2,833,409)	\$ 9,697,000
2019	9,740,000	3,240,663	(3,260,663)	9,720,000
2018	8,965,000	4,149,560	(3,374,560)	9,740,000

At September 30, 2020, the Consolidated Insurance Fund held cash and investments of \$9,888,897 for the purpose of funding future claims liabilities. This balance would fund 100 percent of the short term portion of claims payable and 100 percent of the total claims liability. Settled claims have not exceeded the excess insurance limits or commercial coverage in the past three fiscal years.

The City is self-insured for its workers' compensation and most of its liability exposures. For claims arising after March 1, 1999 through April 15, 2013, the City has purchased excess liability coverage with a \$5,000,000 per occurrence limit and \$10,000,000 policy aggregate limit of liability and statutory limits for workers' compensation coverage. For claims arising after April 15, 2013 to present, the City has purchased excess liability coverage with a \$2,500,000 per occurrence limit and \$5,000,000 policy aggregate limit of liability and statutory limits for workers' compensation coverage. The current coverage is maintained with self-insured retentions of \$1,000,000 per occurrence for workers' compensation claims, \$200,000/\$300,000 per occurrence for liability claims falling under Section 768.28, Florida Statutes, and \$350,000 per occurrence for liability claims not falling under Section 768.28, Florida Statutes.

The City also purchases medical malpractice coverage for the City's EMTs and paramedics with a \$1,000,000 per professional incident/\$1,000,000 aggregate limit of liability and a \$2,500 deductible.



**Note 12: RISK MANAGEMENT (Continued)**

Self-Insurance Program (Continued)

Insurable real and personal properties are covered under three (3) separate insurance policies. The Landmark American Insurance Company policy covers City properties valued at \$199,079,736 for all perils other than named windstorm and earthquake with a \$50,000,000 limit of coverage. The deductible for the covered perils is \$25,000. The Landmark policy provides a sublimit of flood coverage of \$1,000,000 per occurrence and annual aggregate with a 5% of affected properties deductible subject to a minimum of \$500,000 per occurrence. The Preferred Governmental Insurance Trust (PGIT) policy covers selected City properties valued at \$86,467,184 for all perils including named windstorm, earthquake and flood. Named windstorm has a 3% total insured value with a minimum \$35,000 deductible (whichever is greater) and flood has a 5% of total insured value of affected properties with a minimum \$25,000 deductible (whichever is greater). All other perils have a \$25,000 deductible. Named windstorm covers the buildings at their reported value, while flood coverage is limited to \$2,000,000 and earthquake has a limit of \$1,000,000. A third policy with Arch Specialty Insurance provides a layer of protection for the buildings insured under the Landmark policy for \$1,000,000 in named storm and additional flood coverage with a 5% deductible at each location subject to a minimum of \$250,000 per occurrence.

Boiler and machinery coverage is purchased separately and is maintained with a \$100,000,000 limit of liability and a \$7,500 deductible. The City maintains a crime policy in the amount of \$10,000,000 with a \$50,000 deductible for employee theft. Additionally, the City maintains other miscellaneous liability and property policies for certain specialized risks.

Other Insurance

The City carries third-party, commercial insurance for liability exposures not covered by the City's self-insurance program, including health insurance.

**Note 13: SOLID WASTE CLOSURE AND POST-CLOSURE CARE**

The City is required by state and federal laws and regulations to place a final cover on its construction and demolition debris landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and post-closure care costs will be paid near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The landfill closure and post-closure care noncurrent liability was \$176,976 at September 30, 2020, and represents the cumulative amount reported to date based on the use of 100% of the estimated capacity of the landfill. These amounts are based on what it would cost to perform all closure and post-closure care in fiscal year 2019-20. The landfill accepted the last load on October 8, 2019 and is now closed. No work has been performed towards the site closure during fiscal year 2020. Actual cost may be higher due to inflation, changes in technology, or changes in laws or regulations.

**Note 13: SOLID WASTE CLOSURE AND POST-CLOSURE CARE (Continued)**

The City is required by state and federal laws and regulations to make annual contributions to an escrow account to finance closure and post-closure care. The City is in compliance with these requirements and at September 30, 2020, investments of \$210,854 (fair value) were held for these purposes. These investments are reported as restricted assets in the Solid Waste Management Fund. Additionally, the City's solid waste contractor pays the City a host fee of a \$1 per cubic yard received into the landfill or \$60,000 per fiscal year, whichever is greater. Those amounts received are also reported as a restricted asset to be used for landfill closure and post-closure care. Cash restricted for landfill host fee revenue totaled \$539,946 at September 30, 2020.

**Note 14: POLLUTION REMEDIATION**

In accordance with State law, the City is currently responsible for site assessments of four (4) properties to determine if contamination exists. The properties include: 1) the former Clyde Morris landfill site, 2) the City's former police station, 3) Riverfront Park, and 4) a certain portion of Orange Avenue. The estimated cost of these assessments is \$90,996, and a noncurrent liability for pollution remediation has been recorded in the Solid Waste Management Fund. The estimated liability was based on the costs of the contractual services to be performed for remediation and assumes no unexpected change orders. Re-measurement of the liabilities is required when new information indicates changes in estimated outlays.

**Note 15: COMMITMENTS AND CONTINGENCIES**

**A. Litigation**

Various suits and claims arising in the ordinary course of the City's operations are pending against the City. The ultimate effect of such litigation cannot be ascertained at this time. Management has estimated these suits and claims to have an immaterial effect on the City's financial statements at September 30, 2020.

**B. Asset Retirement Obligation**

The City has an estimated liability of \$19,800 in governmental activities for a 1,000 gallon double-walled fiberglass underground storage tank located at the City's Fire Station #3 facility. The City has an additional estimated liability of \$39,600 in enterprise activities for two 10,000 gallon double-walled fiberglass steel clad underground storage tanks located at the City's Halifax Harbor facility. The estimation and probable costs were provided by the City's external consultant. See Note 20 for details.

**Note 16: TAX ABATEMENTS**

The City enters into property tax abatement agreements with new or expanding businesses under the Economic Development Ad Valorem Tax Exemption Program, authorized by the City of Daytona Beach Resolution 13-313 and Florida Statutes 196.1995. Under this program, the City grants property tax abatements ranging from 100% to 25% for a period from one to ten years to attract or retain businesses, which contribute to the economy of the City with new jobs and improvements to real and personal property. The program criteria scores applicants on the number of employees, average payroll, capital investment, and additional high economic impact factors, or targeted industries. Benefitting businesses are required to file an annual report detailing their year-end investment and employment levels and verifying their new or expansion status as outlined in the Florida Statutes Section 196.012.

For the fiscal year ending September 30, 2020, the City abated 2019 property taxes to ten businesses at six locations totaling \$499,030.

**Note 17: RETIREMENT PLANS**

**Pension Plans**

The City follows GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided Through Trusts That Meet Specified Criteria* for reporting financial statement amounts related to pensions. The City participates in the following pension plans:

<b>Administered by:</b>	<b>Defined Benefit Pension Plans</b>	<b>Defined Contribution Pension Plans</b>
State of Florida	<ul style="list-style-type: none"> <li>• Florida Retirement System (FRS)</li> <li>• Retiree Health Insurance Subsidy Program (HIS)</li> </ul>	•FRS Investment Plan
Police and Fire Pension Board	<ul style="list-style-type: none"> <li>•Police and Fire Pension Plan</li> </ul>	N/A
International City Managers Association Retirement Corporation (ICMA-RC)	N/A	•ICMA-RC Deferred Compensation Plan

The City includes on its financial statements a net pension liability related to the employer’s proportionate share of the net pension liabilities for the FRS, HIS and Police and Fire defined benefit pension plans.

**Note 17: RETIREMENT PLANS (Continued)**

**Defined Benefit Pension Plans**

***Florida Retirement System (FRS) Defined Benefit Pension (Continued)***

The City participates in a defined benefit pension plan that is administered by the State of Florida, Department of Management Services, Division of Retirement. The plan provides retirement, disability or death benefits and annual cost-of-living adjustments to eligible participants. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plan. That report is available from the Florida Department of Management Services' website ([www.dms.myflorida.com](http://www.dms.myflorida.com)) or by mail at PO Box 9000, Tallahassee, Florida 32315-9000.

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership under Section 121.051(2)(b)(1) Florida Statutes allows participation by cities. All general full-time employees hired prior to December 31, 1995 and subsequent to May 1, 2005, participate in the plan.

The Retiree Health Insurance Subsidy (HIS) Program 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. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

***Benefits Provided***

Benefits under the FRS Pension 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.

Benefits under the HIS Program are not guaranteed and are subject to annual State legislature approval. Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes.

**Note 17: RETIREMENT PLANS (Continued)**

**Defined Benefit Pension Plans (Continued)**

***Florida Retirement System (FRS) Defined Benefit Pension (Continued)***

*Contributions*

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS exclusive of the DROP plan which has 0.00%. Also, there are no employee contributions to the HIS program. The employer's contribution rates are updated as of July 1 of each year. The employer contribution rates, which include the HIS rate of 1.66%, by job class for the periods from October 1, 2019 through June 30, 2020 and from July 1, 2020 through September 30, 2020, respectively, were as follows: Regular 8.47% and 10.00%; Special Risk 25.48% and 24.45%; Senior Management Service 25.41% and 27.29%; Elected Officials 48.82% and 49.18%; DROP participants 14.60% and 16.98%.

The employer's contributions for the year ended September 30, 2020, were \$2,395,876 to the FRS and \$490,619 to the HIS. Employees contributed \$739,485 to the FRS for the year ended September 30, 2020.

*Pension Liabilities and Pension Expense*

In its financial statements for the year ended September 30, 2020, the City reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2020, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2020. The City's proportions of the net pension liabilities were based on the City's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	HIS
Net Pension Liability	\$ 29,106,050	\$ 10,183,217
Proportionate share:		
At current measurement date	0.0672%	0.0834%
At prior measurement date	0.0657%	0.0811%
Pension expense (benefit)	\$ 6,210,496	\$ 947,772

**City of Daytona Beach, Florida**  
**Notes to Financial Statements**  
**September 30, 2020**

**Note 17: RETIREMENT PLANS (Continued)**

**Defined Benefit Pension Plans (Continued)**

**Florida Retirement System (FRS) Defined Benefit Pension (Continued)**

*Deferred Outflows/Inflows of Resources Related to Pensions*

At September 30, 2020, the City 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	\$ 1,113,948	\$ -	\$ 416,555	\$ (7,856)
Changes of assumptions	5,269,121	-	1,094,986	(592,114)
Net difference between projected and actual earnings on pension plan investments	1,733,002	-	8,130	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	573,471	(183,376)	527,297	(19,711)
Employer contributions subsequent to the measurement date	696,040	-	124,612	-
<b>Total</b>	<b>\$ 9,385,582</b>	<b>\$ (183,376)</b>	<b>\$ 2,171,580</b>	<b>\$ (619,681)</b>

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2020. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending September 30	FRS	HIS
2021	\$ 1,750,151	\$ 374,469
2022	2,669,168	314,736
2023	2,277,286	151,437
2024	1,404,647	184,522
2025	404,914	226,911
Thereafter	-	175,211
<b>Total</b>	<b>\$ 8,506,166</b>	<b>\$ 1,427,286</b>

*Actuarial Assumptions*

The total pension liability for both FRS and HIS plans measured as of June 30, 2020, was determined by an actuarial valuation dated July 1, 2020, using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

**Note 17: RETIREMENT PLANS (Continued)**

**Defined Benefit Pension Plans (Continued)**

***Florida Retirement System (FRS) Defined Benefit Pension (Continued)***

*Actuarial Assumptions (Continued)*

	FRS	HIS
Inflation	2.40%	2.40%
Salary increases	3.25%	3.25%
Investment rate of return	6.80%	N/A
Municipal bond index note	N/A	2.21%
Discount rate	6.80%	2.21%

Mortality assumptions for both plans were based on Generational RP-2000 with Projection Scale BB.

For both plans, the actuarial assumptions that determined the total pension liability as of June 30, 2020 were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

The following changes in key actuarial assumptions occurred in 2020:

FRS: The long-term expected investment rate of return and the discount rate used to determine the total pension liability decreased from 6.90% to 6.80%.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability decreased from 3.50% to 2.21%.

The long-term expected rate of return assumption of 6.80 percent consists of two building block components: 1) a real (in excess of inflation) return of 4.30 percent, consistent with the capital market outlook model developed during 2020 by the outside investment consultant to the Florida State Board of Administration; and 2) a long-term average annual inflation assumption of 2.40 percent as adopted in October 2020 by the FRS Actuarial Assumption Conference. In the opinion of the FRS consulting actuary, Milliman, both components and the overall 6.80 percent return assumption were determined to be reasonable and appropriate per Actuarial Standards of Practice. The 6.80 percent reported investment return assumption differs from the 7.00 percent investment return assumption chosen by the 2020 FRS Actuarial Assumption Conference for funding policy purposes, as allowable under governmental accounting and reporting standards.



**Note 17: RETIREMENT PLANS (Continued)**

**Defined Benefit Pension Plans (Continued)**

**Florida Retirement System (FRS) Defined Benefit Pension (Continued)**

*Actuarial Assumptions (Continued)*

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric)
Cash	1%	2.2%	2.2%
Fixed income	19%	3.0%	2.9%
Global equity	54%	8.0%	6.7%
Real estate	10%	6.4%	5.8%
Private equity	11%	10.8%	8.1%
Strategic investments	4%	5.5%	5.3%
	<u>100%</u>		

*Discount Rate*

The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.80 percent. FRS' 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.

*Health Insurance Subsidy (HIS)*

The HIS Plan is essentially funded on a pay-as-you go basis, the depletion date is considered to be immediate. The single equivalent discount rate is equal to the municipal bond rate selected by the 2020 FRS Actuarial Assumption Conference.

*Sensitivity Analysis*

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the employer's proportionate share of the net pension liability if the discount rate was 1.00 percent higher or 1.00 percent lower than the current discount rate.

	FRS			HIS		
	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Employer's proportionate share of the net pension liability	\$ 46,477,470	\$ 29,106,050	\$ 14,597,364	\$ 11,771,344	\$ 10,183,217	\$ 8,883,339

**Note 17: RETIREMENT PLANS (Continued)**

**Defined Benefit Pension Plans (Continued)**

***Florida Retirement System (FRS) Defined Benefit Pension (Continued)***

*Pension Plans' Fiduciary Net Position*

Detailed information about the pension plans' fiduciary net position is available in the State's separately issued financial reports. (<http://www.myfloridacfo.com/Division/AA/Reports/>).

***Police Officers and Firefighters Defined Benefit Pension Plan***

*Plan Description:* The Police and Fire Pension Plan (the Plan) is a single-employer defined benefit pension plan for police officers and firefighters and is administered by the Police and Fire Pension Board, appointed by the City Commission. The Police and Fire Pension Trust Fund contains the assets of the combined police and fire defined benefit pension plan. The Plan was established in 1959 under the Code of Ordinances for the City of Daytona Beach, Florida. Subpart C Sections 1-35 and Subpart D Sections 1-28 were amended on August 6, 2014, to change the maximum period of DROP to 60 months under Ordinance No. 14-228 and allow firefighter members not yet in DROP to participate under Ordinance No. 14-227. The Plan is also governed by certain provisions of Chapters 175 and 185, Florida Statutes, Part VII, Chapter 112, Florida Statutes, and the Internal Revenue Service. To qualify for normal retirement benefits, members hired prior to August 6, 2014 must have 20 years of credited service, or at age 55 with 10 years of credited service. Members hired on or after August 6, 2014, must have 25 years of credited service or at age 55 with 10 years of credited service.

*Plan Membership:* Membership in the Plan consisted of the following at October 1, 2019, the most recent actuarial valuation date:

	Plan Membership
Actives	333
Service Retirees	298
DROP Retirees	14
Beneficiaries	43
Disability Retirees	59
Terminated Vested	68
Total members	815

*Benefits Provided:* The funding methods and determination of benefits payable are provided in the various sections of the City Charter and various acts of the Florida State Legislature, which created the funds, including subsequent amendments thereto. Retirement benefits include normal retirement, death, and disability. The Plan does not provide for ad-hoc cost-of-living increases.

**Note 17: RETIREMENT PLANS (Continued)**

**Defined Benefit Pension Plans (Continued)**

***Police Officers and Firefighters Defined Benefit Pension Plan (Continued)***

*Benefits Provided (Continued)*

Police officer members who are eligible for normal retirement as of September 30, 2011, will receive retirement benefits equal to 3.38% of average final compensation for each year of credited service. Police officer members not eligible for normal retirement as of September 30, 2011, will receive retirement benefits equal to 3.00% of average final compensation for each year of credited service after September 30, 2011 and 3.38% of average final compensation for each year of credited service before September 30, 2011 up to a maximum of 90.00% of average final compensation (but not less than 2.00% of average final compensation for each year of credited service).

Firefighters who are eligible for normal retirement as of September 18, 2012, will receive retirement benefits equal to 3.50% of average final compensation for each year of credited service. Firefighter members not eligible for normal retirement as of September 18, 2012, will receive benefits equal to 3.00% of average final compensation for each year of credited service on or after September 19, 2012 and 3.50% of average final compensation for each year of credited service before September 19, 2012, up to a maximum of 90.00% of average final compensation, (but not less than 2.00% of average final compensation for each year of credited service).

*Contributions:* The City Charter provides, in general, that funds are to be accumulated from employee contributions, City contributions, state appropriations and income from investments of accumulated funds. Police officers are required to contribute 10.00% of compensation and firefighters are required to contribute 9.7% of compensation. The City is required to contribute amounts necessary, on an actuarial basis, to fund the Plan's expenses. Contribution requirements to the Plan are established during the adoption of the City's annual budget. They are predicated on maintaining a level contribution to the Plan as long as the annual pension cost obligation is met or exceeded. Authority to establish and amend contribution requirements rests with the City Commission.

For the fiscal year ended September 30, 2020, total pension expense was \$9,501,634, and the City recognized as revenue, total contributions to the Plan of \$11,210,277 which consisted of the following:

	Plan Contributions
Employer	\$ 8,263,678
Member	1,860,270
State	1,058,682
Buy-Back	27,647
Total contributions	\$ 11,210,277

**Note 17: RETIREMENT PLANS (Continued)**

**Defined Benefit Pension Plans (Continued)**

***Police Officers and Firefighters Defined Benefit Pension Plan (Continued)***

*Contributions (Continued)*

The Police and Fire Pension Trust Fund issues a publicly available financial report, including financial statements and required supplementary information. That report contains the required disclosures of GASB Statement No. 68, “Accounting and Financial Reporting for Pension Plans”. The report may be obtained by writing to The City of Daytona Beach, Police and Fire Pension Board, PO Box 2451, Daytona Beach, Florida 32115-2451.

*Plan Investment Policies and Allocation of Plan Investments:* The Plan’s investments are managed under the direction of the Police and Fire Pension Board. All investments are reported at fair value. As of September 30, 2020, the investments of the Plan were allocated as follows:

Investment	Percent of Pension Portfolio
Domestic equities	25.0%
Fixed income	22.0%
Real estate	10.0%
Alternative investments	18.0%
International equities	25.0%
Total investments	100.0%

*Money-Weighted 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, 2020, the annual money-weighted rate of return on pension plan investments was 13.40%.

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:* The City’s net pension liability for the Plan was measured as of September 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The components of the Plan’s net pension liability at September 30, 2020, along with the changes from the prior year were as follows:

**City of Daytona Beach, Florida**  
**Notes to Financial Statements**  
**September 30, 2020**

**Note 17: RETIREMENT PLANS (Continued)**

**Defined Benefit Pension Plans (Continued)**

***Police Officers and Firefighters Defined Benefit Pension Plan (Continued)***

	Increase / (Decrease)		
	Total Pension Liability (a)	Pension Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at September 30, 2019	\$ 255,639,724	\$ 185,828,567	\$ 69,811,157
Changes for the fiscal year:			
Service cost	3,513,144	-	3,513,144
Interest	18,768,244	-	18,768,244
Difference between expected and actual experience	3,488,191	-	3,488,191
Changes of assumptions	2,480,871	-	2,480,871
Changes of benefit terms	-	-	-
Contributions - employer	-	8,109,940	(8,109,940)
Contributions - member	-	1,860,270	(1,860,270)
Contributions - State	-	1,058,683	(1,058,683)
Contributions - Buy Back	27,647	27,647	-
Net investment income	-	24,899,494	(24,899,494)
Benefit payments, including refunds of member contributions	(17,819,225)	(17,819,225)	-
Administrative expenses	-	(293,309)	293,309
Net change	10,458,872	17,843,500	(7,384,628)
Balance at September 30, 2020	\$ 266,098,596	\$ 203,672,067	\$ 62,426,529

Plan fiduciary net position as a percentage of the total pension liability: 76.60%

For the fiscal year ended September 30, 2020, the City recognized pension expense of \$9,501,634.

**City of Daytona Beach, Florida**  
**Notes to Financial Statements**  
**September 30, 2020**

**Note 17: RETIREMENT PLANS (Continued)**

**Defined Benefit Pension Plans (Continued)**

***Police Officers and Firefighters Defined Benefit Pension Plan (Continued)***

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)*

At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions for the Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,436,442	\$ 394,940
Changes of Assumptions	1,984,696	-
Net difference between projected and actual earnings on pension plan investments	-	6,328,715
<b>Total</b>	<b>\$ 5,421,138</b>	<b>\$ 6,723,655</b>

Amounts reported for the Plan as deferred outflows/(inflows) of resources will be recognized in pension expense for the fiscal year ending September 30, as follows:

Fiscal Year		Deferred Outflow/Deferred (Inflow)
2021	\$	(764,674)
2022		353,487
2023		160,248
2024		(1,051,578)
<b>Total</b>	<b>\$</b>	<b>(1,302,517)</b>

**Note 17: RETIREMENT PLANS (Continued)**

**Defined Benefit Pension Plans (Continued)**

***Police Officers and Firefighters Defined Benefit Pension Plan (Continued)***

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)*

The City's total pension liability for the Plan was determined by an actuarial valuation as of the valuation date and calculated based on the discount rate and actuarial assumptions as follows:

Valuation date	October 1, 2018
Measurement date	September 30, 2020
Actuarial cost method	Individual Entry Age Normal
Expected long-term rate of return	7.50%
Discount rate	7.50%
Municipal bond rate	N/A
Inflation	2.75%
Salary Increases	Service based
Ad-hoc cost-of-living increase	N/A
Mortality rates:	
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 (Above Median) 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 (Above Median) for Healthy Retirees, set back one year.
Disabled	80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees
Experience study	July 30, 2020



**Note 17: RETIREMENT PLANS (Continued)**

**Defined Benefit Pension Plans (Continued)**

***Police Officers and Firefighters Defined Benefit Pension Plan (Continued)***

Expected Long-Term Rate of Return: The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These expected future real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2020 are summarized as follows:

Asset Class	Target Allocation	Expected Long- Term Rate of Return
Domestic equities	25.0%	5.80%
Fixed income	22.0%	1.60%
Real estate	10.0%	5.90%
Alternative investments	18.0%	8.00%
International equities	25.0%	7.15%
Total	100.0%	

The long-term expected rate of return is 7.50 percent.

Discount Rate: The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the Discount Rate assumed that Plan Member contribution will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the net pension liability, calculated using the discount rate of 7.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Plan net pension liability	\$ 92,211,365	\$ 62,426,529	\$ 37,568,310

**Note 17: RETIREMENT PLANS (Continued)**

**Defined Contribution Plan:**

***Florida Retirement System Defined Contribution Investment Plan***

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan (“FRS Investment Plan”), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Employees are required to contribute 3.00% of their salary. Required employer contributions made to the plan during the year ended September 30, 2020 totaled \$724,654. Employee contributions totaled \$65,406 during the same period.

***ICMA-RC Deferred Compensation Defined Contribution Investment Plan***

Beginning January 1, 1996 and ending April 30, 2005, the City provided pension benefits to new general employees through a defined contribution plan administered by the International City Managers Association Retirement Corporation (ICMA-RC). In a defined contribution plan, benefits depend solely on amounts contributed plus investment earnings. The authority for establishing and amending the funding policy by resolution resides with the City Commission. The City’s contribution for each employee vests starting in the third year with full vesting after seven (7) years. For the fiscal year ending September 30, 2020, there were a total of 16 employees participating in the plan with a covered payroll of \$1,207,377. Employees do not contribute into this plan. The City contributed 10.00% effective July 1, 2020 of covered employees’ gross wages for general employees. City contributions for the fiscal year ending September 30, 2020 totaled \$98,778.

**Pension Expense Summary:**

The total of the City’s pension expense for the fiscal year ended September 30, 2020 is as follows:

Plan Description	Pension Expense
<b>Defined Benefit Plans:</b>	
FRS Pension Plan	\$ 6,210,496
Retiree Health Insurance Subsidy Program (HIS)	947,772
Police Officers' and Firefighters' Pension Plan	9,501,634
<b>Total defined benefit pension expense</b>	<b>16,659,902</b>
<b>Defined Contribution Plan:</b>	
FRS Investment Plan	724,654
ICMA Deferred Compensation Plan	98,778
<b>Total defined contribution pension expense</b>	<b>823,432</b>
<b>Total Pension Expense</b>	<b>\$ 17,483,334</b>

**Note 18: OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

The City's other post-employment benefits (OPEB) are presented in accordance with GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, as amended. The provisions of this pronouncement were implemented prospectively.

Plan Description – Pursuant to Section 112.0801, Florida Statutes, the City is required to permit participation in the single-employer benefit health insurance program (the Plan) for 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. Optional post-employment benefits are provided to all eligible individuals including lifetime medical, prescription, dental, and certain life insurance coverage. Eligible individuals include all regular employees of the City who retire from active service under a pension plan sponsored by the City. Under certain conditions eligible individuals also include spouses and dependent children. The Plan does not issue a publicly available financial report.

Funding Policy – The City Commission is authorized to establish benefit levels and approve the actuarial assumptions used in the determination of contribution levels. The City Commission establishes the contribution requirements of Plan members and the City. These contributions are neither mandated nor guaranteed. The retiree contributes the premium cost each month. Spouses and other dependents are also eligible for coverage, although the retiree pays the premium cost. Retirees must pay a monthly premium as determined by the insurance carrier, less any explicit subsidies that are provided by the City. The premium varies depending on whether the retiree elects single, single plus spouse, single plus dependents, or family coverage. As of May 1, 2009, the City provides an explicit subsidy for a portion of the premium charged for dependent coverage. The current explicit subsidy is \$70.48 per month for a single dependent or \$134.43 per month for multiple dependents. The ultimate implicit and explicit subsidies which are provided over time are financed directly by general assets of the City, which are invested in short-term fixed income instruments according to the City's investment policy.

The City selected an interest discount rate of 2.26% per annum and is based on the prescribed discount interest rate methodology under GASB No. 75 based on an average of three 20-year bond indices (e.g., Bond Buyer-20 Bond GO, S&P Municipal Bond 20 Year High Grade Rate Index, Fidelity GA AA 20 Years) as of September 30, 2020. There are no separate trust funds or equivalent arrangements into which the City makes contributions to fund the OPEB obligations in advance as it does for its retiree pension plans.

Plan Membership – At October 1, 2019, OPEB membership consisted of the following:

Active Members	861
Retirees (including surviving spouses)	<u>160</u>
Total	<u>1,021</u>
Active Members Eligible for Benefits	146

**City of Daytona Beach, Florida**  
**Notes to Financial Statements**  
**September 30, 2020**

**Note 18: OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)**

Actuarial Assumptions and Other Inputs – The total OPEB liability in the September 30, 2020 actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Assets	Not valued since benefit is unfunded. Assets are zero.
Expected Return on Assets	n/a
Inflation	n/a
Salary Increases	3.50% projected annual salary increase

The actuarial assumptions for fiscal year October 1, 2019 to September 30, 2020 were based on a valuation as of October 1, 2019 and projected to year end September 30, 2020. This valuation was based on census information provided in September 2020, reflected plan costs (rates) and decrement tables (assumptions) for turnover, disability and retirement based on the Florida Retirement System (FRS) Pension Plan actuarial valuation report with July 1, 2018 valuation date and with a December 3, 2018 issue date.

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

Valuation date .....	October 1, 2019
Actuarial cost method .....	Entry Age Normal as a Level Percentage of Payroll
Discount rate .....	2.26%

Assumed healthcare cost trend rates:

	Year	Age	
		Pre-65	Post-65
Year 1 Trend	October 1, 2020	7.0%	7.0%
Ultimate Trend	October 1, 2026 & Later	4.5%	4.5%
Grading Per Year	-	0.25%	0.25%

At September 30, 2020 the City of Daytona Beach reported a Total OPEB liability of \$6,179,017. The GASB 75 information has been provided as of the year ended September 30, 2020.

**City of Daytona Beach, Florida**  
**Notes to Financial Statements**  
**September 30, 2020**

**Note 18: OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)**

	Increase (Decrease)		
	Plan	Fiduciary	
<i>Change in Net OPEB Liability</i>	Total OPEB Liability (a)	Net Position (b)	Net OPEB Liability (a) - (b)
Balance Recognized as of Beginning of Year (End of Prior Year)	\$ 5,587,671	\$ -	\$ 5,587,671
Changes Recognized for Fiscal Year			
Service Cost	56,359	-	56,359
Interest	139,543	-	139,543
Changes in Assumptions	778,161	-	778,161
Benefit Payments	(382,717)	-	(382,717)
Net Changes	591,346	-	591,346
Balance Recognized as of End Year - September 30, 2020	\$ 6,179,017	\$ -	\$ 6,179,017

The liability increase is due to changes in the discount rate from 3.10% to 2.26% as prescribed under GASB 75, plus changes in mortality table and mortality improvement scale assumptions to more current table/scale (e.g., table Pub-2010 from RP-2014 and improvement scale MP-2019 from improvement scale AA), as well as changes in employee demographics (e.g., higher percentage of dependents, increase in number of actives, etc.) since the prior valuation. This liability increase is partially offset by favorable health insurance rate increases and an update in healthcare cost inflation (trend) rates as compared to the prior valuation.

**Sensitivity of the Total OPEB Liability** – The following table represents the City’s total OPEB liability calculated using the discount rate of 2.26%, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower and one percentage point higher than the current rate.

	1% Decrease (1.26%)	Current Discount Rate (2.26%)	1% Increase (3.26%)
Total OPEB Liability	\$ 6,966,862	\$ 6,179,017	\$ 5,553,214

The following table represents the City’s total OPEB liability calculated using the health care cost trend rate of 7.00%, as well as what the City’s total OPEB liability would be if it were calculated using a health care cost trend rate that is one percentage point lower, 8.00%, or one percentage point higher, 10.00%, than the current rate.

	1% Decrease (6.00%)	Trend Rate (7.00%)	1% Increase (8.00%)
Total OPEB Liability	\$ 5,548,148	\$ 6,179,017	\$ 6,928,581

**City of Daytona Beach, Florida**  
**Notes to Financial Statements**  
**September 30, 2020**

**Note 18: OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)**

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

For the fiscal year ended September 30, 2020, the City of Daytona Beach recognized an OPEB expense of \$343,489. Deferred Inflows/Outflows of Resources reflects amounts resulting from experience gains/losses that have not been recognized in the current OPEB expense calculations, but will be potentially reflected in future years.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 962,303	\$ -
Total	\$ 962,303	\$ -

Amounts reported for OPEB as deferred outflows of resources will be recognized in pension expense for the fiscal year ending September 30, as follows:

Fiscal Year	Deferred Outflows
2021	\$ 134,917
2022	134,917
2023	134,917
2024	134,917
2025	134,917
Thereafter	287,718
Total	\$ 962,303

**Note 19: UNION AGREEMENTS**

On December 5, 1991, the Florida Public Employees Relations Commission certified the International Association of Firefighters Union Local 1162 (IAFF) as the bargaining agent to represent firefighters, driver engineers, fire lieutenants and fire mechanics. On September 18, 2019, the parties ratified a two-year successor collective bargaining agreement that will expire September 30, 2021.

On November 6, 2015, the Florida Public Employees Relations Commission certified the Coastal Florida PBA as the bargaining agent to represent full-time police officers and police sergeants. On September 18, 2019, the parties ratified a two-year successor collective bargaining agreement that will expire September 30, 2021.

**Note 19: UNION AGREEMENTS (Continued)**

On November 23, 2010, the Florida Public Employees Relations Commission certified the Florida State Lodge, Fraternal Order of Police, Inc. as the bargaining agent to represent full-time police lieutenants. On September 18, 2019, the parties ratified a two-year successor collective bargaining agreement that will expire September 30, 2021.

On April 27, 1995, the Florida Public Employees Relations Commission certified the American Federation of State, County and Municipal Employees (AFSCME) Council 79 as the bargaining agent to represent most general employees not represented by the other unions or classified as managerial, confidential, supervisory, professional, or temporary/seasonal. On September 18, 2019, the parties ratified a two-year successor collective bargaining agreement that will expire September 30, 2021.

**Note 20: ASSET RETIREMENT OBLIGATIONS**

Asset retirement obligations generally apply to legal obligations associated with the retirement of a tangible long-lived asset that result from the acquisition, construction, or development and the normal operation of a long-lived asset. The City assesses asset retirement obligations on a periodic basis. If a reasonable estimate of fair value can be made, the fair value of a liability for an asset retirement obligation is recognized in the period in which it is incurred or a change in estimate occurs.

The City operates a wastewater treatment plant which is regulated by the Florida Department of Environmental Protection, and requires certain cleanup and remediation activities if use of the wastewater treatment plant is discontinued. The City plans ongoing refurbishment to the plant as needed and has no plans to discontinue use of the plant. As such, the City is not able to readily estimate the fair value of the liability for discontinuing use of the plant, and has not recorded an asset retirement obligation for this asset.

The Florida Department of Environmental Protection regulates underground storage tank (UST) installation, monitoring, and closure procedures. One 1,000 gallon double-walled fiberglass underground storage tank with a spill containment bucket located at the City's Fire Station #3 facility that was installed in August 1992 with an estimated service life of 40 years. Two 10,000 gallon double-walled fiberglass steel clad underground storage tanks with an estimated service life of 40 years at the City's Halifax Harbor facility that was installed in May 2005.

The City has determined the fair value of the liability for disposal of these items is immaterial at September 30, 2020 and, accordingly, has not recorded an asset retirement obligation for this matter.

**City of Daytona Beach, Florida**  
**Notes to Financial Statements**  
**September 30, 2020**

**Note 21: ACCOUNTING CHANGES**

***Reclassification of Funds***

For the year-ended September 30, 2020 four non-major enterprise funds became multiple cost centers in the General Fund starting on October 1, 2019. The four non-major enterprise funds impacted were the Cultural Services, Municipal Golf Course, Florida Tennis Center, and Municipal Stadium/Jackie Robinson Ballpark Funds as well as the General Fund. The adjustment resulted in a decrease of net position in the enterprise funds of (\$2,315,891) and an increase in fund balance in the General Fund of \$1,342,674. Additionally, \$107,333 was transferred from the Florida Tennis Center to debt service funds within Nonmajor Governmental Funds, as the funds related to restricted cash for debt. The difference of \$865,884 is recorded as a prior period adjustment to governmental net position and is attributed to capital assets, long-term obligations, and internal service fund lookback, which are recognized in business-type and governmental activities, but not in governmental funds. A summary of the prior period adjustment is as follows:

	Cultural Services	Municipal Golf Course	Florida Tennis Center	Municipal Stadium/ Jackie Robinson Ballpark	General Fund	Nonmajor Governmental Funds	Governmental Activities
Current assets	\$ (1,749,341)	\$ (152,677)	\$ (51,200)	\$ (91,735)	\$ 2,044,953	\$ -	\$ -
Noncurrent assets	(53,164)	(500)	(107,911)	-	54,164	107,333	78
Capital assets	-	(1,765,289)	(166,459)	-	-	-	1,931,748
Deferred outflows of resources	(162,422)	(52,059)	(42,248)	-	-	-	256,729
Payables	65,974	13,938	20,641	26,523	(127,076)	-	-
Due to other funds	-	-	37,000	-	(37,000)	-	-
Unearned revenues	532,462	10,724	1,761	-	(544,947)	-	-
Deposits	41,920	500	5,000	-	(47,420)	-	-
Compensated absences	17,554	64,019	34,787	-	-	-	(116,360)
Other post-employment benefits	43,208	133,175	6,698	-	-	-	(183,081)
Net pension liability	512,069	183,680	153,080	-	-	-	(848,829)
Bonds payable	-	-	90,630	-	-	-	(90,630)
Accrued interest	-	-	543	-	-	-	(543)
Deferred inflows of resources	55,352	18,019	9,857	-	-	-	(83,228)
<b>Net position</b>	<b>\$ (696,388)</b>	<b>\$ (1,546,470)</b>	<b>\$ (7,821)</b>	<b>\$ (65,212)</b>			<b>865,884</b>
Fund balance					\$ 1,342,674	\$ 107,333	1,450,007
Net position - governmental activities							\$ 2,315,891

In addition, for the year-ended September 30, 2020 the City elected to transfer \$4,416,610 in capital assets in governmental activities to the Daytona Beach Pier fund. The adjustment resulted in an increase of net position in the non-major enterprise funds of \$4,416,610 and a decrease in net position in the governmental activities of \$(4,416,610). A summary of the prior period adjustment is as follows:

	Daytona Beach Pier	Governmental Activities
Noncurrent assets	\$ 4,416,610	\$ (4,416,610)
Net position - net investment in capital assets	\$ 4,416,610	
Net position - governmental activities		\$ (4,416,610)



**Note 22: SUBSEQUENT EVENTS**

***Debt Refunding***

On November 4, 2020 the City executed the Capital Improvement Refunding and Revenue Note, Series 2020, for \$24,385,000, for the purpose of refunding the Capital Improvement Revenue Bonds, Series 2011A. The new note will have an interest rate of 2.2%, a term of 11 years, and the refunding will provide an estimated savings of \$2,478,699.

***Capital Lease***

On May 26, 2021, the City executed a capital lease for 20 police vehicles in the amount of \$860,198. The payments are payable annually through May 26, 2024 with an annual rate of interest equal to 1.18%.

***Eastern Volusia Regional Water Authority***

On March 17, 2021, the City of Daytona Beach adopted Resolution 2021-102, terminating the Amended Interlocal Agreement Creating the Eastern Volusia Regional Water Authority, effectively dissolving the Authority. Remaining funds will be distributed among member cities as follows: City of Daytona Beach – 72%; City of South Daytona – 14%; and City of Holly Hill – 14%.

# Required Supplementary Information



**City of Daytona Beach, Florida**  
**Schedule of the City's Proportionate Share of the Net Pension Liability**  
**Florida Retirement System and Health Insurance Subsidiary Program**  
**Last Seven Fiscal Years (In Thousands)**

**Florida Retirement System Pension Plan**

Plan Sponsor Measurement Date June 30

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability	0.0672%	0.0657%	0.0639%	0.0652%	0.0650%	0.0669%	0.0671%
Proportionate share of the net pension liability	\$ 29,106	\$ 22,617	\$ 19,239	\$ 19,280	\$ 16,413	\$ 8,639	\$ 4,092
* Covered payroll	\$ 29,703	\$ 27,296	\$ 26,370	\$ 24,762	\$ 23,934	\$ 22,672	\$ 22,270
Proportionate share of the net pension liability as a percentage of covered payroll	98%	83%	73%	78%	69%	38%	18%
Plan fiduciary net position as a percentage of the total pension liability	79%	83%	84%	84%	85%	92%	96%

**Health Insurance Subsidy Program**

Plan Sponsor Measurement Date June 30

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability	0.0834%	0.0811%	0.0792%	0.0794%	0.0771%	0.0746%	0.0749%
Proportionate share of the net pension liability	\$ 10,183	\$ 9,075	\$ 8,379	\$ 8,489	\$ 8,989	\$ 7,612	\$ 7,005
* Covered payroll	\$ 29,703	\$ 27,296	\$ 26,370	\$ 24,762	\$ 23,934	\$ 22,672	\$ 22,270
Proportionate share of the net pension liability as a percentage of covered payroll	34%	33%	32%	34%	38%	34%	31%
Plan fiduciary net position as a percentage of the total pension liability	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

Note: The City implemented GASB No. 68 for the fiscal year ended September 30, 2015, including a restatement as of September 30, 2014. Information for prior years is not available.

\* GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68 and No. 73*, was implemented during fiscal year 2017. Covered payroll shown includes the payroll for defined benefit plan active members, members in DROP and investment plan members.

**City of Daytona Beach, Florida**  
**Schedule of the City Contributions**  
**Florida Retirement System and Health Insurance Subsidiary Program**  
**Last Seven Fiscal Years (In Thousands)**

**Florida Retirement System Pension Plan**

City Year Ended September 30

	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 2,396	\$ 2,061	\$ 1,820	\$ 1,697	\$ 1,662	\$ 1,609	\$ 1,665
Contributions in relation to the contractually required contribution	(2,396)	(2,061)	(1,820)	(1,697)	(1,662)	-1609.17	-1664.51
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
* Covered payroll	\$ 29,868	\$ 27,271	\$ 26,319	\$ 25,673	\$ 24,608	\$ 22,845	\$ 22,264
Contributions as a percentage of covered payroll	8.02%	7.56%	6.92%	6.61%	6.76%	7.04%	7.48%

**Health Insurance Subsidy Program**

City Year Ended September 30

	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 491	\$ 452	\$ 429	\$ 420	\$ 405	\$ 310	\$ 264
Contributions in relation to the contractually required contribution	(491)	(452)	(429)	(420)	(405)	(310)	(264)
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
* Covered payroll	\$ 29,868	\$ 27,271	\$ 26,319	\$ 25,673	\$ 24,608	\$ 22,845	\$ 22,264
Contributions as a percentage of covered payroll	1.64%	1.66%	1.63%	1.64%	1.65%	1.36%	1.19%

Note: The City implemented GASB No. 68 for the fiscal year ended September 30, 2015, including a restatement as of September 30, 2014. Information for prior years is not available.

\* GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68 and No. 73*, was implemented during fiscal year 2017. Covered payroll shown includes the payroll for defined benefit plan actives, members in DROP and investment plan members.

**City of Daytona Beach, Florida**  
**Schedule of Changes in the City's Net Pension Liability and Related Ratios**  
**Police and Fire Pension Trust Fund**  
**Last Seven Fiscal Years (In Thousands)**

	2020	2019	2018	2017	2016	2015	2014
<b>Total pension liability</b>							
Service cost	\$ 3,513	\$ 3,381	\$ 3,316	\$ 3,105	\$ 3,060	\$ 3,107	\$ 2,905
Interest	18,768	18,337	18,050	16,816	16,282	15,930	15,353
Changes of benefit terms	-	(30)	-	-	-	-	2,647
Differences between expected and actual experience	3,488	1,292	(1,580)	4,300	2,424	(208)	(83)
Changes of assumptions	2,481	-	-	6,834	-	-	-
Contributions - Buy Back	28	33	39	-	-	-	-
Benefit payments, including refunds of employee contributions	(17,819)	(17,026)	(15,054)	(14,573)	(14,783)	(13,418)	(13,236)
Net change in total pension liability	10,459	5,987	4,771	16,482	6,983	5,411	7,586
Total pension liability-beginning	255,640	249,653	244,882	228,400	221,417	216,006	208,420
<b>Total pension liability-ending (a)</b>	<b>\$ 266,099</b>	<b>\$ 255,640</b>	<b>\$ 249,653</b>	<b>\$ 244,882</b>	<b>\$ 228,400</b>	<b>\$ 221,417</b>	<b>\$ 216,006</b>
<b>Plan fiduciary net position</b>							
Contributions-employer	\$ 8,110	\$ 8,021	\$ 7,794	\$ 6,709	\$ 6,102	\$ 6,524	\$ 6,075
Contributions-member	1,860	1,757	1,677	1,643	1,612	1,601	1,695
Contributions-state	1,059	984	937	813	904	706	845
Contributions - Buy Back	28	33	39	-	-	-	-
Net investment income	24,899	7,557	13,601	15,868	11,893	(4,438)	14,975
Benefit payments, including refunds of employee contributions	(17,819)	(17,026)	(15,054)	(14,572)	(14,783)	(13,418)	(13,236)
Administrative expense	(293)	(315)	(382)	(213)	(229)	(224)	(277)
Other	-	-	1,010	(85)	47	(821)	1,074
Net change in plan fiduciary net position	17,844	1,011	9,622	10,163	5,546	(10,070)	11,151
Plan fiduciary net position-beginning	185,828	184,817	175,195	165,032	159,486	169,556	158,405
<b>Plan fiduciary net position-ending (b)</b>	<b>\$ 203,672</b>	<b>\$ 185,828</b>	<b>\$ 184,817</b>	<b>\$ 175,195</b>	<b>\$ 165,032</b>	<b>\$ 159,486</b>	<b>\$ 169,556</b>
<b>Net pension liability-ending (a) - (b)</b>	<b>\$ 62,427</b>	<b>\$ 69,812</b>	<b>\$ 64,836</b>	<b>\$ 69,687</b>	<b>\$ 63,368</b>	<b>\$ 61,931</b>	<b>\$ 46,450</b>
Plan fiduciary net position as a percentage of the total pension liability	77%	73%	74%	72%	72%	72%	78%
* Covered payroll	\$ 18,764	\$ 16,843	\$ 16,917	\$ 16,114	\$ 15,578	\$ 15,553	\$ 15,027
City's net pension liability as a percentage of covered payroll	333%	414%	383%	432%	407%	398%	309%

**City of Daytona Beach, Florida**  
**Schedule of the City Contributions**  
**Police and Fire Pension Trust Fund**  
**Last Ten Fiscal Years (In Thousands)**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ 9,322	\$ 8,869	\$ 8,685	\$ 7,522	\$ 7,005	\$ 7,230	\$ 8,115	\$ 8,005	\$ 7,907	\$ 8,563
Contributions in relation to the actuarially determined contribution	9,169	9,005	8,732	7,522	7,005	7,230	8,115	8,005	7,907	8,563
Contribution deficiency (excess)	\$ 153	\$ (136)	\$ (47)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
* Covered payroll	\$ 18,764	\$ 16,843	\$ 16,917	\$ 16,114	\$ 15,578	\$ 15,553	\$ 15,027	\$ 15,139	\$ 15,425	\$ 16,026
Contributions as a percentage of covered payroll	49%	53%	52%	47%	45%	46%	54%	53%	51%	53%

**Notes to Schedule**

Valuation date:

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal cost method.
Amortization method	30-year closed period.
Remaining amortization period	Bases previously established after October 1, 2004 and prior to October 1, 2013 are re-amortized over the remainder of a 30-year period from establishment (as approved by the State).
Asset valuation method	20% write-up method.
Inflation	2.75%
Investment rate of return	7.50% net of pension plan investment expense, including inflation.
Salary increases	Seniority/merit scale using the following representative rates:

Age	Rate (%)	Age	Rate (%)
20	3.0	40	2.0
25	3.0	45	1.0
30	2.5	50	-
35	2.5	55	-

Retirement rates

Annual retirement rates are as follows:

After First Eligibility for Normal Retirement	Police %	Fire %
0	35	25
1-9	20	15
10	100	100

At age 60, retirement rate is 100%

Mortality:

Healthy

Female-RP2000 Generational, 100% Combined Healthy White Collar, Scale BB  
Male-RP2000 Generational, 10% Combined Healthy White Collar/90% Combined Healthy Blue Collar, Scale BB

Disabled

Female-60% RP2000 Disabled Female set forward two years/40% Annuitant White Collar with no setback, no projection scale.  
Male-60% RP2000 Disabled Male setback four years /40% Annuitant White Collar with no setback, no projection scale.

Disabled

\* GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68 and No. 73*, was implemented during fiscal year 2017. Covered payroll shown includes the payroll for defined benefit plan active members, members in DROP and investment plan members.

**City of Daytona Beach, Florida**  
**Schedule of the Changes in the City's Total Other Post-Employment Benefit**  
**Liability and Related Ratios**  
**Last Three Fiscal Years (In Thousands)**

Governmental Accounting Standards Board Statement No. 75, "Accounting and Financial Reporting for Post Employment Benefits Other Than Pensions" (OPEB) require supplementary information be reported in addition to that provided in the Notes to the Financial Statements. Additional years' information will be included until 10 years of information is displayed.

	9/30/2020	9/30/2019	9/30/2018
<b>Total OPEB liability</b>			
Service cost	\$ 56,359	\$ 29,453	\$ 26,485
Interest cost	139,543	174,342	215,674
Changes in benefit terms	-	-	-
Difference between expected and actual experience	-	-	-
Changes in assumptions	778,161	361,885	-
Benefit payments	(382,717)	(480,122)	(540,288)
<b>Net change in total OPEB liability</b>	<b>591,346</b>	<b>85,558</b>	<b>(298,129)</b>
<b>Total OPEB liability - beginning</b>	<b>5,587,671</b>	<b>5,502,113</b>	<b>5,800,242</b>
<b>Total OPEB liability - ending (a)</b>	<b>\$ 6,179,017</b>	<b>\$ 5,587,671</b>	<b>\$ 5,502,113</b>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 382,717	\$ 480,122	\$ 540,288
Contributions - employee	-	-	-
Net investment income	-	-	-
Benefit payments	(382,717)	(480,122)	(540,288)
Administrative expense	-	-	-
<b>Net change in plan fiduciary net position</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan fiduciary net position - beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total OPEB liability - ending (a) - (b)</b>	<b>\$ 6,179,017</b>	<b>\$ 5,587,671</b>	<b>\$ 5,502,113</b>
<b>Plan fiduciary net position as a percentage of total OPEB liability</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Covered employee payroll</b>	<b>\$ 46,129,977</b>	<b>\$ 41,723,453</b>	<b>\$ 41,723,453</b>
<b>Total OPEB liability as a percentage of covered employee payroll</b>	<b>13.39%</b>	<b>13.39%</b>	<b>13.19%</b>

Changes in benefit terms: None

Changes in assumptions: Discount interest rate based on an average of three 20-year bond indices (e.g., Bond Buyer-20 Bond GO, S&P Municipal Bond 20 Year High Grade Rate Index, Fidelity GA AA 20 years) as of September 30, 2020.

The following are the discount rates used in each period:

10/1/2017	3.50%
10/1/2018	3.90%
10/1/2019	3.10%
10/1/2020	2.26%



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# Combining and Individual Fund Statements & Schedules



**City of Daytona Beach, Florida**  
**Nonmajor Governmental Funds**

**Special Revenue Funds**

**Community Development** – This fund both administers and coordinates the development and revitalization of the City by improving housing, expanding the economic base, improving employment opportunities and providing increased recreational opportunities in economically disadvantaged neighborhoods.

**Local Housing Assistance** – This fund was created pursuant to section 420.9075, Florida Statutes, State Housing Initiatives Partnership (SHIP) Program and Local Housing Assistance Program. This fund provides housing assistance to economically disadvantaged families in the community.

**Law Enforcement Trust** – This fund was created pursuant to section 932.704, Florida Statutes, which requires revenues from forfeited or confiscated property to be recorded separately.

**Federal Shared Property Forfeitures** – This fund was established as a result of the Comprehensive Crime Control Act of 1984, which authorized the sharing of federal forfeiture proceeds with cooperating state and local law enforcement agencies.

**Transportation 5-Cent Gas Tax** – This fund accounts for the collection and use of the Volusia County Transportation 5-Cent Gas Tax established January 1, 2000. Funds are restricted for use in transportation/road and streets projects.

**Permit and License** – This fund was established pursuant to section 553.80, Florida Statutes, to administer the Florida Building Code and development regulations to ensure public health and safety. This fund accounts for the issuance of permits for construction, renovations, alterations, and development.

**Road Impact Fees** – This fund was established to ensure that impact-generating development bear a proportionate share of the cost of improvements to the City's roads.

**Recreation/Parks/Culture Impact Fees** – This fund was established to ensure that impact-generating development bear a proportionate share of the cost of improvements to the City's recreation, parks, and culture facilities.

**Fire and Emergency Management System Impact Fees** – This fund was established to ensure that impact-generating development bear a proportionate share of the cost of improvements to the City's fire and emergency management system.

**Police Impact Fees** – This fund was established to ensure that impact-generating development bear a proportionate share of the cost of improvements to the City's law enforcement services.

**General Government Impact Fees** – This fund was established to ensure that impact-generating development bear a proportionate share of the cost of improvements to the City's general government.

**City of Daytona Beach, Florida  
Nonmajor Governmental Funds (Continued)**

**Special Revenue Funds (Continued)**

**Grants** – This fund was established to provide an additional tracking mechanism for grants received. This fund does not include federal and state grants related to storm events.

**Public Assistance Services** – This fund was established to address and reduce homelessness in coordination with community partners.

**Emergency Management Grants** – This fund was established to provide an additional tracking mechanism for grants received from federal and state grants related to storm events.

**Debt Service Funds**

**Capital Improvement Revenue Bonds** – This fund accounts for the debt service activity related to the \$35.6 million Capital Improvement Revenue Bonds, Series 2011 A and B.

**General Obligation Refunding Bonds** – This fund accounts for the debt service activity related to the \$18.8 million General Obligation Refunding Bonds, Series 2012.

**Capital Improvement Revenue Notes** – This fund accounts for the debt service activity related to the Capital Improvement Revenue Note, Series 2017 for the Downtown Redevelopment Trust Fund that was used to pay off the Capital Improvement Revenue Note, Series 2009. It also accounts for the activity related to the \$9.3 million Capital Improvement Revenue Note, Series 2010.

**Capital Financing** – This fund accounts for the debt service activity related to capital lease agreements.

**City of Daytona Beach, Florida**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**September 30, 2020**

	Special Revenue Funds				
	Community Development	Local Housing Assistance	Law Enforcement Trust	Federal Shared Property Forfeitures	Transportation 5-Cent Gas Tax
<b>ASSETS:</b>					
Equity in pooled cash, cash equivalents, and investments	\$ 530,295	\$ 274,127	\$ 308,413	\$ 74,219	\$ 570,010
Receivables(net):					
Accounts	-	-	-	-	-
Taxes	-	-	-	-	-
Intergovernmental receivable	443,635	-	-	-	126,077
Restricted equity in pooled cash, cash equivalents, and investments	-	-	-	-	-
<b>Total assets</b>	<b>\$ 973,930</b>	<b>\$ 274,127</b>	<b>\$ 308,413</b>	<b>\$ 74,219</b>	<b>\$ 696,087</b>
<b>LIABILITIES:</b>					
Accounts payable and other liabilities	\$ 20,658	\$ -	\$ -	\$ 6,030	\$ 18,231
Due to other funds	317,000	-	-	-	-
Intergovernmental payable	389	-	-	-	-
Deposits	2,064	-	-	-	-
Unearned revenue	-	229,586	-	-	-
<b>Total liabilities</b>	<b>340,111</b>	<b>229,586</b>	<b>-</b>	<b>6,030</b>	<b>18,231</b>
<b>FUND BALANCES:</b>					
Restricted:					
Debt covenants	-	-	-	-	-
General government	-	-	-	-	-
Public safety	-	-	308,413	68,189	-
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	677,856
Economic environment	633,819	44,541	-	-	-
Human services	-	-	-	-	-
Cultural and recreation	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total fund balances</b>	<b>633,819</b>	<b>44,541</b>	<b>308,413</b>	<b>68,189</b>	<b>677,856</b>
<b>Total liabilities and fund balances</b>	<b>\$ 973,930</b>	<b>\$ 274,127</b>	<b>\$ 308,413</b>	<b>\$ 74,219</b>	<b>\$ 696,087</b>

**City of Daytona Beach, Florida**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**September 30, 2020**

Special Revenue Funds

	Permit and License	Road Impact Fees	Recreation/ Parks/Culture Impact Fees	Fire/EMS Impact Fees	Police Impact Fees
<b>ASSETS:</b>					
Equity in pooled cash, cash equivalents, and investments	\$ 10,193,737	\$ 1,597,718	\$ 4,081,389	\$ 382,226	\$ 1,336,866
<b>Receivables(net):</b>					
Accounts	124,078	-	-	-	-
Taxes	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-
Restricted equity in pooled cash, cash equivalents, and investments	-	-	-	-	-
<b>Total assets</b>	<b>\$ 10,317,815</b>	<b>\$ 1,597,718</b>	<b>\$ 4,081,389</b>	<b>\$ 382,226</b>	<b>\$ 1,336,866</b>
<b>LIABILITIES:</b>					
Accounts payable and other liabilities	\$ 81,811	\$ -	\$ 85,528	\$ -	\$ -
Due to other funds	-	-	-	-	-
Intergovernmental payable	4,578	-	-	-	-
Deposits	-	-	-	-	-
Unearned revenue	268,821	-	-	-	-
<b>Total liabilities</b>	<b>355,210</b>	<b>-</b>	<b>85,528</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES:</b>					
<b>Restricted:</b>					
Debt covenants	-	-	-	-	-
General government	9,962,605	-	-	-	-
Public safety	-	-	-	382,226	1,336,866
Physical environment	-	-	-	-	-
Transportation	-	1,597,718	-	-	-
Economic environment	-	-	-	-	-
Human services	-	-	-	-	-
Cultural and recreation	-	-	3,995,861	-	-
Unassigned	-	-	-	-	-
<b>Total fund balances</b>	<b>9,962,605</b>	<b>1,597,718</b>	<b>3,995,861</b>	<b>382,226</b>	<b>1,336,866</b>
<b>Total liabilities and fund balances</b>	<b>\$ 10,317,815</b>	<b>\$ 1,597,718</b>	<b>\$ 4,081,389</b>	<b>\$ 382,226</b>	<b>\$ 1,336,866</b>

**City of Daytona Beach, Florida**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**September 30, 2020**

	Special Revenue Funds					Total Special Revenue Funds
	General Government Impact Fees	Grants	Public Assistance Services	Emergency Management Grants		
<b>ASSETS:</b>						
Equity in pooled cash, cash equivalents, and investments	\$ 6,022,093	\$ 183,912	\$ 157	\$ 871		\$ 25,556,033
Receivables(net):						
Accounts	-	21,762	-	-		145,840
Taxes	-	-	-	-		-
Intergovernmental receivable	-	1,231,374	-	2,050,285		3,851,371
Restricted equity in pooled cash, cash equivalents, and investments	-	-	-	-		-
<b>Total assets</b>	<b>\$ 6,022,093</b>	<b>\$ 1,437,048</b>	<b>\$ 157</b>	<b>\$ 2,051,156</b>		<b>\$ 29,553,244</b>
<b>LIABILITIES:</b>						
Accounts payable and other liabilities	\$ -	\$ 456,039	\$ -	\$ 9,426		\$ 677,723
Due to other funds	-	316,000	-	1,805,000		2,438,000
Intergovernmental payable	-	-	-	-		4,967
Deposits	-	-	-	-		2,064
Unearned revenue	-	765,294	-	-		1,263,701
<b>Total liabilities</b>	<b>-</b>	<b>1,537,333</b>	<b>-</b>	<b>1,814,426</b>		<b>4,386,455</b>
<b>FUND BALANCES:</b>						
Restricted:						
Debt covenants	-	-	-	-		-
General government	6,022,093	-	-	-		15,984,698
Public safety	-	-	-	-		2,095,694
Physical environment	-	-	-	236,730		236,730
Transportation	-	-	-	-		2,275,574
Economic environment	-	-	-	-		678,360
Human services	-	-	157	-		157
Cultural and recreation	-	-	-	-		3,995,861
Unassigned	-	(100,285)	-	-		(100,285)
<b>Total fund balances</b>	<b>6,022,093</b>	<b>(100,285)</b>	<b>157</b>	<b>236,730</b>		<b>25,166,789</b>
<b>Total liabilities and fund balances</b>	<b>\$ 6,022,093</b>	<b>\$ 1,437,048</b>	<b>\$ 157</b>	<b>\$ 2,051,156</b>		<b>\$ 29,553,244</b>

**City of Daytona Beach, Florida**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**September 30, 2020**

Debt Service Funds

	Capital Improvement Revenue Bonds	General Obligation Refunding Bonds	Capital Improvement Revenue Notes	Capital Financing	Total Debt Service Funds
<b>ASSETS:</b>					
Equity in pooled cash, cash equivalents, and investments	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables(net):					
Accounts	-	-	-	-	-
Taxes	-	12,780	-	-	12,780
Intergovernmental receivable	-	-	-	-	-
Restricted equity in pooled cash, cash equivalents, and investments	2,713,986	463,262	110,823	71,308	3,359,379
<b>Total assets</b>	<b>\$ 2,713,986</b>	<b>\$ 476,042</b>	<b>\$ 110,823</b>	<b>\$ 71,308</b>	<b>\$ 3,372,159</b>
<b>LIABILITIES:</b>					
Accounts payable and other liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
Intergovernmental payable	-	-	-	-	-
Deposits	-	-	-	-	-
Unearned revenue	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES:</b>					
Restricted:					
Debt covenants	2,606,651	476,042	110,823	71,308	3,264,824
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	-	-	-
Human services	-	-	-	-	-
Cultural and recreation	-	-	-	-	-
Unassigned	107,335	-	-	-	107,335
<b>Total fund balances</b>	<b>2,713,986</b>	<b>476,042</b>	<b>110,823</b>	<b>71,308</b>	<b>3,372,159</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,713,986</b>	<b>\$ 476,042</b>	<b>\$ 110,823</b>	<b>\$ 71,308</b>	<b>\$ 3,372,159</b>

**City of Daytona Beach, Florida**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**September 30, 2020**

		Total Nonmajor Governmental Funds
<b>ASSETS:</b>		
Equity in pooled cash, cash equivalents, and investments	\$	25,556,033
Receivables(net):		
Accounts		145,840
Taxes		12,780
Intergovernmental receivable		3,851,371
Restricted equity in pooled cash, cash equivalents, and investments		3,359,379
<b>Total assets</b>	<b>\$</b>	<b>32,925,403</b>
<b>LIABILITIES:</b>		
Accounts payable and other liabilities	\$	677,723
Due to other funds		2,438,000
Intergovernmental payable		4,967
Deposits		2,064
Unearned revenue		1,263,701
<b>Total liabilities</b>		<b>4,386,455</b>
<b>FUND BALANCES:</b>		
Restricted:		
Debt covenants		3,264,824
General government		15,984,698
Public safety		2,095,694
Physical environment		236,730
Transportation		2,275,574
Economic environment		678,360
Human services		157
Cultural and recreation		3,995,861
Unassigned		7,050
<b>Total fund balances</b>		<b>28,538,948</b>
<b>Total liabilities and fund balances</b>	<b>\$</b>	<b>32,925,403</b>



**City of Daytona Beach, Florida**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**(Continued)**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended September 30, 2020**

	Special Revenue Funds				
	Community Development	Local Housing Assistance	Law Enforcement Trust	Federal Shared Property Forfeitures	Transportation 5-Cent Gas Tax
<b>REVENUES:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 753,662
Licenses and permits	-	-	-	-	-
Intergovernmental	1,498,917	67,277	-	26,730	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	33,619	-	-
Special assessments/impact fees	-	-	-	-	-
Income on investments	1,802	530	841	310	1,214
Miscellaneous	-	51,884	-	-	-
<b>Total revenues</b>	<b>1,500,719</b>	<b>119,691</b>	<b>34,460</b>	<b>27,040</b>	<b>754,876</b>
<b>EXPENDITURES:</b>					
Current operating:					
General government	-	-	-	-	-
Public safety	-	-	63,835	67,610	-
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	249
Economic environment	1,288,376	119,691	-	-	-
Human services	-	-	-	-	-
Cultural and recreation	-	-	-	-	-
Capital outlay	287,408	-	-	-	364,629
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>1,575,784</b>	<b>119,691</b>	<b>63,835</b>	<b>67,610</b>	<b>364,878</b>
Excess (deficiency) of revenues over (under) expenditures	(75,065)	-	(29,375)	(40,570)	389,998
<b>OTHER FINANCING</b>					
<b>SOURCES (USES):</b>					
Transfers in	-	-	-	-	-
Transfers (out)	-	-	-	-	(343,370)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(343,370)</b>
<b>Net change in fund balances</b>	<b>(75,065)</b>	<b>-</b>	<b>(29,375)</b>	<b>(40,570)</b>	<b>46,628</b>
<b>FUND BALANCES:</b>					
Beginning of year, as previously reported	708,884	44,541	337,788	108,759	631,228
Prior period adjustment (Note 23)	-	-	-	-	-
Beginning of year, restated	708,884	44,541	337,788	108,759	631,228
Ending	\$ 633,819	\$ 44,541	\$ 308,413	\$ 68,189	\$ 677,856

**City of Daytona Beach, Florida**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**(Continued)**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended September 30, 2020**

Special Revenue Funds

	Permit and License	Road Impact Fees	Recreation/ Parks/Culture Impact Fees	Fire/EMS Impact Fees	Police Impact Fees
<b>REVENUES:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	3,141,363	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	318,997	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Special assessments/impact fees	-	677,522	2,138,582	442,196	748,849
Income on investments	43,164	3,307	9,486	2,974	3,686
Miscellaneous	194,323	-	-	-	-
<b>Total revenues</b>	<b>3,697,847</b>	<b>680,829</b>	<b>2,148,068</b>	<b>445,170</b>	<b>752,535</b>
<b>EXPENDITURES:</b>					
Current operating:					
General government	3,051,771	-	-	-	-
Public safety	-	-	-	-	-
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	-	-	-
Human services	-	-	-	-	-
Cultural and recreation	-	-	-	-	-
Capital outlay	228,463	17,765	720,113	1,035,833	523,110
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>3,280,234</b>	<b>17,765</b>	<b>720,113</b>	<b>1,035,833</b>	<b>523,110</b>
Excess (deficiency) of revenues over					
(under) expenditures	417,613	663,064	1,427,955	(590,663)	229,425
<b>OTHER FINANCING</b>					
SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers (out)	-	-	(263,769)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(263,769)</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>417,613</b>	<b>663,064</b>	<b>1,164,186</b>	<b>(590,663)</b>	<b>229,425</b>
<b>FUND BALANCES:</b>					
Beginning of year, as previously reported	9,544,992	934,654	2,831,675	972,889	1,107,441
Prior period adjustment (Note 23)	-	-	-	-	-
Beginning of year, restated	9,544,992	934,654	2,831,675	972,889	1,107,441
Ending	\$ 9,962,605	\$ 1,597,718	\$ 3,995,861	\$ 382,226	\$ 1,336,866

**City of Daytona Beach, Florida**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**(Continued)**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended September 30, 2020**

	Special Revenue Funds				Total Special Revenue Funds
	General Government	Grants	Public Assistance Services	Emergency Management Grants	
	Impact Fees				
<b>REVENUES:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 753,662
Licenses and permits	-	-	-	-	3,141,363
Intergovernmental	-	1,432,064	-	2,542,510	5,567,498
Charges for services	-	-	-	-	318,997
Fines and forfeitures	-	-	-	-	33,619
Special assessments/impact fees	1,370,034	-	-	-	5,377,183
Income on investments	14,388	-	-	-	81,702
Miscellaneous	-	941,758	-	-	1,187,965
<b>Total revenues</b>	<b>1,384,422</b>	<b>2,373,822</b>	<b>-</b>	<b>2,542,510</b>	<b>16,461,989</b>
<b>EXPENDITURES:</b>					
Current operating:					
General government	-	-	-	-	3,051,771
Public safety	-	279,771	-	-	411,216
Physical environment	-	-	-	875,087	875,087
Transportation	-	16,205	-	-	16,454
Economic environment	-	-	-	-	1,408,067
Human services	-	400,000	-	-	400,000
Cultural and recreation	-	53,781	-	-	53,781
Capital outlay	69,733	1,547,917	-	11,545	4,806,516
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>69,733</b>	<b>2,297,674</b>	<b>-</b>	<b>886,632</b>	<b>11,022,892</b>
Excess (deficiency) of revenues over (under) expenditures	1,314,689	76,148	-	1,655,878	5,439,097
<b>OTHER FINANCING</b>					
<b>SOURCES (USES):</b>					
Transfers in	-	-	-	-	-
Transfers (out)	-	-	-	-	(607,139)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(607,139)</b>
<b>Net change in fund balances</b>	<b>1,314,689</b>	<b>76,148</b>	<b>-</b>	<b>1,655,878</b>	<b>4,831,958</b>
<b>FUND BALANCES:</b>					
Beginning of year, as previously reported	4,707,404	(176,433)	157	(1,419,148)	20,334,831
Prior period adjustment (Note 23)	-	-	-	-	-
Beginning of year, restated	4,707,404	(176,433)	157	(1,419,148)	20,334,831
<b>Ending</b>	<b>\$ 6,022,093</b>	<b>\$ (100,285)</b>	<b>\$ 157</b>	<b>\$ 236,730</b>	<b>\$ 25,166,789</b>

**City of Daytona Beach, Florida**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**(Continued)**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended September 30, 2020**

	Debt Service Funds					Total Debt Service Funds
	Capital Improvement Revenue Bonds	General Obligation Refunding Bonds	Capital Improvement Revenue Notes	Capital Financing		
<b>REVENUES:</b>						
Taxes	\$ -	\$ 1,442,468	\$ -	\$ -	\$ 1,442,468	
Licenses and permits	-	-	-	-	-	
Intergovernmental	-	-	-	-	-	
Charges for services	-	-	-	-	-	
Fines and forfeitures	-	-	-	-	-	
Special assessments/impact fees	-	-	-	-	-	
Income on investments	11,440	3,704	680	419	16,243	
Miscellaneous	-	-	695	-	695	
<b>Total revenues</b>	<b>11,440</b>	<b>1,446,172</b>	<b>1,375</b>	<b>419</b>	<b>1,459,406</b>	
<b>EXPENDITURES:</b>						
Current operating:						
General government	-	-	-	-	-	
Public safety	-	-	-	-	-	
Physical environment	-	-	-	-	-	
Transportation	-	-	-	-	-	
Economic environment	-	-	-	-	-	
Human services	-	-	-	-	-	
Cultural and recreation	-	-	-	-	-	
Capital outlay	-	-	-	-	-	
Debt service:						
Principal	1,600,000	1,050,000	819,741	320,045	3,789,786	
Interest and fiscal charges	1,006,369	369,293	171,676	38,958	1,586,296	
<b>Total expenditures</b>	<b>2,606,369</b>	<b>1,419,293</b>	<b>991,417</b>	<b>359,003</b>	<b>5,376,082</b>	
Excess (deficiency) of revenues over						
(under) expenditures	(2,594,929)	26,879	(990,042)	(358,584)	(3,916,676)	
<b>OTHER FINANCING</b>						
<b>SOURCES (USES):</b>						
Transfers in	2,511,419	-	991,418	359,003	3,861,840	
Transfers (out)	(43,276)	-	-	-	(43,276)	
<b>Total other financing sources (uses)</b>	<b>2,468,143</b>	<b>-</b>	<b>991,418</b>	<b>359,003</b>	<b>3,818,564</b>	
Net change in fund balances	(126,786)	26,879	1,376	419	(98,112)	
<b>FUND BALANCES:</b>						
Beginning of year, as previously reported	2,733,439	449,163	109,447	70,889	3,362,938	
Prior period adjustment (Note 23)	107,333	-	-	-	107,333	
Beginning of year, restated	2,840,772	449,163	109,447	70,889	3,470,271	
Ending	\$ 2,713,986	\$ 476,042	\$ 110,823	\$ 71,308	\$ 3,372,159	

**City of Daytona Beach, Florida**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**(Continued)**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended September 30, 2020**

	Total Nonmajor Governmental Funds
<b>REVENUES:</b>	
Taxes	\$ 2,196,130
Licenses and permits	3,141,363
Intergovernmental	5,567,498
Charges for services	318,997
Fines and forfeitures	33,619
Special assessments/impact fees	5,377,183
Income on investments	97,945
Miscellaneous	1,188,660
<b>Total revenues</b>	<b>17,921,395</b>
<b>EXPENDITURES:</b>	
Current operating:	
General government	3,051,771
Public safety	411,216
Physical environment	875,087
Transportation	16,454
Economic environment	1,408,067
Human services	400,000
Cultural and recreation	53,781
Capital outlay	4,806,516
Debt service:	
Principal	3,789,786
Interest and fiscal charges	1,586,296
<b>Total expenditures</b>	<b>16,398,974</b>
Excess (deficiency) of revenues over (under) expenditures	1,522,421
<b>OTHER FINANCING</b>	
<b>SOURCES (USES):</b>	
Transfers in	3,861,840
Transfers (out)	(650,415)
<b>Total other financing sources (uses)</b>	<b>3,211,425</b>
Net change in fund balances	4,733,846
<b>FUND BALANCES:</b>	
Beginning of year, as previously reported	23,697,769
Prior period adjustment (Note 23)	107,333
Beginning of year, restated	23,805,102
Ending	<b>\$ 28,538,948</b>

**City of Daytona Beach, Florida**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and**  
**Actual**  
**Community Development Special Revenue Fund**  
**For the Fiscal Year Ended September 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 967,069	\$ 3,572,805	\$ 1,498,917	\$ (2,073,888)
Income on investments	-	-	1,802	1,802
<b>Total revenues</b>	<b>967,069</b>	<b>3,572,805</b>	<b>1,500,719</b>	<b>(2,072,086)</b>
<b>EXPENDITURES:</b>				
Current operating:				
Economic environment	967,069	3,699,050	1,288,376	2,410,674
Capital outlay	-	287,408	287,408	
<b>Total expenditures</b>	<b>967,069</b>	<b>3,986,458</b>	<b>1,575,784</b>	<b>2,410,674</b>
Excess (deficiency) of revenues over (under) expenditures	-	(413,653)	(75,065)	338,588
<b>OTHER FINANCING SOURCES:</b>				
Budgetary reserves, net		413,653	-	(413,653)
<b>Total other financing sources</b>	<b>-</b>	<b>413,653</b>	<b>-</b>	<b>(413,653)</b>
Net change in fund balance	-	-	(75,065)	(75,065)
<b>FUND BALANCE:</b>				
Beginning	708,884	708,884	708,884	-
Ending	<b>\$ 708,884</b>	<b>\$ 708,884</b>	<b>\$ 633,819</b>	<b>\$ (75,065)</b>

**City of Daytona Beach, Florida**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual**

**Local Housing Assistance Special Revenue Fund**

**For the Fiscal Year Ended September 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 101,349	\$ 270,050	\$ 67,277	\$ (202,773)
Income on investments	-	-	530	530
Miscellaneous	-	39,261	51,884	12,623
Total revenues	<u>101,349</u>	<u>309,311</u>	<u>119,691</u>	<u>(189,620)</u>
<b>EXPENDITURES:</b>				
Current operating:				
Economic environment	101,349	309,311	119,691	189,620
Total expenditures	<u>101,349</u>	<u>309,311</u>	<u>119,691</u>	<u>189,620</u>
Net change in fund balance	-	-	-	-
<b>FUND BALANCE:</b>				
Beginning	44,541	44,541	44,541	-
Ending	<u>\$ 44,541</u>	<u>\$ 44,541</u>	<u>\$ 44,541</u>	<u>\$ -</u>

**City of Daytona Beach, Florida**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and**  
**Actual**  
**Law Enforcement Trust Special Revenue Fund**  
**For the Fiscal Year Ended September 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
<b>REVENUES:</b>				
Fines and forfeitures	\$ -	\$ 6,650	\$ 33,619	\$ 26,969
Income on investments	-	-	841	841
Total revenues	-	6,650	34,460	27,810
<b>EXPENDITURES:</b>				
Current operating:				
Public safety	-	330,517	63,835	266,682
Total expenditures	-	330,517	63,835	266,682
Excess (deficiency) of revenues over (under) expenditures	-	(323,867)	(29,375)	294,492
<b>OTHER FINANCING SOURCES:</b>				
Budgetary reserves, net		323,867	-	(323,867)
Total other financing sources	-	323,867	-	(323,867)
Net change in fund balance	-	-	(29,375)	(29,375)
<b>FUND BALANCE:</b>				
Beginning	337,788	337,788	337,788	-
Ending	\$ 337,788	\$ 337,788	\$ 308,413	\$ (29,375)



**City of Daytona Beach, Florida**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and**  
**Actual**  
**Federal Shared Property Forfeitures Special Revenue Fund**  
**For the Fiscal Year Ended September 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ 30,168	\$ 26,730	\$ (3,438)
Income on investments	-	-	310	310
Total revenues	<u>-</u>	<u>30,168</u>	<u>27,040</u>	<u>(3,128)</u>
<b>EXPENDITURES:</b>				
Current operating:				
Public safety	-	132,971	67,610	65,361
Total expenditures	<u>-</u>	<u>132,971</u>	<u>67,610</u>	<u>65,361</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(102,803)</u>	<u>(40,570)</u>	<u>62,233</u>
<b>OTHER FINANCING SOURCES:</b>				
Budgetary reserves, net		102,803	-	(102,803)
Total other financing sources	<u>-</u>	<u>102,803</u>	<u>-</u>	<u>(102,803)</u>
Net change in fund balance	-	-	(40,570)	(40,570)
<b>FUND BALANCE:</b>				
Beginning	108,759	108,759	108,759	-
Ending	<u>\$ 108,759</u>	<u>\$ 108,759</u>	<u>\$ 68,189</u>	<u>\$ (40,570)</u>

**City of Daytona Beach, Florida**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and**  
**Actual**  
**Transportation 5-Cent Gas Tax Special Revenue Fund**  
**For the Fiscal Year Ended September 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 867,863	\$ 867,863	\$ 753,662	\$ (114,201)
Income on investments	-	-	1,214	1,214
<b>Total revenues</b>	<b>867,863</b>	<b>867,863</b>	<b>754,876</b>	<b>(112,987)</b>
<b>EXPENDITURES:</b>				
Current operating:				
Transportation	15,000	15,000	249	14,751
Capital outlay	509,493	914,956	364,629	550,327
<b>Total expenditures</b>	<b>524,493</b>	<b>929,956</b>	<b>364,878</b>	<b>565,078</b>
Excess (deficiency) of revenues over (under) expenditures	343,370	(62,093)	389,998	452,091
<b>OTHER FINANCING SOURCES (USES):</b>				
Budgetary reserves, net		405,463	-	(405,463)
Transfers (out)	(343,370)	(343,370)	(343,370)	-
<b>Total other financing sources (uses)</b>	<b>(343,370)</b>	<b>62,093</b>	<b>(343,370)</b>	<b>(405,463)</b>
Net change in fund balance	-	-	46,628	46,628
<b>FUND BALANCE:</b>				
Beginning	631,228	631,228	631,228	-
Ending	\$ 631,228	\$ 631,228	\$ 677,856	\$ 46,628

**City of Daytona Beach, Florida**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and**  
**Actual**  
**Permit and License Special Revenue Fund**  
**For the Fiscal Year Ended September 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
<b>REVENUES:</b>				
Licenses and permits	\$ 4,314,604	\$ 4,314,604	\$ 3,141,363	\$ (1,173,241)
Income on investments	8,477	8,477	43,164	34,687
Charges for services	374,226	374,226	318,997	(55,229)
Miscellaneous	-	-	194,323	194,323
Total revenues	4,697,307	4,697,307	3,697,847	(999,460)
<b>EXPENDITURES:</b>				
Current operating:				
General government	3,355,389	4,091,746	3,051,771	1,039,975
Capital outlay	-	917,351	228,463	688,888
Total expenditures	3,355,389	5,009,097	3,280,234	1,728,863
Excess (deficiency) of revenues over (under) expenditures	1,341,918	(311,790)	417,613	729,403
<b>OTHER FINANCING SOURCES (USES):</b>				
Budgetary reserves, net	(1,341,918)	311,790	-	(311,790)
Total other financing sources (uses)	(1,341,918)	311,790	-	(311,790)
Net change in fund balance	-	-	417,613	417,613
<b>FUND BALANCE:</b>				
Beginning	9,544,992	9,544,992	9,544,992	-
Ending	\$ 9,544,992	\$ 9,544,992	\$ 9,962,605	\$ 417,613

**City of Daytona Beach, Florida**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and**  
**Actual**  
**Road Impact Fees Special Revenue Fund**  
**For the Fiscal Year Ended September 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Special assessments/impact fees	\$ -	\$ 425,378	\$ 677,522	\$ 252,144
Income on investments	-	-	3,307	3,307
Total revenues	-	425,378	680,829	255,451
EXPENDITURES:				
Current operating:				
Capital outlay	-	137,459	17,765	119,694
Total expenditures	-	137,459	17,765	119,694
Excess (deficiency) of revenues over (under) expenditures	-	287,919	663,064	375,145
OTHER FINANCING SOURCES (USES):				
Budgetary reserves, net	-	(287,919)	-	287,919
Total other financing sources (uses)	-	(287,919)	-	287,919
Net change in fund balance	-	-	663,064	663,064
FUND BALANCE:				
Beginning	934,654	934,654	934,654	-
Ending	\$ 934,654	\$ 934,654	\$ 1,597,718	\$ 663,064

**City of Daytona Beach, Florida**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and**  
**Actual**  
**Recreation/Parks/Culture Impact Fees Special Revenue Fund**  
**For the Fiscal Year Ended September 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
<b>REVENUES:</b>				
Special assessments/impact fees	\$ -	\$ 1,397,404	\$ 2,138,582	\$ 741,178
Income on investments	-	-	9,486	9,486
Total revenues	-	1,397,404	2,148,068	750,664
<b>EXPENDITURES:</b>				
Current operating:				
Capital outlay	270,941	3,663,710	720,113	2,943,597
Total expenditures	270,941	3,663,710	720,113	2,943,597
Excess (deficiency) of revenues over (under) expenditures	(270,941)	(2,266,306)	1,427,955	3,694,261
<b>OTHER FINANCING SOURCES (USES):</b>				
Budgetary reserves, net	534,711	2,530,076	-	(2,530,076)
Transfers (out)	(263,770)	(263,770)	(263,769)	1
Total other financing sources (uses)	270,941	2,266,306	(263,769)	(2,530,075)
Net change in fund balance	-	-	1,164,186	1,164,186
<b>FUND BALANCE:</b>				
Beginning	2,831,675	2,831,675	2,831,675	-
Ending	\$ 2,831,675	\$ 2,831,675	\$ 3,995,861	\$ 1,164,186

**City of Daytona Beach, Florida**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and**  
**Actual**  
**Fire/EMS Impact Fees Special Revenue Fund**  
**For the Fiscal Year Ended September 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
<b>REVENUES:</b>				
Special assessments/impact fees	\$ -	\$ 281,028	\$ 442,196	\$ 161,168
Income on investments	-	-	2,974	2,974
Total revenues	-	281,028	445,170	164,142
<b>EXPENDITURES:</b>				
Current operating:				
Capital outlay	42,247	1,035,834	1,035,833	1
Total expenditures	42,247	1,035,834	1,035,833	1
Excess (deficiency) of revenues over (under) expenditures	(42,247)	(754,806)	(590,663)	164,143
<b>OTHER FINANCING SOURCES:</b>				
Budgetary reserves, net	42,247	754,806	-	(754,806)
Total other financing sources	42,247	754,806	-	(754,806)
Net change in fund balance	-	-	(590,663)	(590,663)
<b>FUND BALANCE:</b>				
Beginning	972,889	972,889	972,889	-
Ending	\$ 972,889	\$ 972,889	\$ 382,226	\$ (590,663)

**City of Daytona Beach, Florida**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and**  
**Actual**  
**Police Impact Fees Special Revenue Fund**  
**For the Fiscal Year Ended September 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
<b>REVENUES:</b>				
Special assessments/impact fees	\$ -	\$ 475,784	\$ 748,849	\$ 273,065
Income on investments		-	3,686	3,686
Total revenues	-	475,784	752,535	276,751
<b>EXPENDITURES:</b>				
Current operating:				
Capital outlay	-	814,646	523,110	291,536
Total expenditures	-	814,646	523,110	291,536
Excess (deficiency) of revenues over (under) expenditures	-	(338,862)	229,425	568,287
<b>OTHER FINANCING SOURCES:</b>				
Budgetary reserves, net	-	338,862	-	(338,862)
Total other financing sources	-	338,862	-	(338,862)
Net change in fund balance	-	-	229,425	229,425
<b>FUND BALANCE:</b>				
Beginning	1,107,441	1,107,441	1,107,441	-
Ending	\$ 1,107,441	\$ 1,107,441	\$ 1,336,866	\$ 229,425

**City of Daytona Beach, Florida**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual**

**General Government Impact Fees Special Revenue Fund**

**For the Fiscal Year Ended September 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
<b>REVENUES:</b>				
Special assessments/impact fees	\$ -	\$ 870,923	\$ 1,370,034	\$ 499,111
Income on investments	-	-	14,388	14,388
Total revenues	-	870,923	1,384,422	513,499
<b>EXPENDITURES:</b>				
Current operating:				
Capital outlay	-	69,733	69,733	-
Total expenditures	-	69,733	69,733	-
Excess (deficiency) of revenues over (under) expenditures	-	801,190	1,314,689	513,499
<b>OTHER FINANCING SOURCES (USES):</b>				
Budgetary reserves, net	-	(801,190)	-	801,190
Total other financing sources (uses)	-	(801,190)	-	801,190
Net change in fund balance	-	-	1,314,689	1,314,689
<b>FUND BALANCE:</b>				
Beginning	4,707,404	4,707,404	4,707,404	-
Ending	\$ 4,707,404	\$ 4,707,404	\$ 6,022,093	\$ 1,314,689



**City of Daytona Beach, Florida**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and**  
**Actual**  
**Grants Special Revenue Fund**  
**For the Fiscal Year Ended September 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Intergovernmental	\$ 400,000	\$ 4,206,893	\$ 1,432,064	\$ (2,774,829)
Miscellaneous	95,663	1,587,958	941,758	(646,200)
Total revenues	495,663	5,794,851	2,373,822	(3,421,029)
EXPENDITURES:				
Current operating:				
Public safety	-	629,302	279,771	349,531
Transportation	-	16,205	16,205	-
Human services	-	400,000	400,000	-
Cultural and recreation	-	53,781	53,781	-
Capital outlay	495,663	4,695,563	1,547,917	3,147,646
Total expenditures	495,663	5,794,851	2,297,674	3,497,177
Net change in fund balance	-	-	76,148	76,148
FUND BALANCE:				
Beginning	(176,433)	(176,433)	(176,433)	-
Ending	\$ (176,433)	\$ (176,433)	\$ (100,285)	\$ 76,148

**City of Daytona Beach, Florida**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and**  
**Actual**  
**Emergency Management Grants Special Revenue Fund**  
**For the Fiscal Year Ended September 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ 2,155,898	\$ 2,542,510	\$ 386,612
Total revenues	-	2,155,898	2,542,510	386,612
EXPENDITURES:				
Current operating:				
Physical environment	-	875,087	875,087	-
Capital outlay	-	1,392,331	11,545	1,380,786
Total expenditures	-	2,267,418	886,632	1,380,786
Excess (deficiency) of revenues over (under) expenditures	-	(111,520)	1,655,878	1,767,398
OTHER FINANCING SOURCES (USES):				
Budgetary reserves, net	-	111,520	-	(111,520)
Total other financing sources (uses)	-	111,520	-	(111,520)
Net change in fund balance	-	-	1,655,878	1,655,878
FUND BALANCE:				
Beginning	(1,419,148)	(1,419,148)	(1,419,148)	-
Ending	\$ (1,419,148)	\$ (1,419,148)	\$ 236,730	\$ 1,655,878

**City of Daytona Beach, Florida**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and**  
**Actual**  
**Capital Improvement Revenue Bonds Debt Service Fund**  
**For the Fiscal Year Ended September 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
<b>REVENUES:</b>				
Income on investments	\$ -	\$ -	\$ 11,440	\$ 11,440
Total revenues	<u>-</u>	<u>-</u>	<u>11,440</u>	<u>11,440</u>
<b>EXPENDITURES:</b>				
Debt service:				
Principal	1,600,001	1,600,001	1,600,000	1
Interest and fiscal charges	1,008,368	1,008,368	1,006,369	1,999
Total expenditures	<u>2,608,369</u>	<u>2,608,369</u>	<u>2,606,369</u>	<u>2,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,608,369)</u>	<u>(2,608,369)</u>	<u>(2,594,929)</u>	<u>13,440</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Budgetary reserves, net	49,386	49,386	-	(49,386)
Transfers in	2,558,983	2,558,983	2,511,419	(47,564)
Transfers (out)	-	-	(43,276)	(43,276)
Total other financing sources (uses)	<u>2,608,369</u>	<u>2,608,369</u>	<u>2,468,143</u>	<u>(140,226)</u>
Net change in fund balance	-	-	(126,786)	(126,786)
<b>FUND BALANCE:</b>				
Beginning of year, restated	2,840,772	2,840,772	2,840,772	-
Ending	<u>\$ 2,840,772</u>	<u>\$ 2,840,772</u>	<u>\$ 2,713,986</u>	<u>\$ (126,786)</u>

**City of Daytona Beach, Florida**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and**  
**Actual**  
**General Obligation Refunding Bonds Debt Service Fund**  
**For the Fiscal Year Ended September 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 1,419,732	\$ 1,419,732	\$ 1,442,468	\$ 22,736
Income on investments	-	-	3,704	3,704
Total revenues	<u>1,419,732</u>	<u>1,419,732</u>	<u>1,446,172</u>	<u>26,440</u>
<b>EXPENDITURES:</b>				
Debt service:				
Principal	1,050,000	1,050,000	1,050,000	-
Interest and fiscal charges	<u>369,363</u>	<u>369,363</u>	<u>369,293</u>	<u>70</u>
Total expenditures	<u>1,419,363</u>	<u>1,419,363</u>	<u>1,419,293</u>	<u>70</u>
Excess of revenues over expenditures	<u>369</u>	<u>369</u>	<u>26,879</u>	<u>26,510</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Budgetary reserves, net	<u>(369)</u>	<u>(369)</u>	-	<u>369</u>
Total other financing sources (uses)	<u>(369)</u>	<u>(369)</u>	-	<u>369</u>
Net change in fund balance	-	-	26,879	26,879
<b>FUND BALANCE:</b>				
Beginning	449,163	449,163	449,163	-
Ending	<u>\$ 449,163</u>	<u>\$ 449,163</u>	<u>\$ 476,042</u>	<u>\$ 26,879</u>

**City of Daytona Beach, Florida**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and**  
**Actual**  
**Capital Improvement Revenue Notes Debt Service Fund**  
**For the Fiscal Year Ended September 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
<b>REVENUES:</b>				
Income on investments	\$ -	\$ -	\$ 680	\$ 680
Miscellaneous	-	-	695	695
Total revenues	-	-	1,375	1,375
<b>EXPENDITURES:</b>				
Debt service:				
Principal	819,741	819,741	819,741	-
Interest and fiscal charges	171,677	171,677	171,676	1
Total expenditures	991,418	991,418	991,417	1
Excess (deficiency) of revenues over (under) expenditures	(991,418)	(991,418)	(990,042)	1,376
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	991,418	991,418	991,418	-
Total other financing sources (uses)	991,418	991,418	991,418	-
Net change in fund balance	-	-	1,376	1,376
<b>FUND BALANCE:</b>				
Beginning	109,447	109,447	109,447	-
Ending	\$ 109,447	\$ 109,447	\$ 110,823	\$ 1,376

**City of Daytona Beach, Florida**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual**

**Capital Financing Debt Service Fund**

**For the Fiscal Year Ended September 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
<b>REVENUES:</b>				
Income on investments	\$ -	\$ -	\$ 419	\$ 419
Total revenues	-	-	419	419
<b>EXPENDITURES:</b>				
Debt service:				
Principal	320,048	320,048	320,045	3
Interest and fiscal charges	37,959	38,959	38,958	1
Total expenditures	358,007	359,007	359,003	4
Excess (deficiency) of revenues over (under) expenditures	(358,007)	(359,007)	(358,584)	423
<b>OTHER FINANCING SOURCES (USES):</b>				
Budgetary reserves, net	748	748	-	(748)
Transfers in	357,259	358,259	359,003	744
Total other financing sources (uses)	358,007	359,007	359,003	(4)
Net change in fund balance	-	-	419	419
<b>FUND BALANCE:</b>				
Beginning	70,889	70,889	70,889	-
Ending	\$ 70,889	\$ 70,889	\$ 71,308	\$ 419



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## City of Daytona Beach, Florida Nonmajor Enterprise Funds

**Halifax Harbor** – This fund accounts for the operations of a 550-slip municipal marina and a 39,791 square foot commercial plaza complex.

**Daytona Beach Pier** – This fund accounts for the pier, which is a historical structure that extends approximately 700 feet into the Atlantic Ocean and provides accessibility to fishing and other outdoor activities. Amenities include public parking lots as well as a Splash Park. A portion of the structure is currently occupied by a national chain restaurant, Joe’s Crab Shack.



**City of Daytona Beach, Florida**  
**Combining Statement of Net Position**  
**Nonmajor Enterprise Funds**  
**September 30, 2020**

	Halifax Harbor	Daytona Beach Pier	Total Nonmajor Enterprise Funds
<b>ASSETS:</b>			
Current assets:			
Equity in pooled cash, cash equivalents, and investments	\$ 2,104,061	\$ 508,692	\$ 2,612,753
Inventory	30,698	-	30,698
Prepays	15,121	2,839	17,960
<b>Total current assets</b>	<b>2,149,880</b>	<b>511,531</b>	<b>2,661,411</b>
Noncurrent assets:			
Restricted equity in pooled cash, cash equivalents, and investments	476,028	-	476,028
Capital assets:			
Non-depreciable	38,603	-	38,603
Depreciable (net)	4,163,049	4,170,374	8,333,423
<b>Total noncurrent assets</b>	<b>4,677,680</b>	<b>4,170,374</b>	<b>8,848,054</b>
<b>Total assets</b>	<b>6,827,560</b>	<b>4,681,905</b>	<b>11,509,465</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred amount on refunding	81,044	-	81,044
Deferred amount on other post-employment benefits	1,255	889	2,144
Deferred amount for pensions	136,336	5,246	141,582
<b>Total deferred outflows of resources</b>	<b>218,635</b>	<b>6,135</b>	<b>224,770</b>
<b>LIABILITIES:</b>			
Current liabilities:			
Accounts payable and other liabilities	128,451	14,162	142,613
Intergovernmental payable	16,060	1,571	17,631
Unearned revenues	57,883	-	57,883
Compensated absences	8,973	3,638	12,611
Notes payable	537,000	-	537,000
Payable from restricted assets:			
Accrued interest	81,726	-	81,726
<b>Total current liabilities</b>	<b>830,093</b>	<b>19,371</b>	<b>849,464</b>
Noncurrent liabilities:			
Deposits	63,348	-	63,348
Compensated absences	46,498	16,185	62,683
Other post-employment benefits	6,936	687	7,623
Net pension liability	366,484	23,349	389,833
Notes payable	5,026,000	-	5,026,000
Advance from other funds	997,118	-	997,118
<b>Total noncurrent liabilities</b>	<b>6,506,384</b>	<b>40,221</b>	<b>6,546,605</b>
<b>Total liabilities</b>	<b>7,336,477</b>	<b>59,592</b>	<b>7,396,069</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred amount for pensions	11,887	1,188	13,075
<b>Total deferred inflows of resources</b>	<b>11,887</b>	<b>1,188</b>	<b>13,075</b>
<b>NET POSITION (DEFICIT):</b>			
Net investment in capital assets (deficit)	(1,280,303)	4,170,374	2,890,071
Restricted:			
Debt covenants	394,302	-	394,302
Unrestricted	583,832	456,886	1,040,718
<b>Total net position (deficit)</b>	<b>\$ (302,169)</b>	<b>\$ 4,627,260</b>	<b>\$ 4,325,091</b>

**City of Daytona Beach, Florida**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Nonmajor Enterprise Funds**  
**For the Fiscal Year Ended September 30, 2020**

	Halifax Harbor	Daytona Beach Pier	Total Nonmajor Enterprise Funds
<b>OPERATING REVENUES:</b>			
Charges for services	\$ 3,403,976	\$ 594,116	\$ 3,998,092
Other receipts	9,212	377	9,589
Total operating revenues	<u>3,413,188</u>	<u>594,493</u>	<u>4,007,681</u>
<b>OPERATING EXPENSES:</b>			
Personnel services	188,875	75,298	264,173
Contractual services	1,771,489	1,610,359	3,381,848
Materials and supplies	468,035	16,439	484,474
Depreciation	281,098	246,236	527,334
Total operating expenses	<u>2,709,497</u>	<u>1,948,332</u>	<u>4,657,829</u>
Operating income (loss)	<u>703,691</u>	<u>(1,353,839)</u>	<u>(650,148)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Income on investments	5,302	3,552	8,854
Interest expense	(208,518)	-	(208,518)
Gain (loss) on disposal of assets	(2,318)	-	(2,318)
Total nonoperating revenues (expenses)	<u>(205,534)</u>	<u>3,552</u>	<u>(201,982)</u>
Income (loss) before transfers	498,157	(1,350,287)	(852,130)
Transfers in	283,850	-	283,850
Transfers (out)	-	(59,804)	(59,804)
Change in net position	<u>782,007</u>	<u>(1,410,091)</u>	<u>(628,084)</u>
<b>NET POSITION (DEFICIT):</b>			
Beginning of year, restated	(1,084,176)	6,037,351	4,953,175
Ending	<u>\$ (302,169)</u>	<u>\$ 4,627,260</u>	<u>\$ 4,325,091</u>

**City of Daytona Beach, Florida**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Fiscal Year Ended September 30, 2020**

	Halifax Harbor	Daytona Beach Pier	Total Nonmajor Enterprise Funds
<b>CASH FLOWS FROM</b>			
<b>OPERATING ACTIVITIES:</b>			
Receipts from customers	\$ 3,461,859	\$ 594,116	\$ 4,055,975
Other receipts	9,212	377	9,589
Payments to suppliers	(2,215,837)	(1,623,985)	(3,839,822)
Payments to employees	(148,732)	(61,042)	(209,774)
Net cash provided by (used for) operating activities	<u>1,106,502</u>	<u>(1,090,534)</u>	<u>15,968</u>
<b>CASH FLOWS FROM NONCAPITAL</b>			
<b>FINANCING ACTIVITIES:</b>			
Transfer from other funds	283,850	-	283,850
Transfer (to) other funds	-	(59,804)	(59,804)
Net cash provided by (used for) noncapital financing activities	<u>283,850</u>	<u>(59,804)</u>	<u>224,046</u>
<b>CASH FLOWS FROM CAPITAL AND</b>			
<b>RELATED FINANCING ACTIVITIES:</b>			
Principal payments on bonds	(519,000)	-	(519,000)
Interest payments on bonds	(208,435)	-	(208,435)
Acquisition and construction of capital assets	(7,468)	-	(7,468)
Net cash (used for) capital and related financing activities	<u>(734,903)</u>	<u>-</u>	<u>(734,903)</u>
<b>CASH FLOWS FROM INVESTING</b>			
<b>ACTIVITIES:</b>			
Interest received	5,302	3,552	8,854
Net cash provided by investing activities	<u>5,302</u>	<u>3,552</u>	<u>8,854</u>
Net increase (decrease) in cash and cash equivalents	660,751	(1,146,786)	(486,035)
<b>EQUITY IN POOLED CASH,</b>			
<b>CASH EQUIVALENTS, AND</b>			
<b>INVESTMENTS:</b>			
Beginning	1,919,338	1,655,478	3,574,816
Ending	<u>\$ 2,580,089</u>	<u>\$ 508,692</u>	<u>\$ 3,088,781</u>
<b>Classified as:</b>			
Unrestricted	\$ 2,104,061	\$ 508,692	\$ 2,612,753
Restricted	476,028	-	476,028
Total	<u>\$ 2,580,089</u>	<u>\$ 508,692</u>	<u>\$ 3,088,781</u>

**City of Daytona Beach, Florida**  
**Combining Statement of Cash Flows (Continued)**  
**Nonmajor Enterprise Funds**  
**For the Fiscal Year Ended September 30, 2020**

	Halifax Harbor	Daytona Beach Pier	Total Nonmajor Enterprise Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:			
Operating income (loss)	\$ 703,691	\$ (1,353,839)	\$ (650,148)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	281,098	246,236	527,334
(Increase) decrease in:			
Inventories	(7,966)	-	(7,966)
Prepays	123	(162)	(39)
Deferred outflow amount for pensions	(10,920)	(3,033)	(13,953)
Deferred outflow amount for OPEB	(873)	(642)	(1,515)
Increase (decrease) in:			
Accounts payable and other liabilities	(9,859)	4,201	(5,658)
Intergovernmental payable	5,256	(1,226)	4,030
Unearned revenues	57,883	-	57,883
Deposits	36,133	-	36,133
Compensated absences	14,092	4,110	18,202
Other post-employment benefits	818	602	1,420
Net pension liability	54,707	15,196	69,903
Deferred inflow amount for pensions	(17,681)	(1,977)	(19,658)
Total adjustments	<u>402,811</u>	<u>263,305</u>	<u>666,116</u>
Net cash provided by (used for) operating activities	<u>\$ 1,106,502</u>	<u>\$ (1,090,534)</u>	<u>\$ 15,968</u>



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## City of Daytona Beach, Florida Internal Service Funds

**Fleet Maintenance** – This fund provides service to City vehicles and related equipment through a maintenance and repair program that maximizes the number of vehicles available for the user departments with a minimum amount of downtime.

**Employment Services** – This fund provides service to all departments through administration of the provisions of City policy as it pertains to personnel recruiting, testing, certification, records, compensation, classification, and evaluation.

**Property Maintenance** – This fund provides service to all departments through maintenance and repair of City property, buildings, and related equipment.

**Information Technology** – This fund provides all communication, network and information technology systems services for all departments.

**Consolidated Insurance** – This fund provides a means to control financial loss to the City arising from insurance catastrophes by either purchasing insurance, transferring the risk of loss to others, self-insuring or any combination thereof.

**City of Daytona Beach, Florida**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**September 30, 2020**

	Fleet Maintenance	Employment Services	Property Maintenance	Information technology
<b>ASSETS:</b>				
Current assets:				
Equity in pooled cash, cash equivalents, and investments	\$ 245,294	\$ 1,037,331	\$ 844,208	\$ 1,651,051
Inventory	131,539	-	-	-
Prepays	-	-	-	-
Total current assets	<u>376,833</u>	<u>1,037,331</u>	<u>844,208</u>	<u>1,651,051</u>
Noncurrent assets:				
Non-depreciable	-	-	-	-
Depreciable (net)	-	-	200,922	399,757
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>200,922</u>	<u>399,757</u>
Total assets	<u>376,833</u>	<u>1,037,331</u>	<u>1,045,130</u>	<u>2,050,808</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
Deferred amount for other post-employment benefits	4,184	8,273	17,983	23,804
Deferred amount for pensions	94,809	388,063	293,444	440,834
Total deferred outflows of resources	<u>98,993</u>	<u>396,336</u>	<u>311,427</u>	<u>464,638</u>
<b>LIABILITIES:</b>				
Current liabilities:				
Accounts payable and other liabilities	72,555	23,894	42,807	189,901
Intergovernmental payable	462	1,089	1,706	3,011
Insurance claims payable	-	-	-	-
Compensated absences	15,209	38,455	54,504	90,728
Total current liabilities	<u>88,226</u>	<u>63,438</u>	<u>99,017</u>	<u>283,640</u>
Noncurrent liabilities:				
Insurance claims payable	-	-	-	-
Compensated absences	38,987	59,198	88,996	190,896
Other post-employment benefits	52,183	48,708	94,475	113,506
Net pension liability	297,295	1,258,656	857,166	1,488,519
Total noncurrent liabilities	<u>388,465</u>	<u>1,366,562</u>	<u>1,040,637</u>	<u>1,792,921</u>
Total liabilities	<u>476,691</u>	<u>1,430,000</u>	<u>1,139,654</u>	<u>2,076,561</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Deferred amount for pensions	7,485	32,204	24,697	32,986
Total deferred inflows of resources	<u>7,485</u>	<u>32,204</u>	<u>24,697</u>	<u>32,986</u>
<b>NET POSITION:</b>				
Net investment in capital assets	-	-	200,922	399,757
Unrestricted	(8,350)	(28,537)	(8,716)	6,142
Total net position	<u>\$ (8,350)</u>	<u>\$ (28,537)</u>	<u>\$ 192,206</u>	<u>\$ 405,899</u>

**City of Daytona Beach, Florida**  
**Combining Statement of Net Position (Continued)**  
**Internal Service Funds**  
**September 30, 2020**

	Consolidated insurance	Totals
<b>ASSETS:</b>		
Current assets:		
Equity in pooled cash, cash equivalents, and investments	\$ 9,888,897	\$ 13,666,781
Inventory	-	131,539
Prepays	340,555	340,555
Total current assets	<u>10,229,452</u>	<u>14,138,875</u>
Noncurrent assets:		
Non-depreciable	-	-
Depreciable (net)	20,516	621,195
Total noncurrent assets	<u>20,516</u>	<u>621,195</u>
Total assets	<u>10,249,968</u>	<u>14,760,070</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>		
Deferred amount for other post-employment benefits	9,471	63,715
Deferred amount for pensions	238,349	1,455,499
Total deferred outflows of resources	<u>247,820</u>	<u>1,519,214</u>
<b>LIABILITIES:</b>		
Current liabilities:		
Accounts payable and other liabilities	687,448	1,016,605
Intergovernmental payable	1,712	7,980
Insurance claims payable	2,127,000	2,127,000
Compensated absences	46,961	245,857
Total current liabilities	<u>2,863,121</u>	<u>3,397,442</u>
Noncurrent liabilities:		
Insurance claims payable	7,570,000	7,570,000
Compensated absences	65,233	443,310
Other post-employment benefits	65,712	374,584
Net pension liability	838,141	4,739,777
Total noncurrent liabilities	8,539,086	13,127,671
Total liabilities	<u>11,402,207</u>	<u>16,525,113</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>		
Deferred amount for pensions	15,308	112,680
Total deferred inflows of resources	<u>15,308</u>	<u>112,680</u>
<b>NET POSITION:</b>		
Net investment in capital assets	20,516	621,195
Unrestricted	(940,243)	(979,704)
Total net position	<u>\$ (919,727)</u>	<u>\$ (358,509)</u>



**City of Daytona Beach, Florida**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Internal Service Funds**  
**For the Fiscal Year Ended September 30, 2020**

	Fleet Maintenance	Employment Services	Property Maintenance	Information Technology
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 2,068,676	\$ 1,115,059	\$ 1,617,515	\$ 4,566,472
Other receipts	-	75	-	9,703
Total operating revenues	<u>2,068,676</u>	<u>1,115,134</u>	<u>1,617,515</u>	<u>4,576,175</u>
<b>OPERATING EXPENSES:</b>				
Personnel services	316,024	906,787	1,203,099	1,959,824
Contractual services	803,689	135,854	279,800	2,472,546
Materials and supplies	946,748	12,478	37,581	281,167
Depreciation	10,542	-	83,982	141,558
Total operating expenses	<u>2,077,003</u>	<u>1,055,119</u>	<u>1,604,462</u>	<u>4,855,095</u>
Operating income (loss)	<u>(8,327)</u>	<u>60,015</u>	<u>13,053</u>	<u>(278,920)</u>
<b>NONOPERATING REVENUE (EXPENSE):</b>				
Income on investments	536	2,471	2,066	4,183
Interest expense				
Gain (loss) on disposal of capital assets	3,901	-	-	-
Total other financing sources (uses)	<u>4,437</u>	<u>2,471</u>	<u>2,066</u>	<u>4,183</u>
Income (loss) before capital grants, contributions and transfers	(3,890)	62,486	15,119	(274,737)
Transfers (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(239,316)</u>
<b>NET POSITION (DEFICIT):</b>				
Beginning	(4,460)	(91,023)	177,087	919,952
Ending	<u>\$ (8,350)</u>	<u>\$ (28,537)</u>	<u>\$ 192,206</u>	<u>\$ 405,899</u>

**City of Daytona Beach, Florida**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**(Continued)**  
**Internal Service Funds**  
**For the Fiscal Year Ended September 30, 2020**

	Consolidated Insurance	Totals
<b>OPERATING REVENUES:</b>		
Charges for services	\$ 5,397,890	\$ 14,765,612
Other receipts	-	9,778
Total operating revenues	<u>5,397,890</u>	<u>14,775,390</u>
<b>OPERATING EXPENSES:</b>		
Personnel services	1,097,199	5,482,933
Contractual services	4,514,885	8,206,774
Materials and supplies	98,009	1,375,983
Depreciation	2,383	238,465
Total operating expenses	<u>5,712,476</u>	<u>15,304,155</u>
Operating income (loss)	<u>(314,586)</u>	<u>(528,765)</u>
<b>NONOPERATING REVENUE (EXPENSE):</b>		
Income on investments	27,396	36,652
Interest expense	-	-
Gain (loss) on disposal of capital assets	-	3,901
Total other financing sources (uses)	<u>27,396</u>	<u>40,553</u>
Income (loss) before capital grants, contributions and transfers	(287,190)	(488,212)
Transfers (out)	<u>(720,802)</u>	<u>(960,118)</u>
<b>NET POSITION (DEFICIT):</b>		
Beginning	88,265	1,089,821
Ending	<u>\$ (919,727)</u>	<u>\$ (358,509)</u>

**City of Daytona Beach, Florida**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**

	Fleet Maintenance	Employment Services	Property Maintenance	Information Technology
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from customers	\$ 2,068,676	\$ 1,115,059	\$ 1,617,515	\$ 4,572,183
Other receipts	-	75	-	9,703
Payments to suppliers	(1,796,792)	(142,878)	(332,581)	(2,710,417)
Payments to employees	(284,094)	(793,712)	(1,092,802)	(1,753,692)
Net cash provided by (used by) operating activities	<u>(12,210)</u>	<u>178,544</u>	<u>192,132</u>	<u>117,777</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Transfers (to) other funds	-	-	-	(239,316)
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(239,316)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Proceeds from sale of capital assets	3,901	-	-	-
Acquisition and construction of capital assets	-	-	(30,173)	(11,510)
Net cash provided by (used for) capital and related financing activities	<u>3,901</u>	<u>-</u>	<u>(30,173)</u>	<u>(11,510)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest received	536	2,471	2,066	4,183
Net cash provided by investing activities	<u>536</u>	<u>2,471</u>	<u>2,066</u>	<u>4,183</u>
Net increase (decrease) in equity in pooled cash, cash equivalents, and investments	(7,773)	181,015	164,025	(128,866)
<b>EQUITY IN POOLED CASH, CASH EQUIVALENTS, AND INVESTMENTS:</b>				
Beginning	253,067	856,316	680,183	1,779,917
Ending	<u>\$ 245,294</u>	<u>\$ 1,037,331</u>	<u>\$ 844,208</u>	<u>\$ 1,651,051</u>

**City of Daytona Beach, Florida**  
**Combining Statement of Cash Flows (Continued)**  
**Internal Service Funds**

	Consolidated Insurance	Totals
CASH FLOWS FROM		
OPERATING ACTIVITIES:		
Receipts from customers	\$ 5,397,890	\$ 14,771,323
Other receipts	-	9,778
Payments to suppliers	(4,306,582)	(9,289,250)
Payments to employees	(1,027,694)	(4,951,994)
Net cash provided by (used by) operating activities	<u>63,614</u>	<u>539,857</u>
CASH FLOWS FROM NONCAPITAL		
FINANCING ACTIVITIES:		
Transfers (to) other funds	(720,802)	(960,118)
Net cash provided by (used for) noncapital financing activities	<u>(720,802)</u>	<u>(960,118)</u>
CASH FLOWS FROM CAPITAL AND		
RELATED FINANCING ACTIVITIES:		
Proceeds from sale of capital assets	-	3,901
Acquisition and construction of capital assets	-	(41,683)
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>(37,782)</u>
CASH FLOWS FROM INVESTING		
ACTIVITIES:		
Interest received	27,396	36,652
Net cash provided by investing activities	<u>27,396</u>	<u>36,652</u>
Net increase (decrease) in equity in pooled cash, cash equivalents, and investments	(629,792)	(421,391)
EQUITY IN POOLED CASH, CASH EQUIVALENTS, AND INVESTMENTS:		
Beginning	10,518,689	14,088,172
Ending	<u>\$ 9,888,897</u>	<u>\$ 13,666,781</u>

**City of Daytona Beach, Florida**  
**Combining Statement of Cash Flows (Continued)**  
**Internal Service Funds**

	<u>Fleet Maintenance</u>	<u>Employment Services</u>	<u>Property Maintenance</u>	<u>Information Technology</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ (8,327)	\$ 60,015	\$ 13,053	\$ (278,920)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	10,543	-	83,982	141,558
(Increase) decrease in:				
Accounts receivable	-	-	-	5,711
Inventory	(238)	-	-	-
Prepays	-	-	-	-
Deferred amount for pensions	(14,488)	(65,570)	(54,026)	(96,021)
Deferred amount for OPEB	(2,863)	(5,268)	(11,189)	(15,940)
Increase (decrease) in:				
Accounts payable and other liabilities	(46,206)	5,433	(15,466)	42,420
Intergovernmental payable	88	21	266	876
Insurance claims payable	-	-	-	-
Compensated absences	10,716	16,595	31,225	65,357
Other post-employment benefits	2,685	4,940	10,493	14,949
Net pension liability	44,829	202,875	167,162	297,093
Deferred amount for pensions	(8,949)	(40,497)	(33,368)	(59,306)
Total adjustments	<u>(3,883)</u>	<u>118,529</u>	<u>179,079</u>	<u>396,697</u>
Net cash provided by (used by) operating activities	\$ <u>(12,210)</u>	\$ <u>178,544</u>	\$ <u>192,132</u>	\$ <u>117,777</u>

**City of Daytona Beach, Florida**  
**Combining Statement of Cash Flows (Continued)**  
**Internal Service Funds**

	Consolidated Insurance	Totals
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ <u>(314,586)</u>	\$ <u>(528,765)</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	2,382	238,465
(Increase) decrease in:		
Accounts receivable	-	5,711
Inventory	-	(238)
Prepays	13,078	13,078
Deferred amount for pensions	(50,836)	(280,941)
Deferred amount for OPEB	(6,258)	(41,518)
Increase (decrease) in:		
Accounts payable and other liabilities	315,807	301,988
Intergovernmental payable	428	1,679
Insurance claims payable	(23,000)	(23,000)
Compensated absences	(5,158)	118,735
Other post-employment benefits	5,869	38,936
Net pension liability	157,285	869,244
Deferred amount for pensions	(31,397)	(173,517)
Total adjustments	<u>378,200</u>	<u>1,068,622</u>
Net cash provided by (used by) operating activities	\$ <u><u>63,614</u></u>	\$ <u><u>539,857</u></u>



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## City of Daytona Beach, Florida Discretely Presented Component Units

**The Downtown Development Authority (DDA)** – This fund accounts for the promotion and the development of the City’s designated downtown area and does not provide service entirely to the City.

**First Step Shelter, Inc.** – First Step Shelter, Inc. is a not-for-profit Florida corporation and is organized exclusively for charitable purposes as defined by 501(c)(3) of the Internal Revenue Code. First Step Shelter, Inc. has a purpose to develop, manage, and operate the shelter program, a homeless assistance service program located in Volusia County. The program includes a homeless shelter located within the City of Daytona Beach municipal boundaries and does not provide service entirely to the City.



**City of Daytona Beach, Florida**  
**Combining Statement of Net Position**  
**Discretely Presented Component Units**  
**September 30, 2020**

	Downtown Development Authority	First Step Shelter, Inc.	Total Component Units
<b>ASSETS:</b>			
Equity in pooled cash, cash equivalents, and investments	\$ 43,936	\$ 590,495	\$ 634,431
Accounts receivable (net)	-	882,211	882,211
Deposits	-	19,145	19,145
Prepays	-	12,999	12,999
Non depreciable assets	-	159,210	159,210
Depreciable assets, net of depreciation	-	217,522	217,522
<b>Total assets</b>	<b>43,936</b>	<b>1,881,582</b>	<b>1,925,518</b>
<b>LIABILITIES:</b>			
Accounts payable and other liabilities	3,281	160,164	163,445
Compensated absences	-	9,360	9,360
Notes payable	-	18,900	18,900
<b>Total liabilities</b>	<b>3,281</b>	<b>188,424</b>	<b>191,705</b>
<b>NET POSITION:</b>			
Net investment in capital assets	-	376,732	376,732
Restricted:			-
Human services	-	1,115,830	1,115,830
Unrestricted	40,655	200,596	241,251
<b>Total net position</b>	<b>\$ 40,655</b>	<b>\$ 1,693,158</b>	<b>\$ 1,733,813</b>

**City of Daytona Beach, Florida**  
**Combining Statement of Activities**  
**Discretely Presented Component Units**  
**For the Fiscal Year Ended September 30, 2020**

	Downtown Development Authority	First Step Shelter, Inc.	Total Component Units
<b>OPERATING REVENUES:</b>			
Taxes	\$ 139,550	\$ -	\$ 139,550
Operating grants and contributions	55,657	1,990,148	2,045,805
Income on investments	221	2,871	3,092
Miscellaneous	7,923	-	7,923
Total operating revenues	<u>203,351</u>	<u>1,993,019</u>	<u>2,196,370</u>
<b>OPERATING EXPENSES:</b>			
Current operating:			
Economic environment	202,723	-	202,723
Human services	-	1,210,439	1,210,439
Total operating expenses	<u>202,723</u>	<u>1,210,439</u>	<u>1,413,162</u>
Change in net position	628	782,580	783,208
<b>NET POSITION:</b>			
Beginning	<u>40,027</u>	<u>910,578</u>	<u>950,605</u>
Ending	<u>\$ 40,655</u>	<u>\$ 1,693,158</u>	<u>\$ 1,733,813</u>

**City of Daytona Beach, Florida**  
**Combining Schedule of Deposits and Withdrawals**  
**Redevelopment Trust Funds**  
**For the Fiscal Year Ended September 30, 2020**

	Downtown Redevelopment Trust Fund	Main Street Redevelopment Trust Fund	Ballough Road Redevelopment Trust Fund	Midtown Redevelopment Trust Fund	South Atlantic Redevelopment Trust Fund	Total
<b>DEPOSITS:</b>						
Tax increment revenues:						
Daytona Beach	\$ 529,325	\$ 2,065,206	\$ 96,083	\$ 265,782	\$ 92,282	\$ 3,048,678
Volusia County	505,035	1,954,403	91,677	249,395	87,391	2,887,901
Halifax Hospital	32,038	124,997	5,815	16,087	5,585	184,522
East Volusia Mosquito Control	16,986	66,270	3,083	8,529	2,961	97,829
Ponce DeLeon Inlet and Port Authority	8,393	32,747	1,524	4,214	1,463	48,341
Volusia ECHO	18,070	70,500	3,280	9,073	3,150	104,073
Volusia Forever	10,137	39,551	1,840	5,090	1,767	58,385
Downtown Development Authority	55,657	-	-	-	-	55,657
Charges for services	-	12,600	-	-	-	12,600
Licenses and permits	434	11,374	-	-	-	11,808
Income on investments	6,344	13,175	4,496	3,422	937	28,374
Miscellaneous	5	12	-	-	-	17
<b>Total deposits</b>	<b>1,182,424</b>	<b>4,390,835</b>	<b>207,798</b>	<b>561,592</b>	<b>195,536</b>	<b>6,538,185</b>
<b>WITHDRAWALS:</b>						
Current operating:						
Personnel services	126,434	173,402	26,871	80,712	2,861	410,280
Professional services	-	1,981	-	-	-	1,981
Contractual services	207,411	103,919	46,307	24,304	2,430	384,371
Materials and supplies	169	1,345	-	6,829	-	8,343
Grants and subsidies	89,005	24,222	-	16,753	-	129,980
Capital outlay	27,048	-	100,587	604,881	-	732,516
Transfers to debt service funds	173,100	2,511,419	-	211,178	-	2,895,697
<b>Total withdrawals</b>	<b>623,167</b>	<b>2,816,288</b>	<b>173,765</b>	<b>944,657</b>	<b>5,291</b>	<b>4,563,168</b>
Excess (deficiency) of deposits over (under) withdrawals	559,257	1,574,547	34,033	(383,065)	190,245	1,975,017
<b>FUND BALANCE:</b>						
Beginning	1,827,817	3,115,119	1,540,669	1,412,035	201,656	8,097,296
Ending	\$ 2,387,074	\$ 4,689,666	\$ 1,574,702	\$ 1,028,970	\$ 391,901	\$ 10,072,313

# Statistical Section



## Statistical Section

### Summary of Statistical Tables

This part of the comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

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**Financial trends** – *These tables contain trend information to help the reader understand how the City's financial performance has changed over time.*

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Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year.

The City of Daytona Beach, Florida  
Net Position by Component  
Last Ten Fiscal Years

Table 1

Post GASB Statement No. 68							
	2020	2019	2018	2017	2016	2015	2014 <sup>1</sup>
<b>Governmental activities:</b>							
Net investment in capital assets.....	\$ 75,684,936	\$ 94,042,068	\$ 91,978,293	\$ 85,932,944	\$ 82,226,618	\$ 80,888,821	\$ 78,165,983
Restricted.....	39,171,020	33,982,717	33,229,359	24,875,002	21,189,958	17,201,027	14,693,531
Unrestricted (deficit).....	(57,037,781)	(76,626,642)	(88,559,437)	(83,228,150)	(76,089,200)	(83,807,193)	(86,478,268)
Total governmental activities net position.....	<u>\$ 57,818,175</u>	<u>\$ 51,398,143</u>	<u>\$ 36,648,215</u>	<u>\$ 27,579,796</u>	<u>\$ 27,327,376</u>	<u>\$ 14,282,655</u>	<u>\$ 6,381,246</u>
<b>Business-type activities:</b>							
Net investment in capital assets.....	\$ 54,938,452	\$ 38,072,559	\$ 40,503,469	\$ 33,859,945	\$ 29,678,041	\$ 29,152,976	\$ 29,434,415
Restricted.....	38,023,320	41,238,440	34,734,738	28,742,079	26,571,106	24,140,340	22,144,897
Unrestricted.....	30,931,308	33,360,202	26,839,369	22,325,643	15,249,976	7,017,927	4,582,770
Total business-type activities net position.....	<u>\$ 123,893,080</u>	<u>\$ 112,671,201</u>	<u>\$ 102,077,576</u>	<u>\$ 84,927,667</u>	<u>\$ 71,499,123</u>	<u>\$ 60,311,243</u>	<u>\$ 56,162,082</u>
<b>Primary government:</b>							
Net investment in capital assets.....	\$ 130,623,388	\$ 132,114,627	\$ 132,481,762	\$ 119,792,889	\$ 111,904,659	\$ 110,041,797	\$ 107,600,398
Restricted.....	77,194,340	75,221,157	67,964,097	53,617,081	47,761,064	41,341,367	36,838,428
Unrestricted (deficit).....	(26,106,473)	(43,266,440)	(61,720,068)	(60,902,507)	(60,839,224)	(76,789,266)	(81,895,498)
Total primary government net position.....	<u>\$ 181,711,255</u>	<u>\$ 164,069,344</u>	<u>\$ 138,725,791</u>	<u>\$ 112,507,463</u>	<u>\$ 98,826,499</u>	<u>\$ 74,593,898</u>	<u>\$ 62,543,328</u>

Pre GASB Statement No. 68				
	2014	2013	2012	2011
<b>Governmental activities:</b>				
Net investment in capital assets.....	\$ 78,165,983	\$ 79,354,998	\$ 79,053,315	\$ 77,344,195
Restricted.....	14,693,531	15,839,211	15,855,201	21,849,119
Unrestricted (deficit).....	(29,574,464)	(36,828,469)	(37,101,404)	(38,799,689)
Total governmental activities net position.....	<u>\$ 63,285,050</u>	<u>\$ 58,365,740</u>	<u>\$ 57,807,112</u>	<u>\$ 60,393,625</u>
<b>Business-type activities:</b>				
Net investment in capital assets.....	\$ 29,434,415	\$ 24,836,529	\$ 28,389,516	\$ 32,002,621
Restricted.....	22,144,897	16,031,728	15,186,559	8,652,357
Unrestricted.....	9,952,652	10,475,661	3,289,701	9,270,937
Total business-type activities net position.....	<u>\$ 61,531,964</u>	<u>\$ 51,343,918</u>	<u>\$ 46,865,776</u>	<u>\$ 49,925,915</u>
<b>Primary government:</b>				
Net investment in capital assets.....	\$ 107,600,398	\$ 104,191,527	\$ 107,442,831	\$ 109,346,816
Restricted.....	36,838,428	31,870,939	31,041,760	30,501,476
Unrestricted (deficit).....	(19,621,812)	(26,352,808)	(33,811,703)	(29,528,752)
Total primary government net position.....	<u>\$ 124,817,014</u>	<u>\$ 109,709,658</u>	<u>\$ 104,672,888</u>	<u>\$ 110,319,540</u>

Note: <sup>1</sup> GASB Statement No. 68 was adopted in FY 2014-15, requiring a restatement to FY 2013-14 net position for comparison purposes.

**The City of Daytona Beach, Florida**  
**Changes of Net Position**  
**Last Ten Fiscal Years**

**Table 2**

	2020 <sup>1</sup>	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Expenses:</b>										
<b>Governmental activities:</b>										
General government.....	20,700,101	15,152,044	14,919,468	10,013,302	10,732,698	10,286,301	12,051,945	9,945,512	8,835,129	8,001,811
Public safety.....	55,222,208	56,319,605	53,040,030	51,744,571	47,700,225	45,303,249	43,741,690	43,613,583	51,652,189	46,541,000
Physical environment.....	875,087	1,089,956	3,383,357	6,009,372	-	-	-	-	-	-
Transportation.....	13,904,629	13,516,573	11,486,429	12,406,637	9,529,914	8,256,702	8,411,691	8,084,538	8,251,725	13,099,200
Economic environment.....	2,904,699	3,714,034	3,807,287	3,556,658	3,793,466	3,502,219	3,968,188	4,671,421	5,126,426	5,567,234
Human services.....	804,993	2,529	508,592	1,753,902	540,138	78,972	37,412	153,105	126,997	16,963
Cultural and recreation.....	13,338,815	5,364,082	4,580,589	4,761,424	4,311,464	5,658,903	4,997,981	3,288,910	3,549,279	4,482,221
Interest on long-term debt.....	1,610,615	1,725,803	1,827,042	1,911,609	2,040,448	2,125,622	2,200,224	2,809,644	3,249,039	4,799,421
<b>Total governmental activities expenses.....</b>	<b>109,361,147</b>	<b>96,884,626</b>	<b>93,552,794</b>	<b>92,157,475</b>	<b>78,648,353</b>	<b>75,211,968</b>	<b>75,409,131</b>	<b>72,566,713</b>	<b>80,790,784</b>	<b>82,507,850</b>
<b>Business-type activities:</b>										
Water and sewer system.....	43,346,808	41,629,642	38,859,366	36,469,225	35,655,867	37,567,157	32,844,345	32,987,080	33,849,033	33,094,587
Solid waste management.....	10,467,111	9,923,620	9,507,986	9,198,135	8,594,048	9,391,240	9,432,333	9,588,511	8,641,496	8,620,577
Stormwater improvement.....	5,333,481	6,272,899	4,348,012	5,284,463	4,948,927	2,818,747	5,198,128	5,765,271	6,000,169	5,341,941
Halifax Harbor.....	2,926,017	3,004,463	2,920,282	2,948,461	2,784,161	4,892,204	3,235,580	3,077,155	3,315,714	3,611,338
Cultural services.....	-	3,543,121	4,517,646	3,471,843	3,592,082	3,554,638	2,788,729	2,063,216	2,179,166	2,078,848
Municipal Golf Course.....	-	1,986,735	1,942,714	1,822,116	1,782,413	2,068,289	2,006,200	2,068,160	2,167,185	2,116,504
Florida Tennis Center.....	-	599,536	596,688	546,838	580,029	585,676	575,717	575,334	647,880	667,443
Municipal Stadium/Jackie Robinson Ballpark.....	-	175,748	350,857	364,654	486,014	380,920	366,545	294,106	591,614	501,067
Daytona Beach Pier.....	1,948,461	711,578	741,394	666,490	467,409	527,508	425,896	281,846	354,584	73,179
<b>Total business-type activities expenses.....</b>	<b>64,021,878</b>	<b>67,847,342</b>	<b>63,784,945</b>	<b>60,772,225</b>	<b>58,890,950</b>	<b>61,786,379</b>	<b>56,873,473</b>	<b>56,700,679</b>	<b>57,746,841</b>	<b>56,105,484</b>
<b>Total primary government expenses.....</b>	<b>173,383,025</b>	<b>164,731,968</b>	<b>157,337,739</b>	<b>152,929,700</b>	<b>137,539,303</b>	<b>136,998,347</b>	<b>132,282,604</b>	<b>129,267,392</b>	<b>138,537,625</b>	<b>138,613,334</b>
<b>Program revenues:</b>										
<b>Governmental activities:</b>										
<b>Fees, fines, and charges for services:</b>										
General government.....	7,591,361	9,425,057	7,602,600	6,871,891	7,818,031	5,230,580	4,669,486	4,793,671	4,041,855	4,779,240
Public safety.....	3,344,059	3,239,244	2,330,228	1,779,440	2,617,272	1,895,590	2,957,560	2,614,185	2,467,335	3,424,928
Transportation.....	701,615	783,637	629,049	442,249	820,460	133,564	1,697,748	320,411	294,252	552,669
Economic environment.....	528,952	650,860	1,021,559	777,830	682,020	661,149	677,257	-	-	-
Human services.....	-	-	-	-	-	-	4,496	-	-	-
Cultural and recreation.....	7,470,397	1,946,551	1,458,389	560,834	1,190,826	596,188	983,727	629,826	759,223	875,471
Operating grants and contributions.....	6,385,834	3,023,525	7,318,578	4,670,880	3,331,026	2,706,510	2,258,914	5,922,790	4,968,752	4,073,771
Capital grants and contributions.....	1,137,268	1,945,826	4,522,339	1,425,262	2,210,454	4,271,772	3,435,436	693,052	830,038	1,855,292
<b>Total governmental activities program revenues...</b>	<b>27,159,486</b>	<b>21,014,700</b>	<b>24,882,742</b>	<b>16,528,386</b>	<b>18,670,089</b>	<b>15,495,353</b>	<b>16,684,624</b>	<b>14,973,935</b>	<b>13,361,455</b>	<b>15,561,371</b>

<sup>1</sup> In fiscal year 2020, the Municipal Golf Course, Florida Tennis Center, Cultural Services and Municipal Stadium / Jackie Robinson Ballpark funds were closed and the activities were reclassified into the General Fund.



The City of Daytona Beach, Florida  
Changes of Net Position  
Last Ten Fiscal Years

Table 2 (Continued)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Business-type activities:										
Fees, fines, and charges for services:										
Water and sewer system.....	54,472,595	53,770,654	51,015,207	47,971,798	47,699,578	43,741,137	41,833,640	40,124,364	37,939,832	36,127,442
Solid waste management.....	19,327,220	18,407,518	17,153,480	16,098,643	15,408,144	14,223,789	13,676,011	12,840,470	12,794,852	12,420,171
Storm water improvement.....	13,400,621	12,721,833	11,972,680	11,397,638	10,909,801	10,086,045	9,861,549	9,399,865	8,801,460	8,594,436
Halifax Harbor.....	3,403,976	3,566,904	3,610,082	3,481,716	2,791,735	2,763,984	2,951,497	3,129,768	3,318,582	3,600,631
Cultural services.....	-	3,531,723	3,515,051	2,853,193	2,894,245	2,707,998	2,186,758	1,742,310	1,837,276	1,970,977
Municipal Golf Course.....	-	1,519,859	1,468,945	1,368,576	1,626,009	1,834,737	1,754,061	1,867,080	2,020,753	1,942,763
Florida Tennis Center.....	-	454,101	399,868	435,979	479,957	460,547	474,138	482,380	343,713	319,266
Municipal Stadium/Jackie Robinson Ballpark...	-	283,869	255,439	351,006	423,883	361,498	391,119	220,562	271,774	319,039
Daytona Beach Pier.....	594,116	979,207	986,184	804,898	969,817	944,424	930,910	872,425	157,945	-
Operating grants and contributions.....	-	98,781	65,763	72,854	151,475	435,595	166,378	667,957	281,464	18,977
Capital grants and contributions.....	6,459,983	7,162,086	7,281,354	5,088,138	3,394,010	1,661,727	1,979,030	502,849	806,524	1,281,603
Total business-type activities program revenues...	97,658,511	102,496,535	97,724,053	89,924,439	86,748,654	79,221,481	76,205,091	71,850,030	68,574,175	66,595,305
Total primary government program revenue.....	124,817,997	123,511,235	122,606,795	106,452,825	105,418,743	94,716,834	92,889,715	86,823,965	81,935,630	82,156,676
Net (expense)/revenue:										
Governmental activities.....	(82,201,661)	(75,869,926)	(68,670,052)	(75,629,089)	(59,978,264)	(59,716,615)	(58,724,507)	(57,592,778)	(67,429,329)	(66,946,479)
Business-type activities.....	33,636,633	34,649,193	33,939,108	29,152,214	27,857,704	17,435,102	19,331,618	15,149,351	10,827,334	10,489,821
Total primary government net expense.....	(48,565,028)	(41,220,733)	(34,730,944)	(46,476,875)	(32,120,560)	(42,281,513)	(39,392,889)	(42,443,427)	(56,601,995)	(56,456,658)
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Property taxes.....	31,460,044	30,359,003	28,214,204	26,873,734	25,642,518	24,575,317	24,476,873	21,549,133	21,511,243	24,170,806
Gas taxes.....	1,782,150	1,991,925	1,952,241	1,925,285	1,866,300	1,767,102	1,700,020	1,692,182	1,706,902	1,687,713
Public service taxes.....	11,561,162	11,768,805	11,547,176	10,889,630	10,761,889	10,520,534	10,534,431	10,063,483	9,684,518	9,875,635
Sales taxes.....	3,723,080	3,809,242	3,759,786	3,539,341	3,392,288	3,213,470	2,998,827	2,811,296	2,667,778	2,654,618
Franchise taxes.....	6,049,136	6,470,703	6,301,472	6,112,377	5,992,635	6,108,348	6,020,481	5,647,528	5,659,848	6,099,169
Tax increment taxes.....	3,381,051	3,212,092	3,068,042	2,974,533	2,677,785	-	-	-	-	-
Other taxes.....	1,058,682	991,258	937,925	813,175	903,455	3,489,116	3,281,154	3,031,353	3,534,736	4,012,848
Intergovernmental revenues not restricted										
to specific programs.....	2,645,381	2,787,678	2,685,849	2,684,011	2,392,717	2,410,302	2,314,438	2,241,497	3,258,944	2,283,238
Investment earnings.....	2,188,981	2,767,495	843,607	404,539	347,629	390,887	175,957	64,110	245,801	374,134
Miscellaneous.....	1,709,696	1,104,048	1,239,546	2,485,416	1,042,203	95,905	1,350,500	694,932	1,851,888	490,710
Transfers.....	25,163,049	25,357,605	17,673,153	17,179,468	18,003,566	15,047,043	10,791,136	10,915,493	14,721,158	9,933,182
Total governmental activities.....	90,722,412	90,619,854	78,223,001	75,881,509	73,022,985	67,618,024	63,643,817	58,711,007	64,842,816	61,582,053
Business-type activities:										
Income on investments.....	535,839	790,992	620,629	517,045	522,150	557,846	526,721	54,841	49,789	54,458
Miscellaneous.....	111,737	511,045	407,550	938,753	811,592	1,203,256	1,120,843	752,377	783,896	683,834
Transfers.....	(25,163,049)	(25,357,605)	(17,673,153)	(17,179,468)	(18,003,566)	(15,047,043)	(10,791,136)	(10,915,493)	(14,721,158)	(9,933,182)
Total business-type activities.....	(24,515,473)	(24,055,568)	(16,644,974)	(15,723,670)	(16,669,824)	(13,285,941)	(9,143,572)	(10,108,275)	(13,887,473)	(9,194,890)
Total primary government.....	66,206,939	66,564,286	61,578,027	60,157,839	56,353,161	54,332,083	54,500,245	48,602,732	50,955,343	52,387,163
Changes in net position:										
Governmental activities.....	8,520,751	14,749,928	9,552,949	252,420	13,044,721	7,901,409	4,919,310	1,118,229	(2,586,513)	(5,364,426)
Business-type activities.....	9,121,160	10,593,625	17,294,134	13,428,544	11,187,880	4,149,161	10,188,046	5,041,076	(3,060,139)	1,294,931
Total primary government.....	17,641,911	25,343,553	26,847,083	13,680,964	24,232,601	12,050,570	15,107,356	6,159,305	(5,646,652)	(4,069,495)

**The City of Daytona Beach, Florida**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**

**Table 3**

	Post GASB Statement No. 54									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>General Fund:</b>										
Non-spendable.....	\$ 419,152	\$ 232,962	\$ 385,002	\$ 370,690	\$ 380,664	\$ 393,251	\$ 376,343	\$ 370,842	\$ 396,937	\$ 405,373
Restricted.....	792,530	267,489	258,549	331,932	333,837	367,343	322,376	254,142	242,888	231,543
Committed.....	-	-	-	-	-	-	-	-	139,155	27,952
Assigned.....	8,995,225	10,552,163	5,299,295	6,425,723	3,631,728	785,789	469,733	737,777	304,552	490,178
Unassigned.....	<u>14,922,178</u>	<u>15,947,589</u>	<u>18,264,876</u>	<u>15,882,777</u>	<u>17,163,335</u>	<u>14,555,696</u>	<u>9,637,832</u>	<u>7,836,572</u>	<u>7,056,032</u>	<u>4,371,487</u>
<b>Total General Fund.....</b>	<b><u>\$ 25,129,085</u></b>	<b><u>\$ 27,000,203</u></b>	<b><u>\$ 24,207,722</u></b>	<b><u>\$ 23,011,122</u></b>	<b><u>\$ 21,509,564</u></b>	<b><u>\$ 16,102,079</u></b>	<b><u>\$ 10,806,284</u></b>	<b><u>\$ 9,199,333</u></b>	<b><u>\$ 8,139,564</u></b>	<b><u>\$ 5,526,533</u></b>
<b>All other governmental funds:</b>										
Non-spendable.....	\$ -	\$ -	\$ -	\$ 1,890	\$ -	\$ -	\$ 300,349	\$ 320,016	\$ 358,308	\$ 295,077
Restricted.....	38,615,220	33,715,228	26,145,891	19,273,086	20,856,121	15,530,328	14,371,155	14,043,022	14,039,424	18,553,209
Committed.....	-	-	-	-	-	-	-	-	372,246	1,711,396
Assigned.....	12,298,998	7,894,628	3,308,374	3,370,578	2,852,396	1,162,500	1,744,121	113,412	1,691	382,974
Unassigned.....	<u>7,050</u>	<u>(1,595,581)</u>	<u>(2,881,458)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total all other governmental funds....</b>	<b><u>\$ 50,921,268</u></b>	<b><u>\$ 40,014,275</u></b>	<b><u>\$ 26,572,807</u></b>	<b><u>\$ 22,645,554</u></b>	<b><u>\$ 23,708,517</u></b>	<b><u>\$ 16,692,828</u></b>	<b><u>\$ 16,415,625</u></b>	<b><u>\$ 14,476,450</u></b>	<b><u>\$ 14,771,669</u></b>	<b><u>\$ 20,942,656</u></b>

**The City of Daytona Beach, Florida**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**

**Table 4**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Revenues:</b>										
Taxes.....	\$ 46,905,969	\$ 46,253,839	\$43,630,484	\$ 41,564,174	\$ 40,260,693	\$ 38,772,381	\$ 38,542,276	\$ 34,866,430	\$ 34,768,187	\$ 37,478,244
Licenses and permits.....	9,237,468	10,969,624	10,291,638	9,708,904	10,012,489	8,479,557	8,193,227	7,351,721	6,801,601	7,232,291
Intergovernmental.....	16,633,410	14,795,706	21,104,002	15,200,810	13,763,263	15,136,183	15,286,105	14,008,579	12,982,007	13,713,397
Charges for services.....	9,352,802	4,828,974	3,700,798	3,362,026	3,427,994	3,408,436	3,281,525	3,522,061	3,133,741	2,868,499
Fines and forfeitures.....	467,320	501,464	519,410	566,132	608,225	694,122	2,277,592	2,081,279	2,178,799	3,476,047
Special assessments/impact fees.....	5,424,765	4,727,595	3,589,073	1,845,907	3,927,091	612,918	394,652	180,335	138,515	1,094,795
Income on investments.....	2,152,329	2,697,121	807,543	392,496	345,865	381,594	164,355	64,109	245,798	374,134
Miscellaneous.....	2,407,868	1,282,767	1,354,897	2,570,959	1,355,568	1,293,809	1,385,971	727,723	2,400,288	684,151
<b>Total revenues</b> .....	<b>92,581,931</b>	<b>86,057,090</b>	<b>84,997,845</b>	<b>75,211,408</b>	<b>73,701,188</b>	<b>68,779,000</b>	<b>69,525,703</b>	<b>62,802,237</b>	<b>62,648,936</b>	<b>66,921,558</b>
<b>Expenditures:</b>										
General government.....	15,270,898	9,321,023	8,979,888	8,411,216	7,227,613	7,156,406	6,347,796	6,638,088	5,990,296	6,832,675
Public safety.....	51,923,552	49,539,412	48,806,814	45,781,802	43,241,035	42,487,269	42,922,868	42,002,372	44,974,064	47,185,414
Physical environment.....	875,087	1,089,956	3,383,357	6,009,372	-	-	-	-	-	-
Transportation.....	12,680,815	12,414,769	10,799,849	13,039,409	9,130,762	8,213,904	8,324,963	7,841,138	7,940,577	10,733,447
Economic environment.....	2,723,049	3,472,648	3,690,743	3,414,541	3,750,935	3,558,170	4,014,608	4,724,564	5,094,065	4,919,533
Human services.....	804,993	2,529	508,592	502,824	540,138	78,972	37,412	153,105	126,997	16,963
Culture and recreation.....	10,907,483	5,089,870	4,503,719	4,577,417	4,239,352	5,704,829	5,019,453	3,273,613	3,550,911	3,710,578
Capital outlay.....	11,127,350	9,235,728	12,364,652	5,634,660	6,735,494	6,809,773	5,009,091	3,125,495	7,888,042	9,044,142
Debt service:										
Principal.....	3,789,786	3,697,742	3,539,121	3,484,692	3,277,409	3,186,540	2,993,959	2,994,381	2,725,583	1,993,925
Interest and fiscal charges.....	1,586,296	1,682,401	1,777,971	1,886,092	1,976,958	2,062,047	2,136,563	2,218,480	3,159,055	3,366,103
<b>Total expenditures</b> .....	<b>111,689,309</b>	<b>95,546,078</b>	<b>98,354,706</b>	<b>92,742,025</b>	<b>80,119,696</b>	<b>79,257,910</b>	<b>76,806,713</b>	<b>72,971,236</b>	<b>81,449,590</b>	<b>87,802,780</b>
Excess (deficiency) of revenue over (under) expenditures.....	(19,107,378)	(9,488,988)	(13,356,861)	(17,530,617)	(6,418,508)	(10,478,910)	(7,281,010)	(10,168,999)	(18,800,654)	(20,881,222)
<b>Other financing sources (uses):</b>										
Debt proceeds.....	354,030	-	2,018,000	789,743	838,116	1,004,865	-	-	19,045,540	34,761,703
Payments to escrow agent.....	-	-	(1,555,899)	-	-	-	-	-	(18,560,000)	(34,612,440)
Proceeds from insurance recovery....	216,050	149,486	345,460	-	-	-	-	-	-	-
Transfers in.....	44,734,200	49,805,849	25,995,996	28,785,986	26,320,096	23,025,071	19,077,091	16,950,680	20,975,249	15,977,296
Transfers (out).....	(18,611,033)	(24,232,398)	(8,322,843)	(11,606,517)	(8,316,530)	(7,978,028)	(8,249,955)	(6,017,131)	(6,218,091)	(6,133,114)
<b>Total other financing sources (uses).....</b>	<b>26,693,247</b>	<b>25,722,937</b>	<b>18,480,714</b>	<b>17,969,212</b>	<b>18,841,682</b>	<b>16,051,908</b>	<b>10,827,136</b>	<b>10,933,549</b>	<b>15,242,698</b>	<b>9,993,445</b>
<b>Net change in fund balances.....</b>	<b>\$ 7,585,869</b>	<b>\$ 16,233,949</b>	<b>\$ 5,123,853</b>	<b>\$ 438,595</b>	<b>\$ 12,423,174</b>	<b>\$ 5,572,998</b>	<b>\$ 3,546,126</b>	<b>\$ 764,550</b>	<b>\$ (3,557,956)</b>	<b>\$ (10,887,777)</b>
Debt service expenditures as a percent of noncapital expenditures.....	5.3%	6.2%	6.2%	6.2%	7.2%	7.2%	7.1%	7.5%	8.0%	6.8%

**The City of Daytona Beach, Florida**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

**Table 5**

Fiscal Year Ended September 30 <sup>2</sup>	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Institutional Property	Governmental Property	Vacant Land and Other	Tangible Personal Property	Total Market Value	Less: Tax-Exempt Property	Total Taxable Assessed Value <sup>1</sup>	Total Direct Tax Rate <sup>1</sup>
2020	\$ 3,466,584,985	\$ 1,948,000,150	\$ 248,702,954	\$ 71,448,333	\$ 423,486,643	\$ 1,273,961,178	\$ 390,526,533	\$ 861,735,621	\$ 8,684,446,397	\$ 3,392,015,295	\$ 5,292,431,102	6.13580 %
2019	3,094,397,365	1,726,539,311	208,834,454	89,806,679	410,777,310	1,249,821,245	344,670,088	813,998,023	7,938,844,475	3,171,379,056	4,767,465,419	6.50900
2018	2,847,927,888	1,539,831,183	195,143,658	100,992,354	387,094,766	1,178,695,335	313,652,939	760,774,093	7,324,112,216	3,606,491,739	4,332,352,736	6.67220
2017	2,596,125,201	1,378,479,280	184,421,089	91,432,567	331,803,822	909,117,062	299,990,588	703,732,608	6,495,102,217	3,379,563,383	3,944,548,833	7.00960
2016	2,413,494,445	1,228,060,547	141,460,473	87,098,528	240,766,991	837,643,412	355,694,675	640,478,030	5,944,697,101	2,882,767,104	3,612,335,113	7.33340
2015	2,205,004,032	1,183,636,481	137,619,000	91,816,451	225,150,182	797,265,895	321,853,997	661,241,912	5,623,587,950	2,516,983,669	3,427,713,432	7.35170
2014	2,017,345,022	1,103,205,158	125,503,416	92,086,362	215,076,927	741,062,141	299,204,909	661,283,991	5,254,767,926	2,354,322,416	3,269,265,534	7.68310
2013	1,950,876,530	1,084,057,722	124,074,615	97,501,877	218,501,538	696,606,738	279,363,092	674,213,949	5,125,196,061	2,045,408,573	3,209,359,353	7.03040
2012	2,082,420,061	1,120,718,637	126,418,039	109,776,935	231,475,161	586,087,774	427,645,020	682,097,968	5,366,639,595	1,742,651,274	3,382,544,787	6.73960
2011	2,319,064,445	1,209,188,482	136,045,929	113,035,130	255,268,290	596,750,346	469,058,638	734,794,582	5,833,205,842	1,675,526,938	3,691,112,657	6.74670

Source: Volusia County, Florida, Property Appraiser.

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

<sup>2</sup> All property valuations for the specified fiscal year ends are obtained from the previous year's tax roll (i.e. all FY 2019-20 data was obtained from the 2019 calendar year tax roll).

**The City of Daytona Beach, Florida**  
**Property Tax Rates – Direct and Overlapping Governments**  
**Last Ten Fiscal Years**

**Table 6**

Fiscal Year <sup>1</sup>	City of Daytona Beach			Volusia County			Overlapping Rates							Special Districts				Total Direct and Overlapping Rates
	Operating	Debt Service	Total City	Operating	Debt Service	Total County	St. Johns	Florida	Hospital	Volusia County School District			Total School District	Daytona Beach	Ponce DeLeon		Total Special Districts	
							River Water Management District	Inland Navigation District		School District Required	School District Discretionary	School District Debt Service		Downtown Development Authority	Inlet and Port Authority	Mosquito Control District		
2020	5.85870	0.27710	6.13580	6.14200	0.40000	6.54200	0.24140	0.03200	0.35460	5.33300	0.74800	-	6.08100	1.00000	0.09290	0.18800	1.28090	20.66770
2019	6.20000	0.30900	6.50900	6.24640	0.40000	6.64640	0.25620	0.03200	0.35460	5.53300	0.74800	-	6.28100	1.00000	0.09290	0.18800	1.28090	21.36010
2018	6.33330	0.33890	6.67220	6.65200	0.40000	7.05200	0.27240	0.03200	0.37810	5.77200	0.74800	-	6.52000	1.00000	0.09290	0.18800	1.28090	22.20760
2017	6.63670	0.37290	7.00960	6.65200	0.40000	7.05200	0.28850	0.03200	0.75610	6.10000	0.74800	-	6.84800	1.00000	0.09290	0.18800	1.28090	23.26710
2016	6.92200	0.41140	7.33340	6.87090	0.40000	7.27090	0.30230	0.03200	0.95500	6.44900	0.74800	-	7.19700	1.00000	0.09290	0.18800	1.28090	24.37150
2015	6.92200	0.42970	7.35170	6.87090	0.40000	7.27090	0.31640	0.03450	1.00000	6.58800	0.74800	-	7.33600	1.00000	0.09290	0.18800	1.28090	24.59040
2014	7.23570	0.44740	7.68310	6.87090	0.40000	7.27090	0.32830	0.03450	1.00000	6.61000	0.74800	-	7.35800	1.00000	0.09290	0.20800	1.30090	24.97570
2013	6.57340	0.45700	7.03040	6.48090	0.40000	6.88090	0.33130	0.03450	1.25000	6.89000	0.99800	-	7.88800	1.00000	0.09290	0.20800	1.30090	24.71600
2012	6.25980	0.47980	6.73960	6.37910	0.40000	6.77910	0.33130	0.03450	1.75000	7.06500	0.99800	-	8.06300	1.00000	0.09290	0.20800	1.30090	24.99840
2011	6.30440	0.44230	6.74670	5.90250	0.40000	6.30250	0.41580	0.03450	2.00000	7.23900	0.99800	-	8.23700	1.00000	0.09290	0.20800	1.30090	25.03740

Source: Volusia County Property Appraiser's website.

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

<sup>1</sup>All property valuations for the specified fiscal year ends are obtained from the previous year's tax roll (i.e. all FY 2019-20 data was obtained from the 2019 calendar year tax roll).

**The City of Daytona Beach, Florida**  
**Principal Property Taxpayers**  
**Last Ten Fiscal Years**

**Table 7**

Taxpayer	Type of Business	September 30, 2020			September 30, 2011		
		(2020 Tax Roll) Assessed Taxable Value	Rank	Percent to Total Assessed Value	(2011 Tax Roll) Assessed Taxable Value	Rank	Percent to Total Assessed Value
International Speedway Corporation	Sports/Entertainment	\$ 170,254,545	1	2.93%	\$ 56,720,966	3	1.54%
Florida Power & Light Company	Electric Utility	130,570,926	2	2.25%	64,485,081	1	1.75%
Ocean Walk I & II Condominium Assc	Condominium	116,928,997	3	2.02%			
Daytona Beach Owner LP	Accommodations	76,609,655	4	1.32%			
Volusia Mall, LLC	Regional Shopping Centers	57,955,681	5	1.00%	48,285,650	4	1.31%
Tanger Daytona, LLC	Regional Shopping Centers	55,634,583	6	0.96%			
Tomoka Town Center Phases, LLC	Regional Shopping Centers	55,307,354	7	0.95%			
LJC Lake Forest & Jade Park, LLC	Apartments	47,219,545	8	0.82%			
BR Sands Parc, LLC	Apartments	38,204,509	9	0.66%			
DK Gateway Andros, LLC	Apartments	31,342,581	10	0.54%			
GEPA Hotel Owner DB, LLC	Accommodations	-	-	-	46,935,098	5	1.27%
Ocean Walk I Condominium Associat	Condominium	-	-	-	34,175,344	6	0.93%
Ocean Walk II Condominium Associa	Condominium	-	-	-	58,750,005	2	1.59%
Grand Seas Resort Partners	Accommodations	-	-	-	18,130,009	9	0.49%
Indigo Development, Inc	Accommodations	-	-	-	19,342,355	8	0.52%
Bellsouth Telecommunication, Inc	Telephone	-	-	-	24,504,775	7	0.66%
Daytona Beach Live		-	-	-	17,573,633	10	0.48%
<b>Total</b>		<b>\$ 780,028,376</b>		<b>13.45%</b>	<b>\$ 388,902,916</b>		<b>10.54%</b>

Source: Volusia County Property Appraiser.

**The City of Daytona Beach, Florida**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

**Table 8**

Fiscal Year Ended September 30,	Taxes Levied For Year	Collected to End of Tax Year		Delinquent Collections <sup>1</sup>	Total Collected	
		Amount	Percent of Levy		Amount	Percent of Levy
2020	\$ 31,006,766	\$ 28,823,728	92.96%	\$ 1,151,217	\$ 29,974,945	96.67%
2019	29,558,286	27,781,826	93.99%	769,262	28,551,088	96.59%
2018	27,438,090	25,707,921	93.69%	1,059,840	26,767,761	97.56%
2017	26,178,787	24,496,495	93.57%	934,488	25,430,983	97.14%
2016	25,004,584	23,240,711	92.95%	962,038	24,202,749	96.79%
2015	23,726,632	22,841,109	96.27%	290,801	23,131,909	97.49%
2014	23,655,425	21,817,045	92.23%	1,195,065	23,012,110	97.28%
2013	21,013,948	19,409,554	92.37%	736,575	20,146,129	95.87%
2012	21,174,054	20,332,695	96.03%	(286,992)	20,045,703	94.67%
2011	23,270,251	22,335,032	95.98%	207,804	22,542,836	96.87%

Source: Volusia County, Florida Tax Collector and the City of Daytona 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. FY 2019-20 collections are from the 2019 tax levy).

<sup>1</sup> During FY 2011-12, the City paid back \$419,536 to the Volusia County Property Appraiser due to settlements of several Seventh Judicial Circuit Court cases involving the Volusia County Property Appraiser and corporations in the Daytona Beach area.

**The City of Daytona Beach, Florida**  
**Water Produced and Consumed and Wastewater Treated**  
**Last Ten Fiscal Years**

**Table 9**

Fiscal Year Ended September, 30	Gallons of Water Produced	Gallons of Water Billed	Gallons of Water Known Unbilled*	Gallons of Water Unaccounted	Percent of Water Unaccounted	Gallons of Wastewater Treated	Total Direct Rate <sup>(1)</sup>			
							Water		Sewer	
							Base Rate	Usage Rate	Base Rate	Usage Rate
2020	4,600	3,810	484	306	6.65%	3,923	11.73	5.75	4.60	9.90
2019	4,498	3,817	191	490	10.89%	4,106	11.36	5.57	4.46	9.59
2018	4,354	3,724	108	522	11.99%	4,751	10.98	5.39	4.31	9.27
2017	4,461	3,818	304	339	7.60%	4,037	10.63	5.22	4.18	8.98
2016	4,317	3,846	89	382	8.85%	3,869	10.23	5.02	4.02	8.64
2015	4,577	3,760	357	460	10.05%	4,042	9.78	4.80	3.84	8.26
2014	4,687	4,102	490	95	2.03%	4,013	9.47	4.65	3.72	8.00
2013	4,512	3,468	322	722	16.00%	3,990	9.06	4.45	3.56	7.66
2012	4,310	3,414	N/A	896	20.79%	3,850	8.59	4.22	3.38	7.26
2011	4,243	3,619	N/A	624	14.71%	3,441	8.17	4.01	3.21	6.90

Source: The City of Daytona Beach Finance and Utilities Departments

\* Prior to FY 2013 this figure was not tracked and therefore unavailable. Situations that are know as unbilled include hydrant flushing and water main breaks.

\*\*Known Flushing is not included in this calculation prior to FY 13 and would account for the increase in the Unbilled percent rate.

Note: Gallons are presented in millions

<sup>(1)</sup> Assumes typical single family residence located within City limits



**The City of Daytona Beach, Florida**  
**Water and Sewer Rates**  
**Last Ten Fiscal Years**

**Table 10**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<sup>1</sup> Water Rates:										
Base Rate (meter size):										
3/4" to 2".....	\$11.73	\$ 11.36	\$ 10.98	\$ 10.63	\$ 10.23	\$ 9.78	\$ 9.47	\$ 9.06	\$ 8.59	\$ 8.17
3"-10".....	15.67	15.17	14.66	14.20	13.66	13.05	12.63	12.09	11.46	10.89
<sup>2</sup> Usage rate (per 1,000 gallons).....	5.75	5.57	5.39	5.22	5.02	4.80	4.65	4.45	4.22	4.01
<sup>1</sup> Sewer Rates:										
Base rate.....	4.60	4.46	4.31	4.18	4.02	3.84	3.72	3.56	3.38	3.21
<sup>2</sup> Usage rate (per 1,000 gallons).....	9.90	9.59	9.27	8.98	8.64	8.26	8.00	7.66	7.26	6.90

Source: City of Daytona Beach Finance Department

Notes: Increases in water and sewer rates must be approved by the City Commission. City Code provides for an annual automatic rate increase based on the change in the Consumer Price Index from July 1 of the preceding calendar year through June 30 of the present calendar year times the existing rates.

<sup>1</sup> The City has three billing zones as follows:

    ZONE 0 = Inside City limits = Billed at 100% of rates shown in above table.

    ZONE 1 = Outside City limits mainland = Billed at 125% of rates shown in above table.

    ZONE 2 = Outside City limits South Peninsula = Billed at 133% of rates shown in above table.

<sup>2</sup> All customers are charged a minimum usage bill equal to 1,000 gallons of consumption multiplied by the usage rate. For multi-family dwelling accounts, the minimum usage is based on 1,000 gallons per unit. If actual consumption is greater than the minimum bill, then the account is charged for the actual consumption used.

**The City of Daytona Beach, Florida**  
**Ten Largest Water and Sewer Customers**  
**Last Ten Fiscal Years**

**Table 11**

Customer	Customer Type	September 30, 2020			September 30, 2011		
		Amount	Percent of Total Revenue	Rank	Amount	Percent of Total Revenue	Rank
City of South Daytona.....	Bulk	\$ 1,995,930	3.68%	1	\$ 1,845,890	5.11%	1
Florida Department of Corrections.....	Government	1,412,452	2.60%	2	1,217,335	3.37%	3
Halifax Medical Center.....	Hospital	1,103,344	2.03%	3	1,052,835	2.91%	4
City of Daytona Beach.....	Government	1,024,934	1.89%	4	1,637,010	4.53%	2
Daytona International Speedway.....	Sports/Entertainment	937,281	1.73%	5	806,144	2.23%	6
B Braun Medical Inc.....	Industrial	924,251	1.70%	6			
County of Volusia.....	Government	923,660	1.70%	7	902,085	2.50%	5
Embry-Riddle Aeronautical University.....	Educational Institution	919,135	1.69%	8	687,464	1.90%	7
Daytona Beach Owner LLC.....	Hotel	757,848	1.40%	9			
Florida Hospital Memorial Medical Center.....	Hospital	744,618	1.37%	10			
Bray & Gillespie, LLC.....	Timeshare Investments						
Ocean Walk Condominium Association.....	Timeshare Investments				684,576	1.89%	8
Hilton/Ocean Walk Daytona Beach.....	Timeshare Investments				671,095	1.86%	9
MHC Financing LTD.....	Lender				453,302	1.25%	10
<b>Total</b>		<b>\$ 10,743,453</b>	<b>19.80%</b>		<b>\$ 9,957,736</b>	<b>27.55%</b>	

Source: The City of Daytona Beach Utility Billing and Finance Departments.

**The City of Daytona Beach, Florida**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

**Table 12**

Fiscal Year Ended September 30,	Governmental Activities				Business-Type					Total Outstanding Debt	Percent of Personal Income	
	General Obligation Bonds	Capital Revenue Bonds	Notes and Capital Lease	Total	Capital Revenue Bonds	Water, Sewer & Stormwater Bonds	Notes and Capital Lease	State Revolving Fund Loans	Total		Per Capita	
2020	\$ 11,118,766	\$ 21,591,273	\$ 6,804,818	\$ 39,514,857	\$ -	\$32,652,409	\$ 23,196,000	\$60,639,367	\$ 116,487,776	\$ 156,002,633	2.87 %	2,221
2019	12,182,518	23,108,876	7,944,609	43,236,003	90,630	35,583,983	25,931,000	47,771,765	109,377,378	152,613,381	2.82	2,266
2018	13,226,270	24,629,459	9,099,758	46,955,487	139,024	38,481,196	28,512,000	26,468,773	93,600,993	140,556,480	2.93	2,121
2017	14,245,023	26,112,827	9,696,686	50,054,536	190,163	43,168,111	25,185,681	26,426,079	94,970,034	145,024,570	2.70	2,212
2016	15,243,775	27,650,619	9,877,341	52,771,735	322,294	47,712,571	23,033,263	24,055,524	95,123,652	147,895,387	2.58	2,291
2015	16,222,524	29,152,460	9,859,654	55,234,638	457,970	52,122,493	23,713,467	21,005,710	97,299,640	152,534,278	2.37	2,414
2014	17,181,279	30,619,129	9,641,681	57,442,089	597,925	56,431,365	24,655,378	5,466,976	87,151,644	144,593,733	2.41	2,303
2013	18,120,031	32,045,436	10,295,660	60,461,127	741,915	60,431,319	25,536,046	4,550,545	91,259,825	151,720,952	2.28	2,446
2012	19,043,783	33,425,484	10,984,728	63,453,995	885,666	60,740,331	26,029,392	2,819,690	90,475,079	153,929,074	2.17	2,522
2011	19,315,000	34,599,710	11,535,682	65,450,392	1,020,290	43,370,000	26,703,318	18,150,702	89,244,310	154,694,702	1.98	2,561

Sources: The City of Daytona Beach Finance Department.  
Per Capita Income - Bureau of Economic Analysis (BEA).  
Population - U.S. Census Bureau for 2010. Bureau of Economic and Business Research, University of Florida, for 2018 and 2020. All other periods estimated by Volusia County.

Note: Details concerning the City's outstanding debt can be found in the notes to the financial statements.  
Principal amounts are stated net of unamortized premiums, discounts, and deferred amounts on refunding.  
Personal income and population data can be found in TABLE 17.

**The City of Daytona Beach, Florida**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

**Table 13**

Fiscal Year Ended September 30,	Governmental Activities			Percentage of Net Assessed Taxable Property Value <sup>3</sup>	Debt Per Capita
	General Obligation Bonds <sup>1</sup>	Less: Amount Available in Debt Service Fund <sup>2</sup>	Total		
2020	\$ 11,118,466	\$ 476,043	\$ 10,642,423	0.20%	\$ 152
2019	12,182,518	449,163	11,733,355	0.25%	174
2018	13,226,270	405,124	12,821,146	0.30%	193
2017	14,245,023	370,408	13,874,615	0.35%	212
2016	15,243,775	341,255	14,902,520	0.41%	231
2015	16,222,524	315,260	15,907,264	0.46%	252
2014	17,181,279	267,745	16,913,534	0.52%	269
2013	18,120,031	212,909	17,907,122	0.56%	289
2012	19,043,783	223,431	18,820,352	0.56%	308
2011	19,315,000	191,353	19,123,647	0.52%	310

Sources: The City of Daytona Beach Finance Department.

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

<sup>1</sup> Net of original issuance premium and discount.

<sup>2</sup> Amount restricted for debt service payments.

<sup>3</sup> See TABLE 5 for property value data.

**The City of Daytona Beach, Florida**  
**Governmental Activities Debt – Direct and Overlapping**  
**Last Ten Fiscal Years**

**Table 14**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable <sup>1</sup>	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
County of Volusia, Florida:			
General obligation bonds.....	\$ 3,220,000	14.4638%	\$ 465,734
Other debt:			
District School Board of Volusia County, Florida:			
State school bonds.....	125,000	14.4638	18,080
Sales tax revenue bonds.....	29,010,000	14.4638	4,195,948
Certificates of participation.....	270,670,000	14.4638	39,149,167
County of Volusia, Florida:			
Revenue bonds.....	64,664,925	14.4638	9,353,005
Notes payable.....	18,343,000	14.4638	2,653,095
Total overlapping debt.....			55,835,029
City direct debt.....			39,514,857
Total direct and overlapping debt.....			\$ 95,349,886

Sources: Assessed valuation data used to estimate applicable percentages provided by Volusia County, Florida, Property Appraiser.  
Debt outstanding data provided by each governmental unit.

Notes: <sup>1</sup> The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the County's taxable assessed value that is within the City of Daytona Beach's boundaries and dividing it by the County's total taxable assessed value.

Table 15

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

**The City of Daytona Beach, Florida**  
**Pledged Revenue Coverage**  
**Last Ten Fiscal Years**

**Table 16**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Capital revenue bonds:</b>										
Tax increment revenues.....	\$ 4,353,673	\$ 4,328,539	\$ 4,140,778	\$ 4,109,486	\$ 3,687,123	\$ 3,544,072	\$ 3,514,379	\$ 3,214,889	\$ 3,207,193	\$ 4,182,589
Less: operating expenses.....	304,869	391,517	662,523	695,998	870,030	754,600	683,815	639,645	776,121	1,795,485
<b>Net revenue available for debt service</b>	<b>\$ 4,048,804</b>	<b>\$ 3,937,022</b>	<b>\$ 3,478,255</b>	<b>\$ 3,413,488</b>	<b>\$ 2,817,093</b>	<b>\$ 2,789,472</b>	<b>\$ 2,830,564</b>	<b>\$ 2,575,244</b>	<b>\$ 2,431,072</b>	<b>\$ 2,387,104</b>
<b>Debt service payments:</b>										
Principal.....	\$ 1,510,000	\$ 1,465,000	\$ 1,425,000	\$ 1,380,000	\$ 1,340,000	\$ 1,300,000	\$ 1,255,000	\$ 1,230,000	\$ 1,130,000	\$ 970,000
Interest.....	1,001,428	1,047,931	1,091,281	1,133,356	1,174,156	1,213,756	1,258,356	1,295,756	1,459,814	860,379
<b>Total debt service payments.....</b>	<b>\$ 2,511,428</b>	<b>\$ 2,512,931</b>	<b>\$ 2,516,281</b>	<b>\$ 2,513,356</b>	<b>\$ 2,514,156</b>	<b>\$ 2,513,756</b>	<b>\$ 2,513,356</b>	<b>\$ 2,525,756</b>	<b>\$ 2,589,814</b>	<b>\$ 1,830,379</b>
<b>Coverage (times).....</b>	<b>1.61</b>	<b>1.57</b>	<b>1.38</b>	<b>1.36</b>	<b>1.12</b>	<b>1.11</b>	<b>1.13</b>	<b>1.02</b>	<b>0.94</b>	<b>1.30</b>
<b>Water and sewer bonds:</b>										
Charges for services and other.....	\$ 54,616,311	\$ 53,996,763	\$ 51,257,183	\$ 48,164,299	\$ 47,946,679	\$ 43,900,931	\$ 42,060,900	\$ 40,423,196	\$ 38,329,051	\$ 36,465,905
Less: operating expenses.....	32,701,637	30,619,760	28,465,197	26,057,153	25,345,604	28,035,695	23,427,916	23,179,173	23,370,518	22,497,707
<b>Net revenue available for debt service.....</b>	<b>\$ 21,914,674</b>	<b>\$ 23,377,003</b>	<b>\$ 22,791,986</b>	<b>\$ 22,107,146</b>	<b>\$ 22,601,075</b>	<b>\$ 15,865,236</b>	<b>\$ 18,632,984</b>	<b>\$ 17,244,023</b>	<b>\$ 14,958,533</b>	<b>\$ 13,968,198</b>
<b>Debt service payments:</b>										
Principal.....	\$ 2,525,000	\$ 2,460,000	\$ 4,240,000	\$ 4,075,000	\$ 3,920,000	\$ 3,805,000	\$ 3,530,000	\$ -	\$ 3,265,000	\$ 3,145,000
Interest.....	1,494,775	1,607,100	1,741,100	1,907,400	2,067,300	2,202,775	2,268,675	1,398,132	1,994,594	2,116,725
<b>Total debt service payments.....</b>	<b>\$ 4,019,775</b>	<b>\$ 4,067,100</b>	<b>\$ 5,981,100</b>	<b>\$ 5,982,400</b>	<b>\$ 5,987,300</b>	<b>\$ 6,007,775</b>	<b>\$ 5,798,675</b>	<b>\$ 1,398,132</b>	<b>\$ 5,259,594</b>	<b>\$ 5,261,725</b>
<b>Coverage (times).....</b>	<b>5.45</b>	<b>5.75</b>	<b>3.81</b>	<b>3.70</b>	<b>3.77</b>	<b>2.64</b>	<b>3.21</b>	<b>12.33</b>	<b>2.84</b>	<b>2.65</b>

Source: The City of Daytona Beach Finance Department.

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

Operating expenses do not include interest, depreciation, or amortization expenses.

There were no principal payments on the water and sewer revenue bonds during FY 2012-13 due to the refunding that occurred in FY 2011-12.

**Table 17**

Fiscal Year Ended September 30,	Population <sup>1</sup>	Personal Income <sup>2</sup>	Per Capita Personal Income <sup>3</sup>	Median Household Income <sup>4</sup>	Median HUD Rate <sup>5</sup>	Area Unemployment Rate <sup>6</sup>
2020	70,235	\$ 3,143,859,070	\$ 44,762	\$ 35,893	\$ 64,900	6.3 %
2019	67,351	2,897,978,828	43,028	51,364	59,100	3.2
2018	66,267	2,725,694,244	41,132	47,351	55,100	3.5
2017	65,569	2,562,829,934	39,086	46,341	54,300	4.1
2016	64,569	2,466,342,093	38,197	46,341	51,400	5.2
2015	63,186	2,285,374,434	36,169	42,109	51,800	5.5
2014	62,784	2,191,161,600	34,900	41,769	51,500	6.7
2013	62,035	2,150,195,135	34,661	40,114	56,500	8.0
2012	61,028	2,040,532,208	33,436	38,477	56,500	9.2
2011	61,615	1,888,992,670	30,658	32,065	57,100	11.1

Sources: <sup>1</sup> U.S. Department of Commerce, Bureau of Census for 2010.  
 Bureau of Economic and Business Research, University of Florida, for 2018, 2019, & 2020.  
 All other periods estimated by Volusia County.

<sup>2</sup> Amount computed from population and per capita personal income statistics.

<sup>3</sup> US Bureau of Economic Analysis. Amounts indicated are for Deltona-Daytona Beach-Ormond Beach MSA, Florida.

<sup>4</sup> FL Research & Economic Info Database (FREIDA) for 2011-2019. United States Census Bureau used for 2020. Amounts indicated are for Deltona-Daytona Beach-Ormond Beach, FL Metro Area.

<sup>5</sup> US Department of Housing and Urban Development, HUD User data set.

<sup>6</sup> US Bureau of Labor Statistics Data. Amounts indicated are for Deltona-Daytona Beach - Ormond Beach MSA, Florida.



The City of Daytona Beach, Florida  
Principal Employers  
Last Ten Fiscal Years

Table 18

Employer(1)	September 30, 2020				September 30, 2011			
	Total Employees	Rank	Percent to Total City Employment		Total Employees	Rank	Percent to Total City Employment	
(1) Volusia County School District.....	7,750	1	24.75	%	8,211	1	25.07	%
(1) Halifax Health.....	3,966	2	12.66		3,957	2	12.08	
(1) Volusia County, Florida.....	3,402	3	10.86		3,280	3	10.01	
Advent Health Daytona Beach.....	2,412	4	7.70					
Embry-Riddle Aeronautical University.....	2,058	5	6.57		1,176	5	3.59	
(1) Daytona State College.....	1,157	6	3.69		1,797	4	5.49	
(1) The City of Daytona Beach, Florida.....	921	7	2.94		829	7	2.53	
(1) Florida Hospital Healthcare Partner.....	846	8	2.70					
SMA Healthcare .....	597	9	1.91					
Bethune Cookman University.....	514	10	1.64		600	8	1.83	
International Speedway Corporation.....					850	6	2.60	
Daytona Beach News Journal.....					499	9	1.52	
Plaza Resort & Spa.....					499	10	1.52	
Total.....	<u>23,623</u>		<u>75.43</u>		<u>21,698</u>		<u>66.25</u>	
(2) Estimated civilian labor force.....	<u>31,316</u>				<u>32,752</u>			

Sources: Volusia County Schools Demographics & Statistics  
Volusia County Department of Economic Development.  
Volusia County 2020 Annual Report  
The City of Daytona Beach Human Resources Department.

Notes: (1) Employee numbers reported represent total employees in Volusia County. Individual employee counts by city are not compiled or reported by the employers, and include employees who reside in other government jurisdictions within the Volusia County area.

(2) Source for 2020 estimate: US Bureau of Labor Statistics.  
Source for 2011 estimate: 2011 CAFR

**The City of Daytona Beach, Florida**  
**Full Time Equivalent City Government Employees by Function/Program**  
**Last Ten Fiscal Years**

**Table 19**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General government:										
Legislative.....	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Management/government relations.....	16.8	16.8	15.0	13.0	14.5	13.5	13.0	8.0	8.0	9.0
Legal.....	10.0	10.0	10.0	10.0	9.0	8.0	8.0	8.0	8.0	8.0
Human resources.....	8.0	8.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Risk management.....	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	9.5
Development services.....	43.0	41.0	36.0	33.0	34.0	32.0	33.0	30.0	25.0	28.0
Redevelopment services.....	6.0	6.0	6.0	6.0	6.0	6.0	6.0	5.0	5.0	5.0
City clerk.....	19.8	19.3	18.3	18.3	17.3	16.8	15.5	14.0	14.0	15.0
Information technology.....	37.3	37.8	36.8	36.8	35.8	34.8	35.0	29.0	28.0	26.0
Finance.....	13.0	15.0	12.0	11.0	11.0	10.0	10.0	10.0	9.0	9.0
Police:										
Chief of Police.....	207.0	207.0	185.0	186.0	187.0	188.0	190.5	184.5	181.5	181.5
Operations.....	97.0	94.0	89.0	88.0	89.0	85.5	81.0	86.0	77.0	79.0
Support bureau.....	-	-	10.0	10.0	10.0	10.0	-	-	-	-
COPS Grant.....	-	-	-	-	-	-	-	-	-	-
Fire:										
Administration.....	12.0	12.0	10.0	9.0	9.0	9.0	9.0	9.0	9.0	10.0
Operations.....	101.0	101.0	99.0	100.0	100.0	97.0	97.0	97.0	97.0	100.0
Public works:										
Administration.....	1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Engineering.....	26.5	26.5	24.5	23.5	19.8	16.8	18.0	18.0	18.0	18.0
Maintenance and other.....	88.5	90.5	91.5	89.0	89.5	89.5	84.0	84.0	85.0	86.0
Culture and recreation:										
Municipal Golf Course.....	3.0	3.0	3.0	3.0	3.0	3.0	4.2	3.2	22.0	22.0
Florida Tennis Center.....	3.6	3.6	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Halifax Harbor.....	1.1	1.0	1.0	1.8	1.0	1.0	-	-	-	-
Cultural & Community Events.....	3.0	5.0	5.0	13.0	13.0	12.0	-	-	-	-
Peabody Auditorium - Operations.....	7.0	7.0	7.0	10.0	10.0	8.0	-	-	-	-
Recreation.....	30.5	29.5	33.0	28.5	28.5	25.5	49.3	40.3	45.0	50.5
Solid waste services.....	2.5	2.5	2.5	2.5	2.5	2.5	3.0	3.0	3.0	3.0
Water and wastewater services.....	168.0	168.0	162.0	152.3	153.6	151.7	151.5	151.5	151.0	150.0
<b>Total.....</b>	<b>920.6</b>	<b>920.5</b>	<b>884.1</b>	<b>872.0</b>	<b>871.0</b>	<b>848.1</b>	<b>835.5</b>	<b>808.0</b>	<b>813.0</b>	<b>829.0</b>

Source: The City of Daytona Beach Human Resources Department.

Note: Part-time and seasonal employees for all departments are assumed to be 0.5 full time equivalents for all reporting categories.

Reorganization in FY 2014-15 required reclassification of Halifax Marina, Cultural and Community Events and Peabody which were previously reported as part of Recreation.

**The City of Daytona Beach, Florida**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

**Table 20**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Police:</b>										
Physical arrests.....	7,697	9,183	8,762	8,475	7,924	8,087	8,472	8,959	10,917	10,285
Parking violations.....	422	539	792	636	541	510	718	1,038	1,222	2,451
Traffic violations.....	7,197	9,315	11,613	11,515	16,058	12,655	12,741	15,823	13,855	21,145
<b>Fire:</b>										
Emergency responses.....	18,081	18,410	21,838	22,055	21,443	21,042	19,459	18,516	19,017	18,673
Non-fire/EMS.....	15,686	15,100	17,388	18,406	16,446	16,083	15,696	13,303	15,940	15,133
Inspections by engine companies.....	82	685	932	1,680	2,016	1,848	2,302	2,016	1,465	1,844
Inspections by fire inspectors.....	660	1,015	993	987	1,012	982	803	1,286	2,129	2,911
<b>Solid waste:</b>										
Refuse collected (tons per day).....	208	211	209	223	201	171	162	159	156	147
Yard trash (tons per day).....	19	23	22	23	23	26	24	23	22	21
Recyclables collected (tons per day).....	5	5	6	5	5	5	5	5	4	5
<b>Public works:</b>										
Street construction (miles).....	0.5	-	1.2	-	0.9	-	0.7	-	-	-
Street resurfacing (miles).....	0	1.52	2.2	5.2	3.2	1.5	0.5	-	8.7	38.2
Potholes repaired.....	1,722	1,248	1,017	830	931	788	871	550	330	527
<b>Building development:</b>										
Residential/single family permits issued....	830	519	454	408	412	400	507	562	472	521
Commercial/multi-family permits issued...	325	262	250	336	404	271	255	311	294	295
Miscellaneous permits issued.....	5,957	6,577	4,881	5,774	3,644	3,037	2,853	2,526	2,304	3,104
<b>Water:</b>										
New connections.....	692	419	402	180	188	186	167	96	110	244
Water main breaks.....	404	90	291	595	264	432	285	266	176	157
Average daily consumption (MGD).....	12.9	12.4	11.9	12.5	11.8	12.2	12.8	12.4	11.8	11.6
Peak daily consumption (MGD).....	16.8	16.3	12.6	15.2	13.7	14.2	14.2	13.9	14.7	18.0
<b>Sewer:</b>										
Average daily treatment (MGD).....	11.3	11.3	13.0	11.1	11.2	11.1	11.0	10.9	10.5	9.5
<b>Utilities system:</b>										
Number of customers.....	28,818	27,643	27,157	26,825	24,584	24,409	24,249	23,674	22,777	23,017

Source: Various City of Daytona Beach Departments.

Prior to fiscal year 2015, data for physical arrests was based on calendar year.

\*Due to COVID the Inspection Program was temporarily suspended for a majority of FY 20.

\*\*No Budget for Street Resurfacing allocated in FY 20.

**The City of Daytona Beach, Florida**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**

**Table 21**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>General government:</b>										
Area (square miles).....	68	68	68	68	68	68	68	68	68	68
<b>Police:</b>										
Stations.....	3	1	1	1	1	1	1	1	1	1
Patrol units (marked cars).....	186	166	166	170	163	153	149	149	149	123
<b>Fire:</b>										
Fire stations.....	7	7	7	7	7	7	7	7	7	7
<b>Solid waste:</b>										
Collection trucks.....	19	18	18	12	12	12	12	12	12	13
<b>Public works:</b>										
Paved streets (miles).....	305.5	305.0	305.0	302.9	302.9	302.9	302.9	301.5	301.5	301.5
Unpaved streets (miles).....	0.9	0.9	0.9	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Streetlights.....	7,500	8,373	8,367	8,324	8,324	8,303	8,282	8,282	6,445	6,445
Traffic signals.....	145	136	136	136	136	136	135	135	134	134
<b>Parks and recreation:</b>										
Area (acres).....	858	858	858	858	858	858	858	858	858	858
Swimming pools.....	2	2	2	2	2	2	2	2	2	2
Tennis courts.....	38	38	38	36	36	36	36	36	36	36
Playgrounds.....	24	24	24	23	24	24	24	24	24	24
Recreation (community) centers.....	19	19	19	19	19	19	19	19	18	18
Shuffleboard/lawn bowling courts.....	4	4	4	5	5	5	5	5	5	5
Auditorium/Bandshell.....	4	4	4	4	4	4	4	4	4	4
Soccer/football fields.....	7	7	7	7	7	7	7	7	7	7
Baseball/softball diamonds.....	13	13	13	13	13	13	13	13	13	13
Basketball courts.....	26	26	26	26	26	26	26	22	21	20
18 hole golf courses.....	2	2	2	2	2	2	2	2	2	2
Marina boat slips.....	550	550	550	550	550	550	550	550	550	550
Boat ramps.....	18	18	18	18	18	18	18	18	18	18
Parks and picnic areas.....	38	38	38	38	38	38	38	38	38	38
<b>Water:</b>										
Water mains (miles).....	496	498	587	700	700	700	700	700	700	700
Fire hydrants.....	2,666	2,529	3,018	2,897	2,884	2,866	2,840	2,450	2,450	2,317
Production capacity (MGD).....	24	24	24	24	24	24	24	24	24	24
<b>Sewer:</b>										
Sanitary sewers (miles).....	294	402	396	615	615	615	615	615	615	615
Storm sewers (miles).....	125	124	113	203	203	203	203	189	189	189
Treatment capacity (MGD).....	28	28	28	28	28	28	28	28	28	28

Source: Various City of Daytona Beach Departments.

Notes: The Utilities Department has spent the last year refining the GIS mapping of our utility lines. The totals in the table above reflect City maintained water, sewer and stormwater mains located within the public right-of-way and/or easements. These numbers do not include service lines and laterals to private property up to the City's water meter and clean-out; however, the City is responsible for maintenance of these lines. In previous years an approximation of the service lines and laterals were included in the total miles of pipeline which is why the 2018 totals have decreased.

**The City of Daytona Beach, Florida**  
**Other Post-Employment Benefits (OPEB)**  
**Schedule of Statistical Information**  
**September 30, 2020**

**Table 22**

	Number of Participants Included
Current retirees:	
Under age 65.....	56
Over age 65.....	104
Total current retirees.....	160
Active employees:	
Active employees not yet fully eligible for benefits.....	715
Active employees fully eligible for benefits.....	146
Total active employees.....	861
Total number of participants.....	1021
Average age of active employees.....	43.9

Age and service distribution for active employees:

	Years of Service								
	0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35+	
Age									Total Number of Active Employees
Under 25	47	-	-	-	-	-	-	-	47
25-29	67	12	-	-	-	-	-	-	79
30-34	70	29	14	-	-	-	-	-	113
35-39	50	18	25	6	-	-	-	-	99
40-44	33	13	26	31	9	-	-	-	112
45-49	34	15	11	22	12	6	-	-	100
50-54	28	7	20	20	10	11	4	-	100
55-59	27	21	8	13	14	8	7	-	98
60-64	25	10	15	10	8	6	8	3	85
65+	9	5	4	5	2	2	1	-	28
Total	390	130	123	107	55	33	20	3	861

Based on October 1, 2019 OPEB actuarial valuation report.



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# Compliance Section



**The City of Daytona Beach, Florida**  
**Schedule of Expenditures of Federal Awards and State Financial Assistance**  
**For the Fiscal Year Ended September 30, 2020**

Federal Agency Pass-through Entity Federal Program/State Project	CFDA No.	Grant Number/ Pass Through Entity Identifying Number	Expenditures	Transfers to Subrecipients
<b>FEDERAL AWARDS:</b>				
<b>US Department of Housing and Urban Development</b>				
Direct Programs:				
<b>CDBG - Entitlement Grants Cluster</b>				
Community Development Block Grant	14.218	B-17-MC-12-0004	\$ 271,442	\$ -
Community Development Block Grant	14.218	B-18-MC-12-0004	87,226	-
Community Development Block Grant	14.218	B-19-MC-12-0004	591,376	25,000
COVID-19 Community Development Block Grant	14.218	B-20-MC-12-0004	208,095	-
<b>Total CDBG - Entitlement Grants Cluster</b>			<u>1,158,139</u>	<u>25,000</u>
HOME Investment Partnerships Program	14.239	M-16-MC-12-0203	17,951	-
HOME Investment Partnerships Program	14.239	M-17-MC-12-0203	57,833	-
<b>Total HOME Investment Partnerships Program</b>			<u>75,784</u>	<u>-</u>
Total US Department of Housing and Urban Development			<u>1,233,923</u>	<u>25,000</u>
<b>US Department of Justice</b>				
Direct Programs:				
Bulletproof Vest Partnership Program	16.607	BV 2014 -2019	30,250	-
Edward Byrne Memorial Justice Assistance Grant Program:				
2017 Justice Assistance Grant Program	16.738	2017-DJ-BX-0912	33,486	-
2018 Justice Assistance Grant Program	16.738	2018-DJ-BX-0803	2,418	-
COVID-19 2020 Justice Assistance Grant Program	16.738	2020-VD-BX-0429	1,986	-
Equitable Sharing Program	16.922	n/a	67,610	-
Indirect Programs:				
Passed Through Florida Office of the Attorney General		VOCA-2018-City of Daytona Beach Pol-		
Crime Victim Assistance Programs:				
Victims of Crime Act - Victims Assistance Program	16.575	00543	42,857	-
Total US Department of Justice			<u>178,606</u>	<u>-</u>
<b>US Department of Transportation</b>				
Indirect Programs:				
<b>Highway Safety Cluster</b>				
Passed through Florida Department of Transportation:				
State and Community Highway Safety	20.600	G1E06	24,369	-
State and Community Highway Safety	20.600	G1R35	10,981	-
<b>Total Highway Safety Cluster</b>			<u>35,350</u>	<u>-</u>
Total US Department of Transportation			<u>35,350</u>	<u>-</u>
<b>US Department of the Treasury</b>				
Indirect Programs:				
Passed through Florida Housing Finance Corporation				
COVID-19 Coronavirus Relief Fund	21.019		220,837	-
Total US Department of the Treasury			<u>220,837</u>	<u>-</u>
<b>US Department of Homeland Security - Federal Emergency Management Agency</b>				
Indirect Programs:				
Passed through Florida Division of Emergency Management:				
Disaster Grants - Public Assistance (Hurricane Irma)	97.036	17-PA-00-06-74-01-110	2,379,768	-
Disaster Grants - Public Assistance (HurricaneDorian)	97.036	17-PA-00-06-74-01-152	26,171	-
Total US Department of Homeland Security			<u>2,405,939</u>	<u>-</u>
<b>US Environmental Protection Agency</b>				
Indirect Programs:				
<b>Clean Water State Revolving Funds Cluster</b>				
Passed through Florida Department of Environmental Protection:				
Capitalization Grants for Clean Water State Revolving Funds:				
Beach Street Force Main	66.458	WW640970	4,511,690	-
WRWRF Biosolids Dewatering Improvements	66.458	WW640980	98,253	-
<b>Total Clean Water State Revolving Funds Cluster</b>			<u>4,609,943</u>	<u>-</u>
Total US Environmental Protection Agency			<u>4,609,943</u>	<u>-</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 8,684,599</u>	<u>\$ 25,000</u>



**The City of Daytona Beach, Florida**

**Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)**  
**For the Fiscal Year Ended September 30, 2020**

State Agency, Pass-through Entity, Federal Program/State Project	CSFA Number	Grant Number/ Pass Through Entity Identifying Number	Expenditures	Transfers to Sub recipients
<b>STATE FINANCIAL ASSISTANCE:</b>				
<b>Florida Department of Environmental Protection:</b>				
Direct Programs:				
Statewide Surface Water Restoration and Wastewater Projects:				
Bennett Swamp	37.039	LP64095	\$ 110,227	\$ -
Wastewater Treatment Facility Construction:				
Clean Water State Revolving Loan	37.077	WW640930	18,444,452	-
Total Florida Department of Environmental Protection			<u>18,554,679</u>	<u>-</u>
<b>Florida Housing Finance Corporation</b>				
Direct Programs:				
State Housing Initiatives Partnership Program (SHIP)	40.901		67,276	-
Total Florida Housing Finance Corporation			<u>67,276</u>	<u>-</u>
<b>Florida Fish and Wildlife Conservation Commission</b>				
Direct Programs:				
Derelict Vessel Removal	77.005	19243	107,830	-
Total Florida Fish and Wildlife Conservation Commission			<u>107,830</u>	<u>-</u>
<b>Florida Department of Transportation</b>				
Direct Programs:				
Florida Shared-Use Nonmotorized (Sun) Trail Network Program:				
SunTrail Phase 2 - Ballough Bridge	55.038	439870-1-54-01	45,035	-
SunTrail Phase 3 - S Beach St (Marina Pt to Orange)	55.038	439869-1-54-01	239,747	-
SunTrail Phase 4 - S Beach St (Bellevue to Marina Pt)	55.038	439868-1-54-01	103,632	-
SunTrail Phase 6 - S Beach St (Wilder to Shady Pl)	55.038	439866-1-54-01	404,793	-
Total Florida Department of Transportation			<u>793,207</u>	<u>-</u>
<b>Total Expenditures of State Financial Assistance</b>			<u><b>\$ 19,522,992</b></u>	<u><b>\$ -</b></u>

**The City of Daytona Beach, Florida**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**September 30, 2020**

**A. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards and state financial assistance (the Schedule) includes the federal award activity and state award activity of The City of Daytona Beach, Florida, under programs of the federal government and state government for the year ended September 30, 2020. 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 the Section 215.97, Florida Statutes. Because the Schedule presents only a selected portion of the operations of The City of Daytona Beach, Florida, it is not intended to and does not present the financial position, changes in net assets, or cash flows of The City of Daytona Beach, Florida.

**B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable, or are limited as to reimbursement.

**C. SUB RECIPIENTS**

The City of Daytona Beach, Florida provided federal awards to sub recipients in the amount of \$25,000 for the fiscal year ended September 30, 2020.

**D. INDIRECT COST RATE**

The City of Daytona Beach, Florida has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**E. NONCASH AWARDS**

The City of Daytona Beach, Florida received no noncash awards in the fiscal year ended September 30, 2020.

**F. FEMA EXPENDITURES**

Expenditures for CFDA No. 97.036 Disaster Grants – Public Assistance, include \$1,680,325 expended in the previous fiscal years prior to October 1, 2019.



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

Honorable Mayor and Members of the City Commission  
City of Daytona Beach, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Daytona Beach, Florida, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise City of Daytona Beach, Florida's basic financial statements, and have issued our report thereon dated June 30, 2021. Our report includes a reference to other auditors who audited the financial statements of the Police and Fire Pension Trust Fund and of First Step Shelter, Inc. (a discretely presented component unit), as described in our report on the City of Daytona Beach, Florida's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Daytona Beach, Florida's internal control over financial reporting (internal control) to determine the audit 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 of Daytona Beach, Florida's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Daytona Beach, Florida'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be significant deficiencies.

### **Compliance and Other Matters**

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

### **The City of Daytona Beach, Florida's Response to Findings**

The City of Daytona Beach, Florida's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City of Daytona Beach, Florida's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Carri Riggs & Ingram, L.L.C.*

Melbourne, Florida  
June 30, 2021



Carr, Riggs & Ingram, LLC  
215 Baytree Drive  
Melbourne, Florida 32940  
(321) 255-0088  
(321) 259-8648 (fax)  
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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE FLORIDA AUDITOR GENERAL**

Honorable Mayor and Members of the City Commission  
City of Daytona Beach, Florida

**Report on Compliance for Each Major Federal Program and State Project**

We have audited the City of Daytona Beach, Florida's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and Chapter 10.550, Rules of the Florida Auditor General that could have a direct and material effect on each of the City of Daytona Beach, Florida's major federal programs and state projects for the year ended September 30, 2020. The City of Daytona Beach, Florida's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal awards and state financial assistance applicable to its federal programs and state projects.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City of Daytona Beach, Florida's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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 the audit requirements of Chapter 10.550, Rules of the Florida Auditor General. Those standards, the Uniform Guidance and the Chapter 10.550 audit requirements require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the City of Daytona Beach, Florida's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. However, our audit does not provide a legal determination of the City of Daytona Beach, Florida's compliance.

### ***Opinion on Each Major Federal Program and State Project***

In our opinion, the City of Daytona Beach, Florida 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, 2020.

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

Management of the City of Daytona Beach, Florida is responsible for establishing and maintaining effective internal control over compliance with the types of requirements referred to above. In planning and performing our audit of compliance, we considered the City of Daytona Beach, Florida's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program or state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project, and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, Rules of the Florida Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Daytona Beach, Florida's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2020-002 that we consider to be significant deficiencies.

The City of Daytona Beach's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City of Daytona Beach's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 Florida Auditor General. Accordingly, this report is not suitable for any other purpose.

*Caru, Riggs & Ingram, L.L.C.*

Melbourne, Florida

June 30, 2021



**The City of Daytona Beach, Florida  
Schedule of Findings and Questioned Costs  
Fiscal Year Ended September 30, 2020**

**Section I—Summary of Auditors’ Results**

***Financial Statements***

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_ yes      X no
- Significant deficiency(ies) identified? X yes      \_\_\_ none noted

Noncompliance material to financial statements noted? \_\_\_ yes      X no

***Federal Awards and State Programs***

Internal control over major federal programs and state programs:

- Material weakness(es) identified? \_\_\_ yes      X no
- Significant deficiency(ies) identified? X yes      \_\_\_ none noted

Type of auditors’ report issued on compliance for major federal programs and state programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Part 200.516(a) of OMB Compliance Supplement and/or Chapter 10.554(1)(l)(4)? X yes  
none noted

Identification of major federal programs and state programs:

<u>Federal CFDA Number</u>	<u>Federal Program or Cluster</u>
21.019	COVID-19 Coronavirus Relief Fund
97.036	Disaster Grants – Public Assistance
66.458	Capitalization Grants for Clean Water State Revolving Funds

<u>State CSFA Number</u>	<u>State Program</u>
37.077	Wastewater Treatment Facility Construction

Dollar threshold used to distinguish between type A and B programs was \$750,000 for major federal programs and \$750,000 for major state programs.

Auditee qualified as a low-risk auditee for federal purposes? X yes      \_\_\_ no

**The City of Daytona Beach, Florida**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Fiscal Year Ended September 30, 2020**

**Section II—Financial Statement Findings**

**A. Internal Control Over Financial Reporting**

**2020-001 Review of Schedule of Expenditures of Federal Awards and State Financial Assistance**

**Criteria:** The Schedule of Expenditures of Federal Awards and State Financial Assistance (SEFA), should be prepared in accordance with the Uniform Guidance in 2 CFR 200, and in accordance with the Florida Single Audit Act contained in Florida Statute 215.97 prior to being provided to the auditors for audit.

**Condition:** The SEFA provided to the auditors contained formula and transposition errors.

**Cause of condition:** The position responsible for review of the SEFA in prior years is currently vacant and those responsibilities are being handled by others. Certain procedures performed in the review of prior year SEFA's were not immediately known to the current year reviewer and were inadvertently missed.

**Potential effect of condition:** There is an increased likelihood of errors or misstatements in the SEFA. Formula errors in the SEFA resulted in a significant overstatement of expenditures in both a Federal award program and a state project. Similarly, a transposition error resulted in a minor understatement of expenditures of a Federal award program.

**Recommendation:** The City should draft procedures related to review of the SEFA, which would include reconciliation of the amounts recorded on the SEFA to the general ledger and proofing the mathematical integrity of the schedule to ensure completeness and accuracy. Written procedures should serve to assist the City in allowing for consistency in the process should there be another change in the person responsible for reviewing the SEFA.

**Management's Response and Planned Corrective Action:** *Management acknowledges and agrees. A review of responsibilities will be performed prior to interviewing for replacement staff and more checks will be performed for completeness and accuracy. Additional education and training will be provided to preparer and reviewer staff members*

**B. Compliance and Other Matters**

No matters were reported.

**Section III—Federal Award Findings and Questioned Costs**

**A. Compliance**

No matters were reported.

**The City of Daytona Beach, Florida**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Fiscal Year Ended September 30, 2020**

**B. Internal Control Over Compliance**

**2020-002 Review of Reports and Reimbursement Requests**

U.S. Department of Homeland Security – Federal Emergency Management Agency  
CFDA No. 97.036 – Disaster Grants – Public Assistance  
Contract No. 17-PA-00-06-74-01-110 for Hurricane Irma (for 2017)  
Contract No. 17-PA-00-06-74-01-152 for Hurricane Dorian (for 2019)  
Passed Through Florida Division of Emergency Management

**Criteria:** 2 CFR 200.303 requires non-federal entities to establish and maintain effective internal controls. Internal controls over compliance should include controls related to financial, performance and special reporting required by the grantor. Reports and reimbursement requests should be subject to independent review to verify completeness, validity and timeliness of submission.

**Condition:** Review of the quarterly reports and reimbursement requests was not consistently documented.

**Cause of condition:** The City did not consistently retain documentation of the review of the quarterly reports and reimbursement requests.

**Questioned Costs:** None.

**Perspective (Context):** This is a documentation issue related to the review of the quarterly reports and reimbursement requests. Approval of the report by someone other than the preparer was being provided verbally. The quarterly reports and reimbursement requests tested for fiscal year 2020 lacked consistent documentation of review and approval, i.e., review by the Chief Financial Officer was noted for some, but not all, of the reimbursement requests selected for testing.

**Potential Effect of Condition:** While the quarterly reports and reimbursement requests that were submitted were in compliance with the grant, the City could potentially submit a quarterly report or reimbursement request with errors if it was not reviewed prior to submittal.

**Recommendation:** We recommend the City retain documentation of the review of financial, performance and special reporting required by the grantor.

**Management's Response and Planned Corrective Action:** *Management acknowledges the audit finding and corrective action has been taken. While quarterly project progress reports were reviewed, documentation of the review was not consistently kept. Procedures have been changed so that documentation in the form of a written or electronic approval of the report will be retained.*

**The City of Daytona Beach, Florida  
Schedule of Findings and Questioned Costs (Continued)  
Fiscal Year Ended September 30, 2020**

**Section IV—State Project Findings and Questioned Costs**

***A. Compliance***

No matters were reported.

***B. Internal Control Over Compliance***

No matters were reported.

**Section V- Prior Findings and Questioned Costs for Federal Awards and State Projects**

**2019-001 Wage Rate Compliance**

Status: Resolved



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## Independent Auditors' Management Letter

Honorable Mayor and Members of the City Commission  
The City of Daytona Beach, Florida

### Report on the Financial Statements

We have audited the financial statements of the City of Daytona Beach, Florida (the "City") as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated June 30, 2021.

### Auditors' Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on an Examination Conducted in Accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Florida Auditor General. Disclosures in those reports and schedule, which are dated June 30, 2021, 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. The status of corrective actions to address the findings and recommendations made in the preceding financial audit are as follows:

Finding No.	Description	Status
IC 2018-001	Segregation of Duties at Halifax Harbor Marina	Unresolved
IC 2018-002	Oversight of Halifax Harbor Marina	Unresolved
2019-002	Unexpended Balance – Building Permits	Unresolved

## **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 of the City of Daytona Beach, Florida and its component unit are disclosed in the footnotes.

## **Financial Condition and Management**

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

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

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

### **IC 2018-001 Segregation of Duties at Halifax Harbor Marina**

**Criteria:** The City should have adequate segregation of duties over the Halifax Harbor Marina cash receipts process.

**Condition:** The Halifax Harbor Marina bookkeeper is responsible for processing sales transactions, performing daily cash receipt reconciliation, and delivering deposits to the bank. There is no documented review of the daily cash receipt reconciliation by an individual independent of the bookkeeper. Additionally, on days when the bookkeeper is out of the office, another individual performs the same duties, and both individuals have access to the bookkeeper's computer without differentiation to identify who is logged in.

**Cause of condition:** There is lack of segregation of duties over cash receipts and lack of documented review over the daily cash receipt reconciliation.

**Potential effect of condition:** Lack of segregation of duties can result in misappropriation of assets that may not be detected by the City's controls on a timely basis.

**Recommendation:** We recommend that the City implement segregation of duties at Halifax Harbor Marina over the cash receipts process, implement a documented independent review over the daily cash receipt reconciliation, and that individuals logged into the City's system have unique logins.

**Management's Response:** *Management agrees. Further segregation of duties, internal controls, and documentation of the reviews will be implemented in the upcoming fiscal year.*

#### **IC 2018-002 Oversight of Halifax Harbor Marina**

**Criteria:** The City contracts with Safe Harbor Marinas (SHM) to provide management services for Halifax Harbor Marina. Pursuant to the terms of the contract, SHM is required to provide weekly and monthly reports on the activities of Halifax Harbor Marina to the City.

**Condition:** We could not determine that weekly or monthly reports from Halifax Harbor Marina were being reviewed by the City's Enterprise Business Manager.

**Cause of condition:** The City did not properly monitor receipt of the weekly and monthly reports from SHM in compliance with the terms of their management contract.

**Potential effect of condition:** Lack of oversight of the management contract could result in performance issues or misappropriation of City assets that may not be identified or detected by the City's controls on a timely basis.

**Recommendation:** We recommend that the City's Enterprise Business Manager design and implement controls to monitor SHM's compliance with the contract provisions regarding the remittal of weekly and monthly reports and retain documentation that the reports are being reviewed.

**Management's Response:** *Management acknowledges the comment. The City contracted with a new management company in September 2019. Documentation of the receipt and review of financial, occupancy and accounts receivable reports will be retained in the future.*

#### **2019-002 Unexpended Balance – Building Permits**

**Criteria:** Section 553.80(7)(a) of Florida Statutes has been updated to limit the amount of unexpended building permit funds carried forward to future fiscal years to no more than the City's average operating budget for enforcing the Florida Building Code for the previous four (4) fiscal years. A local government must use any funds in excess of this limitation to rebate or reduce fees.

**Condition:** The City's unexpended building permit funds at September 30, 2020 exceeded the City's average operating budget for enforcing the Florida Building Code for the previous four (4) fiscal years by \$5,760,129.

**Cause of condition:** Prior to July 1, 2019, there was no provision in the Florida Statutes limiting the amount of carryforward of unexpended building permit funds. In prior fiscal years, the annual revenue derived from building permit fees exceeded anticipated amounts.

**Potential effect of condition:** The City has excess unexpended balances at September 30, 2020.



**Recommendation:** The City should identify how it intends to reduce the amount of unexpended building code balances in order to comply with Section 553.80(7)(a) of Florida Statutes.

**Management's Response:** *Management is aware of the need to reduce the fund balance restricted for building code enforcement to meet the requirements of the new statute. A suspension of building permit fees went into effect for a significant portion of the past fiscal year. Additional plans for reducing fund balance will be instituted by October 1, 2021.*

#### **2020-003 Census Data Review**

**Criteria:** Census data for the pensions and for OPEB should be reviewed by someone other than the preparer annually prior to the data being provided to the actuary. For the Florida Retirement System, monthly census data should be reviewed by someone other than the preparer prior the information being uploaded to the state's FRS website.

**Condition:** There was no documentation retained of the review of the census data that was provided to the Florida Retirement System website, to the actuary for the Police Officer and Fire Defined Benefit Pension Plan, or to the actuary for the Other Post-Employment Benefits calculation.

**Cause of condition:** No documentation of review was retained.

**Potential effect of condition:** The actuaries could potentially be provided with erroneous data that could materially misstate the actuarial calculations and liabilities.

**Recommendation:** We recommend that the City retain all documentation of review, including the census data reviewed, the individual that reviewed it, and the date reviewed.

**Management's Response:** *Management acknowledges the audit finding and corrective action has been taken. Procedures have been changed so that documentation of the review is retained.*

#### **2020-004 Deferred Outflows for Contributions Subsequent to the Measurement Date**

**Criteria:** In accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided Through Trusts that Meet Specified Criteria*, contributions to the pension plan from the employer made subsequent to the measurement date of the net pension liability and before the end of the reporting period should be reported as a deferred outflow of resources related to pensions.

**Condition:** Current year pension-related deferred outflows for contributions subsequent to the measurement date were not recorded by the City. In addition, the prior year deferred outflows for contributions subsequent to the prior year measurement date were reversed in the current year despite not being recorded in the prior year.

**Cause of condition:** The journal entry to record current year deferred outflows for contributions subsequent to the measurement date was not posted. Additionally, the deferred outflows for contributions subsequent to the measurement date entry for fiscal year 2019 was inadvertently missed.

**Potential effect of condition:** The result is was an understatement of deferred outflows and an overstatement of expenses. The deferred outflows balance has been corrected as of September 30, 2020.

**Recommendation:** We recommend that procedures are enabled to ensure that the journal entries to record deferred outflows for contributions subsequent to the measurement date are posted.

**Management's Response:** *Management acknowledges the audit finding. A yearend checklist of all pension-related journal entries will be created and reviewed annually to ensure all entries are properly completed.*

### **2020-005 System for Awards Management (SAM) Verification**

**Criteria:** 2 CFR 180.300 requires the City to ensure vendors and contractors are not disqualified, excluded, or debarred from executing transactions with the Federal government prior to entering into a covered transaction. 2 CFR 200.303 requires non-federal entities to establish and maintain effective internal controls. The City should have a process to ensure compliance with 2 CFR 180.300.

**Condition:** The City did not perform a SAM check (verification) or otherwise determine whether a consultant used on a Federal grant was disqualified, excluded or debarred prior to entering into covered transactions.

**Cause of condition:** The City was advised by the pass-through grantor agency that SAM checks were not required for consultants; however, the pass-through grantor agency's interpretation of the Federal requirement was not accurate.

**Potential effect of condition:** Without a prior SAM check, the City may enter into covered transactions with federally debarred vendors. It was noted that the City properly performed SAM checks for other vendors and contractors used for this award. The consultant was not disqualified, excluded, or debarred per a SAM check performed at the time of the audit.

**Recommendation:** The City should perform SAM checks for all vendors or contractors prior to entering into covered transactions.

**Management's Response:** *Management acknowledges the audit finding and the proper training has been provided to the operating departmental staff in charge of monitoring grant compliance.*

### **Additional Matters**

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

**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 the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the members of the City Commission and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Caru, Riggs & Ingram, L.L.C.*

Melbourne, Florida  
June 30, 2021



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(321) 259-8648 (fax)  
www.cricpa.com

## **INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES**

Honorable Mayor and City Commissioners  
City of Daytona Beach, Florida

We have examined the City of Daytona Beach, Florida's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2020. Management is responsible for the City of Daytona Beach, Florida's compliance with the specified requirements. Our responsibility is to express an opinion on the City of Daytona Beach, Florida's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City of Daytona Beach, Florida's complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City of Daytona Beach, Florida's complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City of Daytona Beach, Florida's compliance with specified requirements.

In our opinion, the City of Daytona Beach, Florida complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2020.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

*Carr, Riggs & Ingram, L.L.C.*

Melbourne, Florida  
June 30, 2021



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# The CITY OF DAYTONA BEACH

“THE WORLD’S MOST FAMOUS BEACH”

## **CORRECTIVE ACTION PLAN**

June 30, 2021

The City of Daytona Beach, Florida respectfully submits the following corrective action plan for the year ended September 30, 2020.

Name and address of independent public accounting firm:

Carr, Riggs & Ingram, LLC  
215 Baytree Drive  
Melbourne, Florida 32940

Audit Period: Fiscal Year October 1, 2019 – September 30, 2020

The finding from the Schedule of Findings and Questioned Costs is discussed below. The finding number corresponds to the number assigned in the schedule.

### **2020-001 Review of Schedule of Expenditures of Federal Awards and State Financial Assistance**

**Recommendation:** The City should draft procedures related to review of the SEFA, which would include reconciliation of the amounts recorded on the SEFA to the general ledger and proofing the mathematical integrity of the schedule to ensure completeness and accuracy. Written procedures should serve to assist the City in allowing for consistency in the process should there be another change in the person responsible for reviewing the SEFA.

**Corrective Action:** Management acknowledges and agrees. A review of responsibilities will be performed prior to interviewing for replacement staff and more checks will be performed for completeness and accuracy. Additional education and training will be provided to preparer and reviewer staff members.

Responsible Parties: Patricia Bliss, CFO and Christine Aiken, Financial Services Manager

Anticipated Completion Date: December 31, 2021

### **2020-002 Review of Reports and Reimbursement Requests**

**Recommendation:** We recommend the City retain documentation of the review of financial, performance and special reporting required by the grantor.

**Corrective Action:** Management acknowledges the audit finding and corrective action has been taken. While quarterly project progress reports were reviewed, documentation of the review was not consistently kept. Procedures have been changed so that documentation in the form of a written or electronic approval of the report will be retained.

Responsible Parties: Andrew Holmes, Public Works Director, Patricia Bliss, CFO and Christine Aiken, Financial Services Manager

Anticipated Completion Date: September 30, 2021

**AFFIDAVIT**

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

1. I am the Chief Financial Officer of The City of Daytona Beach which is a local governmental entity of the State of Florida;
2. The City Manager is the designated impact fee administrator for The City of Daytona Beach;
3. James V. Chisholm retired on May 31, 2021, which is prior to completion of the FY2020 annual financial statement, and Deric C. Feacher was hired starting June 1, 2021 as City Manager;
4. The City of Daytona Beach adopted Ordinance No. 06-263 implementing an impact fee; and
5. The City of Daytona Beach has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

*P. Bliss*

\_\_\_\_\_  
Patricia Bliss, Chief Financial Officer

STATE OF FLORIDA  
COUNTY OF VOLUSIA

SWORN TO AND SUBSCRIBED before me this 28th day of June, 2021.

*Patricia B. Snowden*

\_\_\_\_\_  
NOTARY PUBLIC

Patricia Snowden  
Print Name

Personally known X or produced identification \_\_\_\_\_

Type of identification produced: \_\_\_\_\_

My Commission Expires: 11-17-23

