



Comprehensive Annual Financial Report

Fiscal Year Ended September 30, 2020



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

CITY OF ORMOND BEACH, FLORIDA

FISCAL YEAR ENDED SEPTEMBER 30, 2020

Prepared by:
Finance Department
Kelly McGuire, Finance Director
Chris Byle, Assistant Finance Director

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Introductory Section

City of Ormond Beach, Florida

Comprehensive Annual Financial Report For the Fiscal Year Ended September 30, 2020



Mayor

Bill Partington

Commissioners

Zone 1—Dwight Selby

Zone 2—Troy Kent

Zone 3—Susan Persis

Zone 4—Rob Littleton

City Manager

Joyce Shanahan

City Attorney

Randal A. Hayes

City Auditors

James Moore & Co., P.L.



CITY OF ORMOND BEACH

Finance Department 22 S. Beach St. Ormond Beach, FL 32174 (386) 676-3209

February 11, 2021

To the Honorable Mayor, City Commissioners and Citizens of the City of Ormond Beach:

State law requires that all general-purpose local governments publish within nine months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. We hereby issue the comprehensive annual financial report of the City of Ormond Beach, Florida (the City) for the fiscal year ended September 30, 2020.

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

James Moore & Co., P.L., a firm of licensed certified public accountants has audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2020, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. These reports are in the Single Audit section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditors' report.

Profile of the City of Ormond Beach, Florida

The City of Ormond Beach, Florida, incorporated in 1880, is located just north of Daytona Beach, in Volusia County, approximately 60 miles from Orlando via Interstate 4, and approximately 75 miles from Walt Disney World. It is primarily a residential community and year-round resort center with industrial development nearby. It covers a large area for a municipality of its population, having about 36.5 square miles of land and three square miles of water area.

The City has operated under the commission-manager form of government since 1963. Policy-making and legislative authority are vested in the City Commission consisting of the mayor and four other members. The City Commission is responsible, among other things, for passing ordinances, resolutions, adopting the budget, appointing committees, and hiring both the City manager and attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Commission, for overseeing the day-to-day operations of the City and for appointing the heads of various departments. The commission is elected on a non-partisan basis. The Mayor and Commission members serve two-year terms.

The City provides a full range of services, including police, fire and rescue, street construction and maintenance, stormwater drainage, planning and zoning, parks and recreation, cultural events and general administrative services. In addition, water, sewer and reclaimed water services, and solid waste collection are provided under an enterprise fund concept with user charges established by the City Commission to ensure adequate coverage of operating expenses and payments on outstanding debt. The City provides water and sewer service outside the city limits to certain unincorporated parts of Volusia County. The City of Ormond Beach contracts with private enterprise for solid waste collection. Self-insurance activities are provided through an internal service fund.

The City is empowered to levy a property tax on both real and personal properties located within its boundaries which, in part, funds the services to the City's estimated 40,000 residents. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Commission.

The annual budget serves as the foundation for the City's financial planning and control. Requests for personnel and capital improvements must be submitted by early April. All departments of the City are required to submit requests for appropriation to the City Manager by the end of April. The City Manager uses these requests as the starting point for developing a proposed budget. A budget workshop is held in July where the tentative millage rate is set. The City Commission is required to hold two public hearings on the proposed budget and to adopt a final budget and millage rate no later than September 30, the close of the City's fiscal year. The appropriated budget is prepared by fund, function and department. Department heads may make transfers of appropriations within a department or program. The City Manager is authorized to transfer budgeted amounts between departments. Transfers of appropriations between funds, however, require the special approval of the City Commission. The General Fund budget to actual comparison is presented on page 32 as part of the basic financial statements for governmental funds.

Factors Affecting Financial Condition

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

Local economy

The City's current economic environment declined due to the COVID pandemic. According to the U.S. Bureau of Labor Statistics, unemployment for the Deltona- Daytona Beach-Ormond Beach area was 5.9% as of September 30, 2020 and increase from an unemployment rate of 3.2% one year earlier.

The 2019 taxable value was \$3.67 billion, an increase of 6% or \$214.2 million. Permit revenue and sales tax revenue were relatively consistent with the prior year. Charges for services declined significant due to Leisure Service facility closings necessitated as a result of the COVID pandemic.

Financial policies

The City Commission understands the importance of maintaining adequate fund balance (i.e. reserve) to address unanticipated expenditures and emergency situations while limiting the use of fund balance for ongoing expenditures. As such, the City Commission has set a goal of maintaining the General Fund reserves at a minimum of 15% of total annual expenditures. Furthermore, the City's financial policies stipulate that recurring revenues should fund recurring expenditures and fund balance should only be relied upon for one-time outlays, capital projects, or emergency situations.

Long-term financial planning

The City's long term financial planning initiatives are comprised of completion of various master plans for the airport, water and sewer utilities, stormwater, roads and sidewalks, and various leisure services facilities that typically extend 10 years. After consideration of the master plans, a 5 year Capital Improvement Plan that contains anticipated projects costs and funding sources for the projects is prepared each year. In addition, the City performs multi-year budget projections and analysis for operating purposes through a financial trends study and presentation to City Commissioners and citizens of major operating funds to identify important financial issues.

Awards

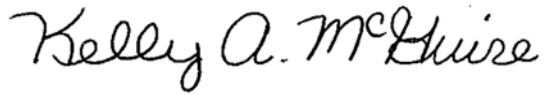
The Government Finance Officers' Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2019. This was the twenty-seventh consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgments

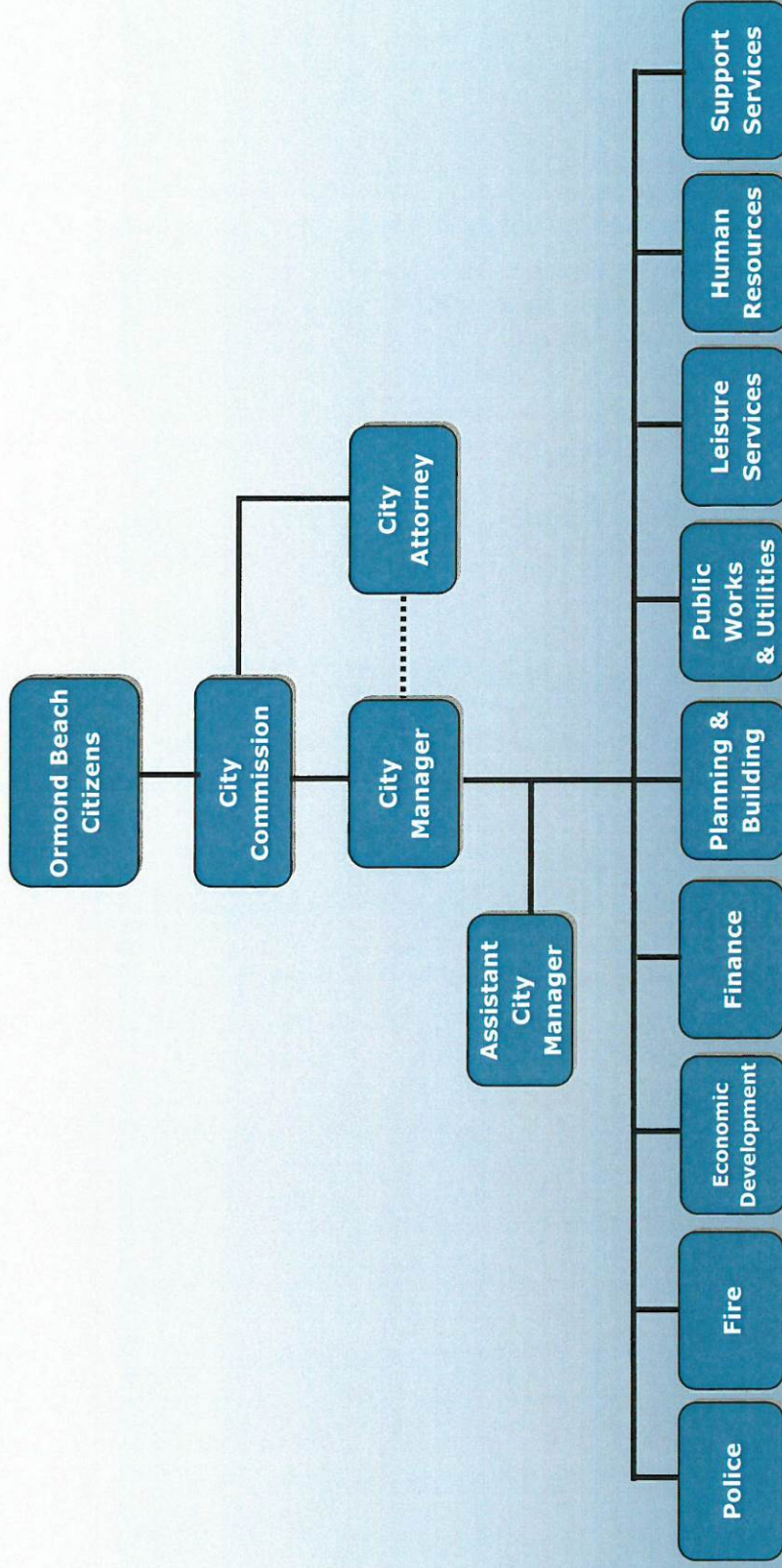
The preparation of this report would not have been possible without the efficient and dedicated services of all members of the Finance Department. I would like to express our appreciation to those who assisted and contributed to the preparation of this report. In closing, without the leadership and support of the City Commission, preparation of this report would not have been possible.

Respectfully,

A handwritten signature in cursive script that reads "Kelly A. McGuire".

Kelly A. McGuire
Finance Director

City of Ormond Beach Organizational Chart



This is to certify that this is the official organizational chart of the City of Ormond Beach referred to in Article II, Chapter 2, of the City of Ormond Beach, Florida, Code of Ordinances, adopted by Resolution No. 2016-154 on November 1, 2016.



Ed Kelley
Ed Kelley, Mayor

J. Scott McKee
J. Scott McKee, City Clerk



Government Finance Officers Association

Certificate of
Achievement for
Excellence in
Financial
Reporting

Presented to

City of Ormond Beach Florida

For its Comprehensive Annual Financial
Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morill

Executive Director/CEO

Financial Section

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ormond 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

The City's 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 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 auditor's 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 auditor considers 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ormond Beach, Florida, as of September 30, 2020, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparisons for the General, Redevelopment Trust, and Ormond Crossings Trust funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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 financial statements. The introductory section, combining and individual nonmajor fund financial statements and other schedules, the schedule for water and sewer bond covenants, statistical section, and schedule of expenditures of federal awards and state financial assistance as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Section 215.97, Florida Statutes, *Florida Single Audit Act*, are presented for purposes of additional analysis and are not a required part of the basic financial statements

The combining and individual nonmajor fund financial statements and other schedules, the schedule for water and sewer bond covenants, and the 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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 February 11, 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 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 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 of Ormond Beach, Florida's internal control over financial reporting and compliance.



Daytona Beach, Florida
February 11, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Ormond Beach, we offer readers of the City of Ormond Beach's financial statements this narrative overview and analysis of the financial activities of the City of Ormond Beach for the fiscal year ended September 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which begins on page 3 of this report.

Financial Highlights

- The assets plus deferred outflows of resources of the City of Ormond Beach exceeded its liabilities plus deferred inflows of resources at the close of the most recent fiscal year by \$198,186,000 (net position). Of this amount, \$178,737,000 represents investment in capital assets (net of related debt), and restricted and unrestricted net position of \$27,435,000 and (\$7,986,000), respectively.
- The City's total net position decreased by \$3,500,000 (or 1.8%) based on current year activities. Of this amount, governmental sources produced an increase of \$3,099,000 and Business-type activities produced a decrease of \$401,000.
- As of the close of the current fiscal year, the City of Ormond Beach's governmental funds reported combined ending fund balances of \$30,351,000, an increase of \$1,181,000 (or 4%) in comparison with the prior year. The increase is primarily attributed to receipt of CARES Act funding and capital project revenue in excess of expenditures due to timing of capital projects. Approximately 31.8% or \$9,659,000 of the total amount is unassigned fund balance and is available for spending at the City's discretion.
- The City's proprietary funds reported a combined ending net position of \$84,211,000, an increase of \$401,000 (or 0.5%) based on current year activities. Approximately 7.0% of this total amount, \$5,970,000 is comprised of unrestricted net position which is available for spending at the City's discretion.
- The City of Ormond Beach's total bonded (General Obligation and Revenue Bonds) debt decreased by \$3,834,000 during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Ormond Beach's basic financial statements. The City of Ormond Beach's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statement

The government-wide financial statements are designed to provide readers with a broad overview of the City of Ormond Beach'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 and liabilities, with the difference between the two reported as net position. Over time, increases or 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 showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are Reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected franchise fees or earned but unsecured personal leave, etc.).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes, licenses and permits, 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, public safety, public works and culture and recreation services. The business-type activities of the City include water and sewer and solid waste. The government-wide financial statements begin on page 26 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 of Ormond Beach, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a 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.

The City of Ormond Beach maintains twenty-two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Redevelopment Trust Fund, and the Ormond Crossings Trust Fund, which are considered to be major funds. Data from the other 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 beginning on page 100 of this report.

The City of Ormond Beach adopts an annual appropriated budget for its General, Special Revenue, Debt Service, Capital Projects and Enterprise Funds. Budgetary comparison schedules have been provided for the City's governmental funds to demonstrate compliance with this budget.

Proprietary funds

The City of Ormond Beach maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Ormond Beach uses enterprise funds to account for its water and sewer, and solid waste activities. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City of Ormond Beach's various functions. The City of Ormond Beach uses an internal service fund to account for self-insurance. Because these services predominantly benefit governmental rather than business-type functions, they 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 of the water and sewer, and solid waste activities, which are be major funds of the City of Ormond Beach. The internal service fund for self-insurance activities is presented in a separate column in the proprietary fund statements. The proprietary fund financial statements begin on page 35 of this report.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City (e.g., pension beneficiaries). Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements, which include the pension trust funds, begin on page 38 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 begin on page 40 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Ormond Beach's schedule of contributions and its progress in funding its obligations to provide pension and other postemployment benefits to its employees. Required supplementary information can be found beginning on page 88 of this report.

The combining statements and other schedules referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining fund statements and other schedules can be found on beginning on page 100 of this report.

Government-wide financial analysis

As noted earlier, net position may serve over time as a useful indicator of a City’s financial position. In the case of the City of Ormond Beach, assets plus deferred outflows of resources exceed liabilities plus deferred inflows of resources by \$198,186,000 at the close of the most recent fiscal year.

By far the largest portion of the City of Ormond Beach’s net position \$178,737,000 (90.2%) reflects its investment in capital assets (e.g. land, buildings, infrastructure, and equipment), less any related debt used to acquire those assets that are still outstanding. The City of Ormond Beach uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Ormond Beach’s investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF ORMOND BEACH’S NET POSITION
SEPTEMBER 30, 2020
(In Thousands)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$38,101	\$35,100	\$27,246	\$31,133	\$65,347	\$66,233
Capital assets	119,720	119,943	97,404	98,220	217,124	218,163
Total Assets	157,821	155,043	124,650	129,353	282,471	284,396
Deferred outflows of resources	1,487	919	182	88	1,669	1,007
Current and other liabilities	4,043	2,960	2,725	3,474	6,768	6,434
Long-term liabilities outstanding	38,678	38,876	37,517	41,573	76,195	80,449
Total Liabilities	42,721	41,836	40,242	45,047	82,963	86,883
Deferred inflows of resources	2,611	3,251	378	583	2,989	3,834
Net Position:						
Net investment in capital assets	113,490	114,055	65,247	61,880	178,737	175,935
Restricted	14,440	14,827	12,995	13,030	27,435	27,857
Unrestricted (deficit)	(13,955)	(18,006)	5,969	8,900	(7,986)	(9,106)
Total Net Position	\$113,975	\$110,876	\$84,211	\$83,810	\$198,186	\$194,686

A portion of the City's net position, \$27,435,000 (13.8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance is a deficit of \$7,986,000 in unrestricted net position. The net pension liability of \$22,640,000 and total OPEB liability of \$4,875,000 are the most significant liabilities (claims) against unrestricted net position.

Revenues decreased from the prior fiscal year by \$2,989,000 and expenses increased by \$10,000. The government's net position increased by \$3,500,000 in the current fiscal year. The biggest reason for the decrease revenues was due fluctuations in certain grant and other one-time revenues.

The City received \$3,254,000 in capital grants, impact fees, and developer contributions, which are considered non-recurring additions during the current fiscal year.

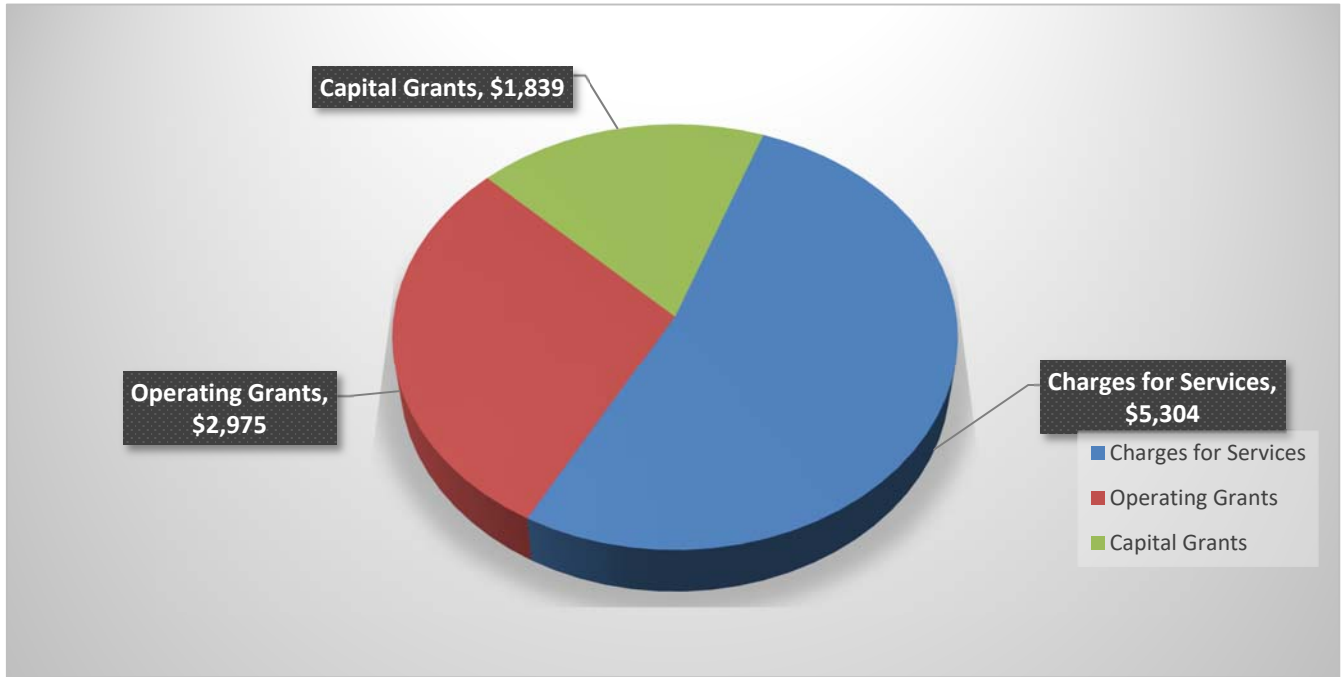
Operating grants increased by \$933,000 (48.8%) due primarily to additional grants in 2020 to aid in the recovery from the COVID-19 pandemic, while property taxes increased by \$272,000 (1.9%). The increase in ad valorem tax is attributed to the increase in the in taxable value.

The following table contains a summary of activities during the fiscal year ended September 30, 2020.

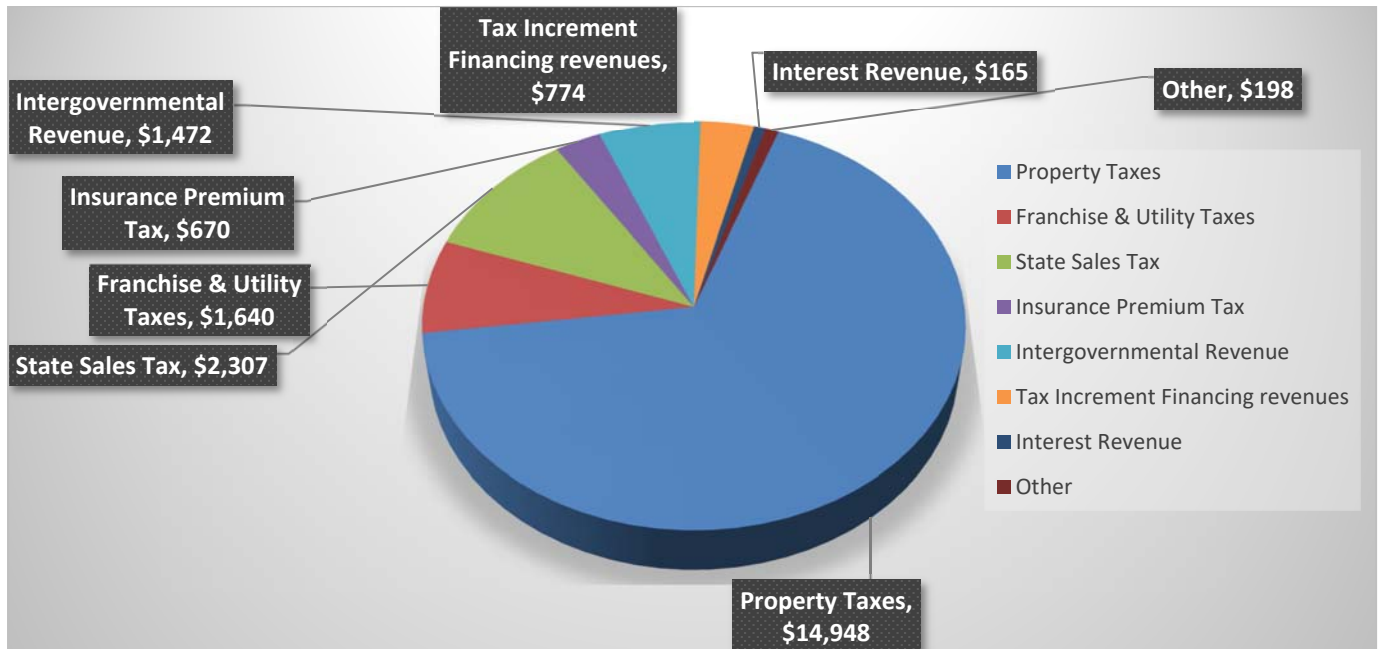
**CITY OF ORMOND BEACH'S CHANGE IN NET
POSITION
(In Thousands)**

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$5,304	\$5,408	\$27,541	\$27,885	\$32,845	\$33,293
Operating grants & contributions	2,975	1,913	2,064	2,192	5,039	4,105
Capital grants & contributions	1,839	5,074	1,414	1,008	3,253	6,082
General revenues:						
Property taxes	14,948	14,676	0	0	14,948	14,676
Franchise/Utility taxes	8,640	8,834	0	0	8,640	8,834
State sales tax	2,307	2,366	0	0	2,307	2,366
Insurance premium taxes	671	712	0	0	671	712
Intergovernmental revenue	1,472	1,578	0	0	1,472	1,578
Tax increment financing revenues	774	741	0	0	774	740
Interest revenue	165	372	151	340	316	712
Other	198	365	52	40	250	405
Total Revenues	\$39,293	\$42,039	\$31,222	\$31,465	\$70,515	\$73,504
Expenses:						
General Government	\$5,162	\$5,579	0	0	\$5,162	\$5,579
Public Safety	17,035	17,278	0	0	17,035	17,278
Public Works	8,587	8,276	0	0	8,587	8,276
Human Services	117	170	0	0	117	170
Culture & Recreation	8,101	7,970	0	0	8,101	7,970
Economic Development	386	309	0	0	386	309
Interest on long-term debt	163	190	0	0	163	190
Water & Sewer	0	-	19,234	19,558	19,234	19,558
Solid Waste	0	-	8,230	7,676	8,230	7,676
Total Expenses	39,551	39,772	27,464	27,234	67,015	67,006
Increase in net position before transfers	-258	-1,382	3,758	3,560	3,500	2,179
Transfers	3,357	3,064	-3,357	-3,064	0	0
Increase (decrease) in net position	3,099	1,682	401	497	3,500	2,179
Net position, beginning of year	110,876	105,531	83,810	82,657	194,686	188,188
Net position, end of year	\$113,975	\$110,876	\$84,211	\$83,810	\$198,186	\$194,686

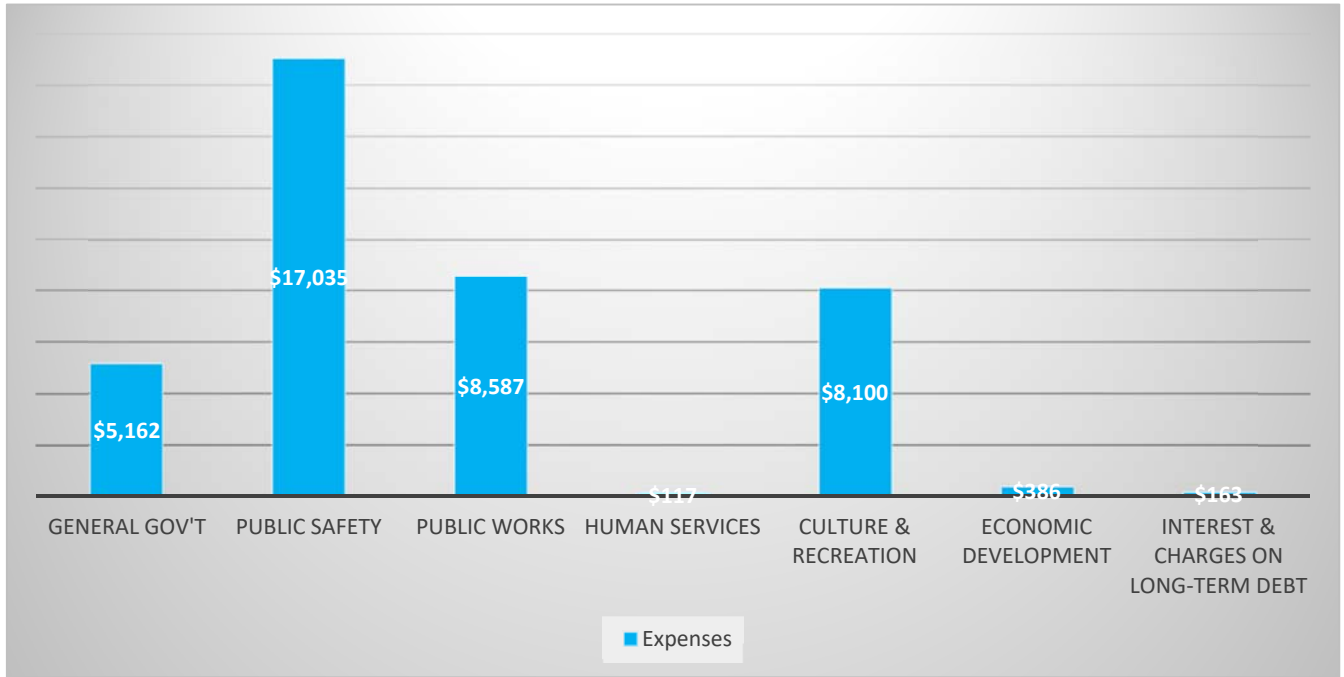
**Program Revenue by Source Governmental Activities
(in Thousands)**



**General Revenue by Source Governmental Activities
(in Thousands)**



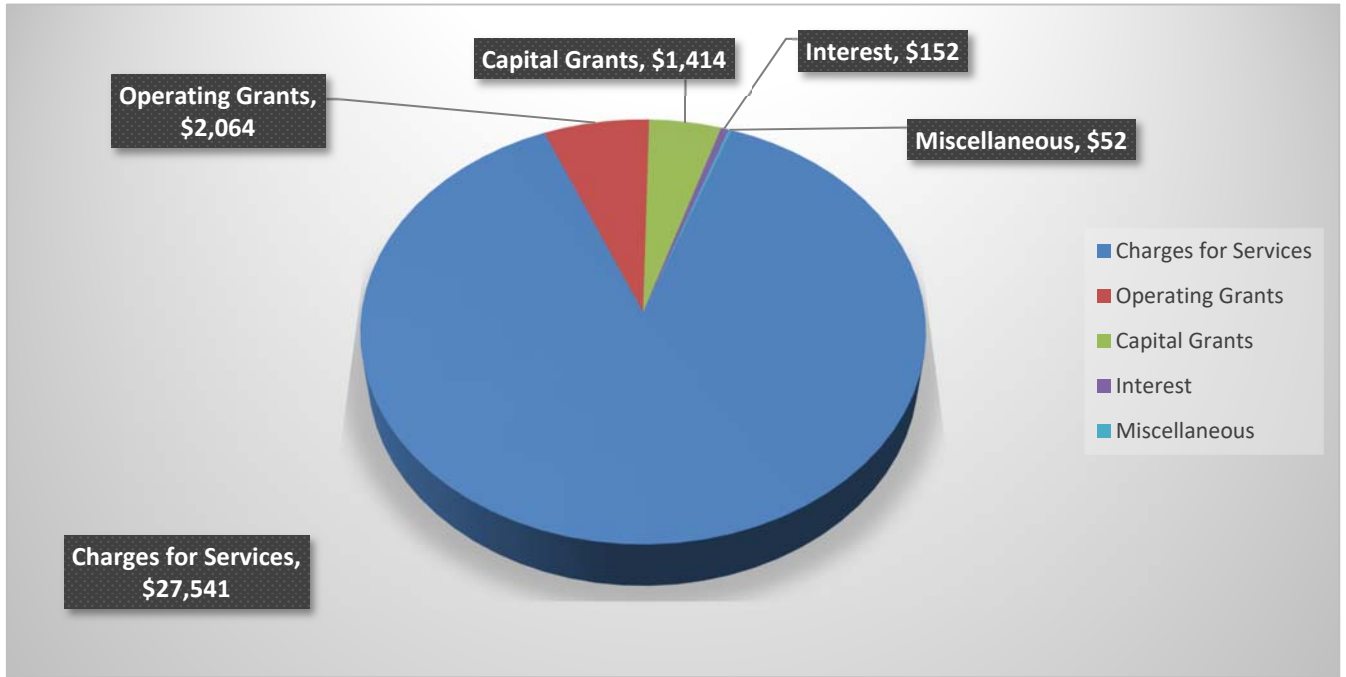
**Program Expenses Governmental Activities
(in Thousands)**



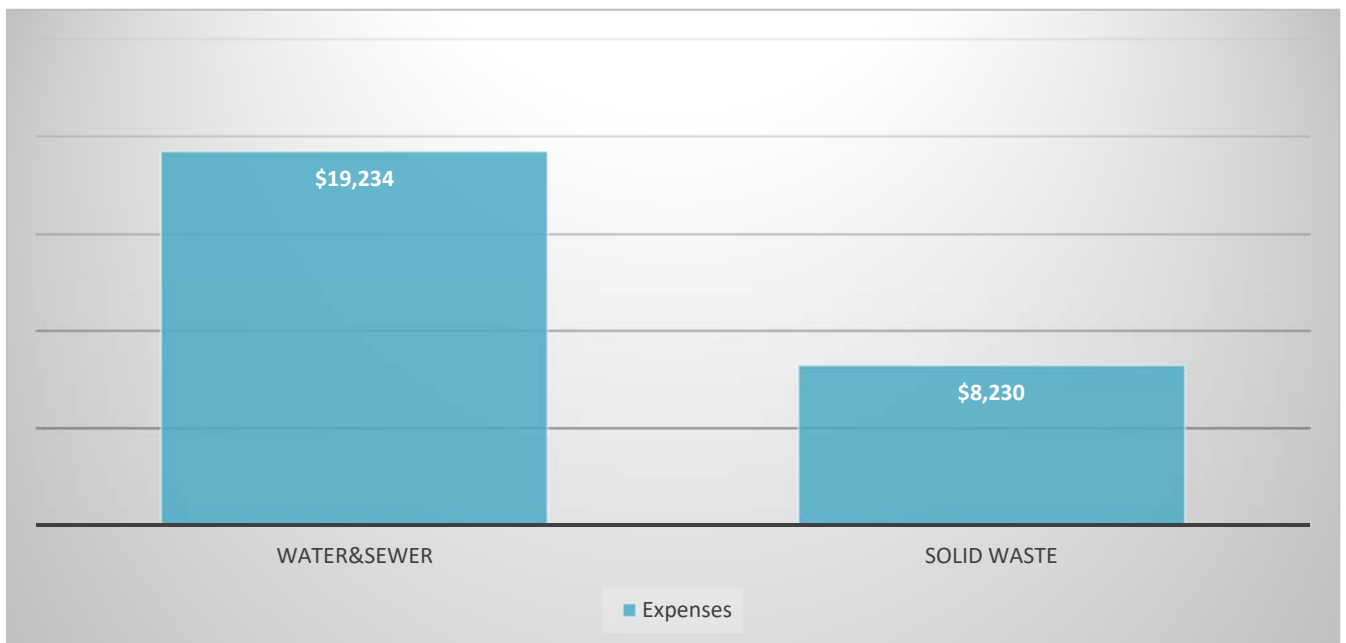
Governmental activities

Governmental activities increased the net position by \$3,099,000. Key elements of these changes are operating and capital grants received by the City and other items noted on page 27.

Program Revenue by Source Business-type Activities (in Thousands)



Program Expenses Business-type Activities



Business-type activities

Business-type activities increased the City of Ormond Beach's net position by \$401,000.

Financial Analysis of the City's Funds

As noted earlier, the City of Ormond Beach 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 of Ormond Beach's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a City's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Ormond Beach's twenty-two (22) governmental funds reported combined ending fund balances of \$30,351,000, an increase of \$1,172,000 in comparison with the prior year. This increase relates to the timing of scheduled capital improvements. Fund balance for the combined twenty-two (22) governmental funds consists of:

- \$6,263,000 or 20.6% is assigned for economic development, municipal airport, recreational facilities, grants, debt service, capital projects, revenue stabilization and appropriations.
- \$378,000 or 1.2% is committed by formal action of the City Commission for improvements of recreational facilities.
- \$14,482,000 or 47.7% is restricted by enabling legislation or other legal requirements imposed by outside sources.
- \$1,929,000 or 6.4% is non-spendable relating to inventories, prepaid items and long-term advances.
- \$7,300,000 or 24.1% is unassigned.

The General Fund is the chief operating fund of the City of Ormond Beach. General Fund fund balance increased by \$1,277,000 during the year which included \$46,000 related to Economic Development. At the end of the current fiscal year fund balance of \$773,000 was considered nonspendable and allocated for advances and inventory; \$67,000 was restricted by legal requirements. Fund balance of \$4,416,000 was assigned to Economic Development, the subsequent year's budget, and capital projects. Unassigned, undesignated fund balance of the General Fund as of September 30, 2020, was \$7,787,000.

The Redevelopment Trust Fund is a special revenue fund that reports the financial activities of the Ormond Beach Downtown Community Redevelopment Area. At September 30, 2020, restricted fund balance of the Redevelopment Trust Fund was \$1,674,000, reflecting a net decrease of \$160,000 for planned capital improvements. The Fund received \$925,000 in tax increment revenues and \$454,000 in transfers from the General Fund in fiscal year 2020. These funds are legally restricted to complete projects identified in the Granada Boulevard Master Plan.

The Ormond Crossings Trust Fund is a special revenue fund that reports the financial activities of the North Mainland/Ormond Crossings Community Redevelopment Area. At September 30, 2020, restricted fund balance of the Ormond Crossings Trust Fund was \$309,000. The net increase to restricted fund

balance during the current year was \$87,000. The Fund received \$49,000 in tax increment revenues and \$39,000 in transfers from the General Fund in fiscal year 2020. These funds are legally restricted for use to complete project identified in the North Mainland/Ormond Crossings Community Redevelopment Area Master Redevelopment Plan.

Funds classified as non-major governmental funds consisting of special revenue funds, debt service funds, and capital project funds have a combined fund balance of \$15,594,000.

Proprietary Funds

The City of Ormond Beach's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water and Sewer Fund at the end of the year amounted to \$5,998,000. The total increase in net position was \$513,000. Unrestricted net position of the Solid Waste Fund at the end of the year amounted to \$393,000. The total decline in net position was \$112,000. Other factors concerning the financial position of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The General Fund variances between the final budget and actual amounts consisted of:

Revenues-

- \$305,000 Taxes – The positive variance was largely associated with an increase in delinquent tax collections and utility taxes.
- \$1,322,000 Intergovernmental – The variance reflects reimbursement for hurricane damages.
- (\$315,000) Charges for Services – The negative variance is lost revenue associated with recreation facility closures due to the COVID pandemic.

Expenditures-

- (\$174,000) Fire services – The variance reflects additional costs incurred due to the COVID pandemic which are expected to be reimbursed through federal grant funding.
- \$250,000 Public Works – The variance reflects savings associated with vacant positions resulting from terminations and retirements.
- \$418,000 Culture and recreation – The negative variance is lost revenue associated with recreation facility closures due to the COVID pandemic.

Capital Asset and Debt Administration

The City of Ormond Beach’s investment in capital assets, net of related depreciation, for its governmental and business type activities as of September 30, 2020, amounts to \$218,162,000. This investment in capital assets includes land, buildings and improvements other than buildings, equipment, infrastructure and construction in progress.

The total change in the City of Ormond Beach’s capital assets, net of related depreciation, for the current fiscal year was an increase of \$1,449,000 (1.2%) for governmental activities and a decrease of \$1,137,000 (1.1%) for business-type activities.

CITY OF ORMOND BEACH’S CAPITAL ASSETS

Net of Depreciation

(In thousands)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$43,452	\$43,452	\$1,072	\$1,072	\$44,524	\$44,524
Works of Art	377	377	-	-	377	377
Intangibles (Easements)	1,180	1,510	543	399	1,723	1,909
Building & Improvements	62,180	63,552	90,989	89,301	153,169	152,853
Equipment	5,277	5,408	1,671	1,787	6,948	7,195
Construction in progress	7,254	5,643	3,129	5,661	10,383	11,304
Total	\$119,720	\$119,942	\$97,404	\$98,220	\$217,124	\$218,162

Additional information on the City of Ormond Beach’s capital assets can be found in Note (6) on pages 57-58 of this report.

Long-term Debt

At the end of the 2020 fiscal year, the City of Ormond Beach had total bonded debt outstanding of \$27,362,000. Of this amount, \$3,285,000 relates long-term debt backed by the full faith and credit of the government. The remainder of the City of Ormond Beach’s debt represents bonds secured solely by specified revenue sources or covenants.

CITY OF ORMOND BEACH’S OUTSTANDING DEBT

General Obligation and Revenue
Bonds (In Thousands)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
General Obligation Bonds	\$3,285	\$3,640	-	-	\$3,285	\$3,640
Revenue Bonds	-	-	\$24,077	\$27,602	\$24,077	\$27,602
Total	\$3,285	\$3,640	\$24,077	\$27,602	\$27,362	\$31,242

The City of Ormond Beach’s total bonded debt decreased by \$3,880,000 during the current fiscal year.

Under Florida statutes, no debt limit margin is placed on local governments. Additional information on the City’s long-term debt can be found in Note (10) on pages 61-67 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the municipal service area was 1.37% as of September 2020 compared to a year ago.
- The City's taxable value of commercial and residential property continues to increase.
- Inflationary trends in the region are comparable to national indices.

All of these factors were considered in preparing the City of Ormond Beach's budget for the 2020-21 fiscal year.

Unassigned, fund balance of the General Fund as of September 30, 2020 was \$7,300,000.

Water and wastewater service rates for fiscal year 2021 remained unchanged as current revenue was sufficient to provide funding for operational and capital expenses.

Requests for Information

This financial report is designed to provide a general overview of the City of Ormond Beach's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Ormond Finance Director, P.O. Box 277, Ormond Beach, Florida 32175-0277. Additional information can be found on the Finance Department's website at www.ormondbeach.org.

BASIC FINANCIAL STATEMENTS

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

CITY OF ORMOND BEACH, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Equity in pooled cash and investments	\$ 30,057,336	\$ 11,125,962	\$ 41,183,298
Receivables, net	2,241,195	2,747,273	4,988,468
Due from other governments	4,319,690	47,600	4,367,290
Inventories	163,188	-	163,188
Prepays	1,167,586	-	1,167,586
Restricted assets:			
Equity in pooled cash	152,419	13,324,721	13,477,140
Capital assets:			
Capital assets, not being depreciated	51,391,897	4,744,319	56,136,216
Other capital assets, net of depreciation	68,328,065	92,659,521	160,987,586
Total assets	<u>\$ 157,821,376</u>	<u>\$ 124,649,396</u>	<u>\$ 282,470,772</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	\$ 660,858	\$ 3,400	\$ 664,258
Deferred outflows related to OPEB	826,383	178,114	1,004,497
Total deferred outflows	<u>\$ 1,487,241</u>	<u>\$ 181,514</u>	<u>\$ 1,668,755</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ 3,152,138	\$ 2,380,753	\$ 5,532,891
Customer deposits	152,419	247,529	399,948
Unearned revenue	575,180	-	575,180
Accrued interest payable	42,112	96,635	138,747
Due to fiduciary funds	123,618	-	123,618
Noncurrent liabilities:			
Due within one year	3,330,152	4,644,890	7,975,042
Due in more than one year	7,831,660	29,911,334	37,742,994
Total OPEB liability	4,874,558	1,071,206	5,945,764
Net pension liability	22,641,326	1,889,493	24,530,819
Total liabilities	<u>\$ 42,723,163</u>	<u>\$ 40,241,840</u>	<u>\$ 82,965,003</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	\$ 1,844,771	\$ 212,593	\$ 2,057,364
Deferred inflows related to OPEB	766,100	165,121	931,221
Total deferred inflows	<u>\$ 2,610,871</u>	<u>\$ 377,714</u>	<u>\$ 2,988,585</u>
NET POSITION			
Net investment in capital assets	\$ 113,489,954	\$ 65,247,123	\$ 178,737,077
Restricted for:			
Debt service	196,355	2,971,822	3,168,177
Construction	1,628,701	9,622,948	11,251,649
Renewal and replacement	-	400,000	400,000
Transportation	3,139,018	-	3,139,018
Redevelopment trust	1,982,929	-	1,982,929
Stormwater drainage	7,331,400	-	7,331,400
Other purposes	161,507	-	161,507
Unrestricted	(13,955,281)	5,969,463	(7,985,818)
Total net position	<u>\$ 113,974,583</u>	<u>\$ 84,211,356</u>	<u>\$ 198,185,939</u>

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

**CITY OF ORMOND BEACH, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 5,162,473	\$ 134,000	\$ -	\$ 360,855	\$ (4,667,618)	\$ -	\$ (4,667,618)
Public safety	17,035,324	125,687	1,576,793	24,025	(15,308,819)	-	(15,308,819)
Public works	8,586,574	4,612,080	1,397,906	1,042,708	(1,533,880)	-	(1,533,880)
Human services	117,127	-	-	-	(117,127)	-	(117,127)
Culture and recreation	8,100,460	431,977	-	412,014	(7,256,469)	-	(7,256,469)
Economic development	386,108	-	-	-	(386,108)	-	(386,108)
Interest on long-term debt	163,267	-	-	-	(163,267)	-	(163,267)
Total governmental activities	<u>39,551,333</u>	<u>5,303,744</u>	<u>2,974,699</u>	<u>1,839,602</u>	<u>(29,433,288)</u>	<u>-</u>	<u>(29,433,288)</u>
Business-type activities:							
Water and sewer	19,234,072	20,015,768	217,211	1,414,146	-	2,413,053	2,413,053
Solid waste	8,229,978	7,525,384	1,846,594	-	-	1,142,000	1,142,000
Total business-type activities	<u>27,464,050</u>	<u>27,541,152</u>	<u>2,063,805</u>	<u>1,414,146</u>	<u>-</u>	<u>3,555,053</u>	<u>3,555,053</u>
Total primary government	<u>\$ 67,015,383</u>	<u>\$ 32,844,896</u>	<u>\$ 5,038,504</u>	<u>\$ 3,253,748</u>	<u>(29,433,288)</u>	<u>3,555,053</u>	<u>(25,878,235)</u>
General revenues:							
Property taxes					14,947,627	-	14,947,627
Sales taxes					2,307,313	-	2,307,313
Insurance premium taxes					670,572	-	670,572
Franchise and utility taxes					8,639,663	-	8,639,663
Unrestricted intergovernmental revenue					1,472,372	-	1,472,372
Tax increment financing revenues					774,443	-	774,443
Interest revenue					165,003	151,503	316,506
Miscellaneous revenues					198,132	51,565	249,697
Transfers					3,357,204	(3,357,204)	-
Total general revenues and transfers					<u>32,532,329</u>	<u>(3,154,136)</u>	<u>29,378,193</u>
Change in net position					3,099,041	400,917	3,499,958
Net position - beginning of year					<u>110,875,542</u>	<u>83,810,439</u>	<u>194,685,981</u>
Net position - ending of year					<u>\$ 113,974,583</u>	<u>\$ 84,211,356</u>	<u>\$ 198,185,939</u>

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

**CITY OF ORMOND BEACH, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	<u>General</u>	<u>Redevelopment Trust</u>	<u>Ormond Crossings Trust</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Equity in pooled cash and investments	\$ 10,400,938	\$ 1,693,555	\$ 308,952	\$ 14,581,012	\$ 26,984,457
Receivables, net	1,910,922	-	-	330,023	2,240,945
Due from other governments	2,201,482	-	-	2,108,836	4,310,318
Advances to other funds	610,000	-	-	-	610,000
Inventories	163,188	-	-	-	163,188
Prepaid items	-	-	-	1,155,825	1,155,825
Total assets	<u>\$ 15,286,530</u>	<u>\$ 1,693,555</u>	<u>\$ 308,952</u>	<u>\$ 18,175,696</u>	<u>\$ 35,464,733</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 1,366,935	\$ 19,578	\$ -	\$ 1,746,450	\$ 3,132,963
Customer deposits	152,419	-	-	-	152,419
Unearned revenue	358,090	-	-	217,600	575,690
Advances from other funds	-	-	-	610,000	610,000
Due to other funds	123,618	-	-	-	123,618
Total liabilities	<u>2,001,062</u>	<u>19,578</u>	<u>-</u>	<u>2,574,050</u>	<u>4,594,690</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	511,781	-	-	7,330	519,111
FUND BALANCES					
Nonspendable:					
Inventories	163,188	-	-	-	163,188
Prepaid items	-	-	-	1,155,825	1,155,825
Long-term advances	610,000	-	-	-	610,000
Restricted for:					
Ormond Memorial Art Museum	67,211	-	-	-	67,211
Downtown	-	1,673,977	-	-	1,673,977
North Mainland	-	-	308,952	-	308,952
Stormwater drainage	-	-	-	7,331,400	7,331,400
Law enforcement	-	-	-	94,296	94,296
Debt service	-	-	-	238,467	238,467
Transportation impact	-	-	-	3,139,018	3,139,018
Impact fees	-	-	-	1,628,701	1,628,701
Committed to:					
Recreational facilities	-	-	-	378,085	378,085
Assigned to:					
Economic development	466,426	-	-	-	466,426
Recreational facilities	-	-	-	519,894	519,894
Grants	-	-	-	16,574	16,574
Debt service	-	-	-	208,285	208,285
Capital improvements	2,359,500	-	-	1,371,833	3,731,333
Subsequent year's budget	1,320,000	-	-	-	1,320,000
Unassigned	7,787,362	-	-	(488,062)	7,299,300
Total fund balances	<u>12,773,687</u>	<u>1,673,977</u>	<u>308,952</u>	<u>15,594,316</u>	<u>30,350,932</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 15,286,530</u>	<u>\$ 1,693,555</u>	<u>\$ 308,952</u>	<u>\$ 18,175,696</u>	<u>\$ 35,464,733</u>

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

**CITY OF ORMOND BEACH, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2020**

Fund balances - total governmental funds		\$ 30,350,932
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds</p>		
Total governmental capital assets	246,827,703	
Less: accumulated depreciation	<u>(127,107,741)</u>	119,719,962
<p>On the governmental fund statements, a net pension liability is not recorded unless an amount is legally due and payable (no such liability exists at the end of the current fiscal year). On the Statement of Net Position, the City's net pension liability of the defined benefit pension plans is reported as a noncurrent liability. Additionally, deferred outflows and deferred inflows related to pensions are also reported.</p>		
Net pension liability	(22,641,326)	
Deferred outflows related to pensions	660,858	
Deferred inflows related to pensions	<u>(1,844,771)</u>	(23,825,239)
<p>On the governmental fund statements, a OPEB liability is not recorded unless an amount is due and payable (no such liability exists at the end of the current fiscal year). On the Statement of Net Position, the City's total OPEB liability is reported as a noncurrent liability. Additionally, deferred outflows and deferred inflows related to OPEB are also reported.</p>		
Total OPEB liability	(4,874,558)	
Deferred outflows related to OPEB	826,383	
Deferred inflows related to OPEB	<u>(766,100)</u>	(4,814,275)
<p>Internal service funds are used by management to charge the costs of data processing, insurance, fleet lease and maintenance, building maintenance, and internal loans to individual funds. These assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.</p>		
Total net position		846,016
<p>Because some property taxes and other revenues will not be collected for several months after the close of the City's fiscal year end, they are not considered as "available" revenues in the governmental funds, and therefore, reported as deferred inflows of unavailable revenues. In the statement of net position, which is presented on an accrual basis, no deferral is reported since the revenue is fully recognized in the statement of activities.</p>		
		519,111
<p>Long-term liabilities, including bonds payable and notes payable, are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities, deferred outflows, and other debt-related deferred charges consist of the following:</p>		
Bonds and notes payable	(3,857,000)	
Other long-term payables	(883,282)	
Capital leases payable	(1,489,726)	
Accrued interest payable	(42,112)	
Compensated absences	<u>(2,549,804)</u>	(8,821,924)
Net position of governmental activities		<u><u>\$ 113,974,583</u></u>

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

CITY OF ORMOND BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>General</u>	<u>Redevelopment Trust</u>	<u>Ormond Crossings Trust</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues					
Taxes	\$ 21,263,456	\$ -	\$ -	\$ 4,161,018	\$ 25,424,474
Permits and fees	1,318,480	-	-	-	1,318,480
Intergovernmental	5,339,595	924,490	47,427	1,435,274	7,746,786
Charges for services	763,024	-	-	2,539,582	3,302,606
Fines and forfeitures	62,708	-	-	14,820	77,528
Miscellaneous	2,701,308	7,300	1,458	709,367	3,419,433
Total revenues	<u>31,448,571</u>	<u>931,790</u>	<u>48,885</u>	<u>8,860,061</u>	<u>41,289,307</u>
Expenditures					
Current:					
General government	5,930,838	60,349	-	-	5,991,187
Public safety	16,020,990	-	-	734,137	16,755,127
Public works	5,108,793	145,071	-	1,878,320	7,132,184
Culture and recreation	5,758,427	193,855	-	153,934	6,106,216
Human services	94,615	-	-	22,512	117,127
Economic development	413,683	-	-	-	413,683
Capital improvements	48,307	1,146,755	-	6,036,129	7,231,191
Debt service:					
Principal retirement	-	-	-	1,034,443	1,034,443
Interest and other	-	-	-	160,847	160,847
Total expenditures	<u>33,375,653</u>	<u>1,546,030</u>	<u>-</u>	<u>10,020,322</u>	<u>44,942,005</u>
Excess (deficiency) of revenues over expenditures	<u>(1,927,082)</u>	<u>(614,240)</u>	<u>48,885</u>	<u>(1,160,261)</u>	<u>(3,652,698)</u>
Other financing sources (uses)					
Transfers in	4,377,640	454,102	38,500	1,770,844	6,641,086
Transfers out	(1,173,450)	-	-	(2,011,320)	(3,184,770)
Capital lease	-	-	-	1,377,155	1,377,155
Total other financing sources (uses)	<u>3,204,190</u>	<u>454,102</u>	<u>38,500</u>	<u>1,136,679</u>	<u>4,833,471</u>
Net change in fund balances	<u>1,277,108</u>	<u>(160,138)</u>	<u>87,385</u>	<u>(23,582)</u>	<u>1,180,773</u>
Fund balances, beginning of year	11,496,579	1,834,115	221,567	15,617,898	29,170,159
Fund balances, end of year	<u>\$ 12,773,687</u>	<u>\$ 1,673,977</u>	<u>\$ 308,952</u>	<u>\$ 15,594,316</u>	<u>\$ 30,350,932</u>

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

**CITY OF ORMOND BEACH, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Net change in fund balances - total governmental funds		\$ 1,180,773
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in statement of activities the cost of those assets is depreciated over their estimated useful lives.		
Expenditures for capital assets	7,231,191	
Contributed capital assets	251,453	
Loss on disposition of capital assets	(550)	
Less current year depreciation	(7,704,821)	(222,727)
Bond and loan proceeds are reported as financing sources in the governmental funds. However, the issuance of debt is reported as long-term debt payable in the statement of net position. Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment of debt principal reduces long-term liabilities in the statement of net position. These amounts are as follows:		
Principal repayment of general long-term debt		1,034,443
Issuance of governmental long-term debt		(1,377,155)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds (change in delinquent taxes and liens).		32,788
Governmental funds report contributions to defined benefit pension and OPEB plans as expenditures. However, in the Statement of Activities, the amount contributed to defined benefit pension and OPEB plans reduces future net pension liability and total OPEB liability. Also included in pension and OPEB expense in the Statement of Activities are amounts required to be amortized.		
Change in net pension liability and deferred inflows/outflows related to pensions		2,923,667
Change in total OPEB liability and deferred inflows/outflows related to OPEB		(265,790)
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. These adjustments are as follows:		
Change in accrued interest on long-term debt		(2,420)
Change in compensated absences liability		(608,728)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The portion of net revenue/expense of internal service funds reported within governmental activities for the year.		404,190
Change in net position of governmental activities		\$ 3,099,041

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

CITY OF ORMOND BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget - Positive (Negative)
Revenues				
Taxes	\$ 20,958,620	\$ 20,958,620	\$ 21,263,456	\$ 304,836
Permits and fees	1,284,950	1,284,950	1,318,480	33,530
Intergovernmental	3,909,500	4,017,798	5,339,595	1,321,797
Charges for services	1,077,500	1,077,500	763,024	(314,476)
Fines and forfeitures	88,000	88,000	62,708	(25,292)
Miscellaneous	2,667,349	2,709,051	2,701,308	(7,743)
Total revenues	<u>29,985,919</u>	<u>30,135,919</u>	<u>31,448,571</u>	<u>1,312,652</u>
Expenditures				
Current:				
General government:				
Legislation and policy	2,029,147	2,050,394	2,149,101	(98,707)
Finance	1,912,378	1,912,378	1,747,687	164,691
Human resources	441,107	466,107	375,389	90,718
Planning	656,791	676,741	623,573	53,168
Building inspections	1,065,085	1,065,085	1,035,088	29,997
Total general government	<u>6,104,508</u>	<u>6,170,705</u>	<u>5,930,838</u>	<u>239,867</u>
Public safety:				
Police	9,313,862	9,483,703	9,385,603	98,100
Fire	6,318,906	6,461,906	6,635,387	(173,481)
Total public safety	<u>15,632,768</u>	<u>15,945,609</u>	<u>16,020,990</u>	<u>(75,381)</u>
Public works	5,143,266	5,358,636	5,108,793	249,843
Culture and recreation	6,130,198	6,176,341	5,758,427	417,914
Human services	91,528	91,528	94,615	(3,087)
Economic development	422,185	422,185	413,683	8,502
Non-departmental	(559,016)	(974,567)	-	(974,567)
Capital improvements	195,000	195,000	48,307	146,693
Total expenditures	<u>33,160,437</u>	<u>33,385,437</u>	<u>33,375,653</u>	<u>9,784</u>
Excess (deficiency) of revenues over expenditures	<u>(3,174,518)</u>	<u>(3,249,518)</u>	<u>(1,927,082)</u>	<u>1,322,436</u>
Other financing sources (uses)				
Transfers in	4,390,487	4,390,487	4,377,640	(12,847)
Transfers out	(1,410,969)	(1,335,969)	(1,173,450)	162,519
Total other financing sources (uses)	<u>2,979,518</u>	<u>3,054,518</u>	<u>3,204,190</u>	<u>149,672</u>
Net change in fund balance	<u>(195,000)</u>	<u>(195,000)</u>	<u>1,277,108</u>	<u>1,472,108</u>
Fund balance, beginning of year	11,496,579	11,496,579	11,496,579	-
Fund balance, end of year	<u>\$ 11,301,579</u>	<u>\$ 11,301,579</u>	<u>\$ 12,773,687</u>	<u>\$ 1,472,108</u>

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

CITY OF ORMOND BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - REDEVELOPMENT TRUST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 696,442	\$ 896,442	\$ 924,490	\$ 28,048
Miscellaneous	1,500	1,500	7,300	5,800
Total revenues	<u>697,942</u>	<u>897,942</u>	<u>931,790</u>	<u>33,848</u>
Expenditures				
Current:				
General government:				
Planning	85,000	85,000	60,349	24,651
Public works	217,272	217,272	145,071	72,201
Culture and recreation	183,100	183,100	193,855	(10,755)
Human services	200,000	200,000	-	200,000
Nondepartmental	-	(3,000)	-	(3,000)
Capital improvements	1,170,000	1,173,000	1,146,755	26,245
Total expenditures	<u>1,855,372</u>	<u>1,855,372</u>	<u>1,546,030</u>	<u>309,342</u>
Excess (deficiency) of revenues over expenditures	<u>(1,157,430)</u>	<u>(957,430)</u>	<u>(614,240)</u>	<u>343,190</u>
Other financing sources (uses)				
Transfers in	443,583	443,583	454,102	10,519
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>443,583</u>	<u>443,583</u>	<u>454,102</u>	<u>10,519</u>
Net change in fund balance	<u>(713,847)</u>	<u>(513,847)</u>	<u>(160,138)</u>	<u>353,709</u>
Fund balance, beginning of year	1,834,115	1,834,115	1,834,115	-
Fund balance, end of year	<u>\$ 1,120,268</u>	<u>\$ 1,320,268</u>	<u>\$ 1,673,977</u>	<u>\$ 353,709</u>

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

CITY OF ORMOND BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - ORMOND CROSSINGS TRUST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues				
Intergovernmental	\$ 44,648	\$ 44,648	\$ 47,427	\$ 2,779
Miscellaneous	-	-	1,458	1,458
Total revenues	<u>44,648</u>	<u>44,648</u>	<u>48,885</u>	<u>4,237</u>
Expenditures				
Current:				
General government:				
Nondepartmental	81,198	81,198	-	81,198
Total expenditures	<u>81,198</u>	<u>81,198</u>	<u>-</u>	<u>81,198</u>
Excess (deficiency) of revenues over expenditures	<u>(36,550)</u>	<u>(36,550)</u>	<u>48,885</u>	<u>85,435</u>
Other financing sources (uses)				
Transfers in	36,550	36,550	38,500	(1,950)
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>36,550</u>	<u>36,550</u>	<u>38,500</u>	<u>(1,950)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>87,385</u>	<u>83,485</u>
Fund balance, beginning of year	221,567	221,567	221,567	-
Fund balance, end of year	<u>\$ 221,567</u>	<u>\$ 221,567</u>	<u>\$ 308,952</u>	<u>\$ 83,485</u>

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

CITY OF ORMOND BEACH, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2020

	Business-type Activities - Enterprise Funds			Governmental
	Water and Sewer	Solid Waste	Total	Activities Internal Service Funds
ASSETS				
Current assets:				
Equity in pooled cash and investments	\$ 10,507,143	\$ 618,819	\$ 11,125,962	\$ 3,225,298
Accounts receivable - net	1,913,047	834,226	2,747,273	250
Due from other governments	47,600	-	47,600	9,372
Prepaid items	-	-	-	11,761
Restricted equity in pooled cash and investments	4,631,505	-	4,631,505	-
Total current assets	<u>17,099,295</u>	<u>1,453,045</u>	<u>18,552,340</u>	<u>3,246,681</u>
Noncurrent assets:				
Restricted equity in pooled cash and investments	8,585,350	107,866	8,693,216	-
Capital assets:				
Land	1,072,485	-	1,072,485	-
Intangibles	543,138	-	543,138	-
Building and improvements other than buildings	240,418,810	310,613	240,729,423	-
Equipment	5,662,585	394,038	6,056,623	-
Less accumulated depreciation	(153,843,168)	(283,357)	(154,126,525)	-
Construction in progress	3,128,696	-	3,128,696	-
Total noncurrent assets	<u>105,567,896</u>	<u>529,160</u>	<u>106,097,056</u>	<u>-</u>
Total assets	<u>\$ 122,667,191</u>	<u>\$ 1,982,205</u>	<u>\$ 124,649,396</u>	<u>\$ 3,246,681</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	\$ 3,228	\$ 172	\$ 3,400	\$ -
Deferred outflows related to OPEB	173,653	4,461	178,114	-
Total deferred outflows	<u>\$ 176,881</u>	<u>\$ 4,633</u>	<u>\$ 181,514</u>	<u>\$ -</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 1,674,340	\$ 509,559	\$ 2,183,899	\$ 18,665
Accrued liabilities	190,665	6,189	196,854	-
Compensated absences	249,647	21,389	271,036	-
Claims payable	-	-	-	947,000
Current portion of landfill closure	-	86,513	86,513	-
Payable from restricted assets:				
Customer deposits	247,529	-	247,529	-
Current portion of bonds and loans payable	4,287,341	-	4,287,341	-
Accrued interest payable	96,635	-	96,635	-
Total current liabilities	<u>6,746,157</u>	<u>623,650</u>	<u>7,369,807</u>	<u>965,665</u>
Noncurrent liabilities:				
Compensated absences	200,229	28,698	228,927	-
Claims payable	-	-	-	1,435,000
Bonds payable	20,463,000	-	20,463,000	-
Loans from other governments	8,426,087	-	8,426,087	-
Landfill closure liability	-	793,320	793,320	-
Total OPEB liability	1,033,442	37,764	1,071,206	-
Net pension liability	1,794,052	95,441	1,889,493	-
Total noncurrent liabilities	<u>31,916,810</u>	<u>955,223</u>	<u>32,872,033</u>	<u>1,435,000</u>
Total liabilities	<u>\$ 38,662,967</u>	<u>\$ 1,578,873</u>	<u>\$ 40,241,840</u>	<u>\$ 2,400,665</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	\$ 201,854	\$ 10,739	\$ 212,593	\$ -
Deferred inflows related to OPEB	160,985	4,136	165,121	-
Total deferred inflows	<u>\$ 362,839</u>	<u>\$ 14,875</u>	<u>\$ 377,714</u>	<u>\$ -</u>
NET POSITION				
Net investment in capital assets	\$ 64,825,829	\$ 421,294	\$ 65,247,123	\$ -
Restricted for construction	9,622,948	-	9,622,948	-
Restricted for debt service	2,971,822	-	2,971,822	-
Restricted for renewal and replacement	400,000	-	400,000	-
Unrestricted	5,997,667	(28,204)	5,969,463	846,016
Total net position	<u>\$ 83,818,266</u>	<u>\$ 393,090</u>	<u>\$ 84,211,356</u>	<u>\$ 846,016</u>

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

CITY OF ORMOND BEACH, FLORIDA
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Business-type Activities - Enterprise Funds			Governmental
	Water and Sewer	Solid Waste	Total	Activities Internal Service Funds
Operating revenues:				
Charges for services:				
Water sales	\$ 10,504,569	\$ -	\$ 10,504,569	\$ -
Service charges	242,164	-	242,164	-
Sewer charges	9,269,035	-	9,269,035	-
Refuse charges	-	7,525,384	7,525,384	-
Franchise fees	-	1,543,786	1,543,786	-
Internal charges	-	-	-	2,592,255
Miscellaneous	49,238	-	49,238	65,623
Total operating revenues	<u>20,065,006</u>	<u>9,069,170</u>	<u>29,134,176</u>	<u>2,657,878</u>
Operating expenses:				
Billing and customer service	1,507,170	-	1,507,170	-
Water system	4,059,781	-	4,059,781	-
Sewer system	4,464,620	-	4,464,620	-
Solid waste system	-	8,205,927	8,205,927	-
Claims and insurance	-	-	-	2,154,576
Depreciation	8,172,641	24,051	8,196,692	-
Total operating expenses	<u>18,204,212</u>	<u>8,229,978</u>	<u>26,434,190</u>	<u>2,154,576</u>
Operating income	<u>1,860,794</u>	<u>839,192</u>	<u>2,699,986</u>	<u>503,302</u>
Nonoperating income (expenses):				
Interest revenue	141,720	9,783	151,503	-
Operating grants	217,211	302,808	520,019	-
Interest/amortization expense	(1,029,860)	-	(1,029,860)	-
Gain (loss) on disposal of capital assets	2,327	-	2,327	-
Total nonoperating revenues (expenses)	<u>(668,602)</u>	<u>312,591</u>	<u>(356,011)</u>	<u>-</u>
Income before contributions, grants, and transfers	1,192,192	1,151,783	2,343,975	503,302
Capital contributions, grants, and impact fees	1,414,146	-	1,414,146	-
Transfers in	463,048	-	463,048	-
Transfers out	<u>(2,556,660)</u>	<u>(1,263,592)</u>	<u>(3,820,252)</u>	<u>(99,112)</u>
Change in net position	512,726	(111,809)	400,917	404,190
Total net position - beginning of year	<u>83,305,540</u>	<u>504,899</u>	<u>83,810,439</u>	<u>441,826</u>
Total net position - ending of year	<u>\$ 83,818,266</u>	<u>\$ 393,090</u>	<u>\$ 84,211,356</u>	<u>\$ 846,016</u>

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

CITY OF ORMOND BEACH, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Business-type Activities - Enterprise Funds			Governmental
	Water and Sewer	Solid Waste	Total	Activities Internal Service Funds
Cash flows from operating activities				
Cash received from customers	\$ 20,027,259	\$ 9,062,968	\$ 29,090,227	\$ 2,688,547
Cash paid to employees	(3,972,343)	(94,048)	(4,066,391)	-
Cash paid to suppliers	(6,246,219)	(5,824,825)	(12,071,044)	(1,871,800)
Net cash provided by (used in) operating activities	<u>9,808,697</u>	<u>3,144,095</u>	<u>12,952,792</u>	<u>816,747</u>
Cash flows from noncapital financing activities				
Transfers from other funds	463,048	-	463,048	-
Transfers to other funds	(2,556,660)	(1,263,592)	(3,820,252)	(99,112)
Operating grants	217,211	-	217,211	-
Interfund loans	-	(1,394,345)	(1,394,345)	-
Net cash provided by (used in) noncapital financing activities	<u>(1,876,401)</u>	<u>(2,657,937)</u>	<u>(4,534,338)</u>	<u>(99,112)</u>
Cash flows from capital and related financing activities				
Acquisition and construction of capital assets	(7,058,959)	-	(7,058,959)	-
Capital grants and impact fees	1,269,688	-	1,269,688	-
Principal payments of long-term debt	(4,177,236)	-	(4,177,236)	-
Interest paid	(1,039,994)	-	(1,039,994)	-
Net cash provided by (used in) capital and related financing activities	<u>(11,006,501)</u>	<u>-</u>	<u>(11,006,501)</u>	<u>-</u>
Cash flows from investing activities				
Interest received	141,720	9,783	151,503	-
Net change in cash and cash equivalents	<u>(2,932,485)</u>	<u>495,941</u>	<u>(2,436,544)</u>	<u>717,635</u>
Cash and cash equivalents, beginning of year	26,656,483	230,744	26,887,227	2,507,663
Cash and cash equivalents, end of year	<u>\$ 23,723,998</u>	<u>\$ 726,685</u>	<u>\$ 24,450,683</u>	<u>\$ 3,225,298</u>
Cash and cash equivalents classified as:				
Unrestricted	\$ 10,507,143	\$ 618,819	\$ 11,125,962	\$ 3,225,298
Restricted	13,216,855	107,866	13,324,721	-
Total cash and cash equivalents	<u>\$ 23,723,998</u>	<u>\$ 726,685</u>	<u>\$ 24,450,683</u>	<u>\$ 3,225,298</u>
Reconciliation of operating income to net cash provided by (used in) operating activities				
Operating income (loss)	\$ 1,860,794	\$ 839,192	\$ 2,699,986	\$ 503,302
Adjustments to reconcile net operating income to net cash provided by operating activities:				
Depreciation	8,172,641	24,051	8,196,692	-
Changes in assets and liabilities:				
Accounts receivable	309,928	(6,202)	303,726	-
Due from other governments	329,525	2,497,658	2,827,183	30,669
Inventories	17,000	-	17,000	-
Prepaid items	-	-	-	(11,761)
Accounts payable and accrued liabilities	(99,824)	(137,238)	(237,062)	(5,463)
Deposits	(677,200)	-	(677,200)	-
Compensated absences	182,862	6,200	189,062	-
Claims liability	-	-	-	300,000
Landfill closure liability	-	(71,806)	(71,806)	-
Net pension liability	(346,974)	(9,298)	(356,272)	-
Total OPEB liability	59,945	1,538	61,483	-
Net cash provided by (used in) operating activities	<u>\$ 9,808,697</u>	<u>\$ 3,144,095</u>	<u>\$ 12,952,792</u>	<u>\$ 816,747</u>
Non-cash investing, capital, and financing activities:				
Capital assets contributed from other sources	<u>\$ 144,458</u>	<u>\$ -</u>	<u>\$ 144,458</u>	<u>\$ -</u>

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

**CITY OF ORMOND BEACH, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2020**

	Pension Trust Funds
ASSETS	
Cash and cash equivalents with trustee	\$ 7,777,572
Receivables:	
Due from other funds	389,841
State premium taxes	2,331
Interest and dividends receivable	212,722
Total receivables	604,894
Investments, at fair value:	
U.S. Government securities	19,770,741
Mortgage-backed securities	759,321
Corporate bonds	21,510,838
Corporate stocks	61,824,827
Foreign stocks	13,808,092
Total investments	117,673,819
Total assets	\$ 126,056,285
LIABILITIES	
Accounts payable	\$ 275,085
Due to other funds	266,223
Total liabilities	\$ 541,308
NET POSITION	
Restricted for pensions	\$ 125,514,977

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

CITY OF ORMOND BEACH, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Pension Trust Funds
Additions	
Contributions:	
Employer	\$ 4,361,395
Plan members	853,389
State - insurance premium taxes	670,574
Total contributions	5,885,358
Investment earnings:	
Net appreciation (depreciation) in fair value of investments	7,327,104
Interest and dividends	2,322,208
Total investment earnings	9,649,312
Less: investment expense	(602,315)
Net investment income (loss)	9,046,997
 Total additions	 14,932,355
Deductions	
Benefit payments	7,739,792
Refunds	53,378
Administrative expenses	155,164
Total deductions	7,948,334
 Change in net position	 6,984,021
 Net position restricted for pensions, beginning of year	 118,530,956
 Net position restricted for pensions, end of year	 \$125,514,977

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

CITY OF ORMOND BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

The City of Ormond Beach, Florida (the City) is a municipal corporation created by the laws of Florida, Chapter 67-1274 located in Volusia County. The legislative branch of the City is comprised of a five- (5) member elected Commission. The City Commission is governed by the City Charter and by state and local laws and regulations. The City Commission is responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the Commission-appointed City Manager.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. All amounts reported in the financial statements are in thousands. The following is a summary of the more significant policies.

(a) **Reporting entity**—The accompanying financial statements present the financial position, results of operations and cash flows of the applicable fund types governed by the City Commission of the City of Ormond Beach, Florida, the reporting entity of government for which the City Commission is considered to be financially accountable. Based upon the application of the criteria set forth in GASB Codification, there are no discretely presented component units of the City.

(b) **Individual Component Unit Disclosures**—The City reports the following blended component units:

The Ormond Beach Community Redevelopment Agency (CRA) (created by Florida Statutes 163.38 and Resolution 84-74) is governed by a board comprised of the government's elected Commission. Additionally, the services provided by the agency entirely benefit the primary government and bond issuance authorization is approved by the City's Commission. Although legally separate, the CRA is reported as if it were part of the primary government and appropriately recorded as a major special revenue fund.

The Ormond Beach North Mainland / Ormond Crossings Community Redevelopment Agency (Ormond Crossings) (created by Florida Statutes 163.38 and Resolution 2006-36) is governed by a board comprised of the government's elected Commission. Additionally, the services provided by the agency benefit the primary government and bond issuance authorization is approved by the City's Commission. Although legally separate, Ormond Crossings is reported as if it were part of the primary government and appropriately recorded as a major special revenue fund.

(c) **Related organizations**—The City commission is also responsible for appointing the members of the board for the Ormond 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 Commission and can only be removed for cause. The City cannot impose its will on the Housing Authority and does not derive any financial benefit or burden from the relationship.

CITY OF ORMOND BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

(d) **Jointly-governed organizations**—The City, in conjunction with the County, eleven (11) other cities in Volusia County, over seventy-five local private sector companies, five (5) higher education institutions and Volusia County Public Schools have created the Team Volusia Economic Development Corporation. Team Volusia EDC is an organization that works to support business growth and recruit new business within the County and its 16 cities. During the year ended September 30, 2020, the City made a contribution to the Team Volusia EDC in the amount of \$25,000, which allows the City to have one member on the Executive Committee.

(e) **Government-wide and fund financial statements**—The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

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

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

Governmental fund financial statements are reported using *the current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

CITY OF ORMOND BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

When grant terms provide that an expenditure of resources is the prime factor for determining eligibility for federal, state, and other grant resources, revenue is recognized at the time the expenditure is made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Redevelopment Trust Fund* is a special revenue fund that accounts for the financial resources related to the economic development of the Ormond Beach Downtown Community Redevelopment Area. These funds include proceeds from the City's tax increment financing districts, which are legally restricted and expended to support the City's redevelopment in the designated community redevelopment area.

The *Ormond Crossings Trust Fund* is a special revenue fund that accounts for the financial resources related to the economic development of the North Mainland/Ormond Crossings Community Redevelopment Area. These funds include proceeds from the City's tax increment financing District, which are legally restricted and expended to support the City's redevelopment in the designated community redevelopment area.

The City reports the following major proprietary funds:

The *Water and Sewer Fund* accounts for the activities of the City's water distribution system, sewage treatment plant, sewage pumping stations and collection systems.

The *Solid Waste Fund* accounts for the activities of the City's solid waste collection and disposal system.

CITY OF ORMOND BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

Additionally, the City reports the following fund types:

Special Revenue Funds—These funds account for financial resources related to the stormwater, airport, confiscated funds and grants of the City. The funds account for specific revenues that are legally restricted and expended for these specific purposes.

Debt Service Funds—These funds account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Capital Projects Funds—These funds account for financial resources to be used for equipment replacement or the acquisition or construction of major capital facilities and improvement projects (other than those financed by proprietary funds and trust funds).

Internal Service Fund—This fund accounts for self-insurance activities provided to other departments of the City, on a cost-reimbursement basis.

Pension Trust Funds—These funds account for the activities of the Employees Retirement System, which accumulates resources for pension benefit payments to qualified firemen, police officers, and general employees.

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 other charges between the City's water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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

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

CITY OF ORMOND BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

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

- (i) Prior to the end of the fiscal year, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- (ii) Budget workshops are scheduled by the City Manager, as needed.
- (iii) The general summary of the budget and notice of public hearing is published in the local newspaper.
- (iv) Public hearings are conducted to obtain taxpayer comments.
- (v) Prior to October 1, the budgets are legally enacted through passage of an ordinance.
- (vi) The City Manager is authorized to transfer budgeted amounts between divisions and departments; however, any revisions that alter the total appropriations of any fund must be approved by the City Commission.
- (vii) The level of classification detail at which expenditures may not legally exceed appropriations is the fund level.
- (viii) The City Commission, by Ordinance, may make supplemental appropriations in excess of those originally estimated for the year up to the amount of available revenues. There one budget amendment to the General Fund for the fiscal year ended September 30, 2020.
- (ix) Appropriations lapse at the close of the fiscal year to the extent they have not been expended. Appropriations for capital expenditures lapse five years henceforth.

The budgets for governmental funds that were either adopted or amended during the year by the City Commission were prepared using the modified accrual basis of accounting in accordance with GAAP. The general, special revenue, debt service and capital project funds have legally adopted budgets. The legally adopted annual budget is contained within a separate document.

The individual funds that comprise the Water and Sewer Fund, consisting of the Water and Wastewater Operations Fund, Vehicle Replacement Fund, Renewal and Replacement Fund, Consolidated Debt Service Fund, West Ormond Reuse Impact Fee Fund, Water System Impact Fee Fund, Wastewater System Impact Fee Fund, Water System Improvements Fund, Wastewater System Improvements Fund and Watermain System Improvements Fund, have legally adopted annual budgets. The Solid Waste Fund also has a legally adopted annual budget. Presentation of budget/actual comparisons have not been presented in these financial statements as this disclosure would be misleading and is not required by GAAP.

CITY OF ORMOND BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

(h) **Cash and investments**—For accounting and investment purposes, a pooled cash and investments account is maintained for all funds. This gives the City the ability to invest large amounts of idle cash for short periods of time and to maximize earnings potential. The “equity in pooled cash and investments” represents the amount owned by each fund.

Cash and cash equivalents include cash on hand, demand deposits and cash with fiscal agent. Additionally, each fund’s equity in the City’s investment pool is considered to be a cash equivalent since the funds can deposit or effectively withdraw cash at any time without prior notice or penalty.

All of the City’s investments are reported at fair value, with the exception of 2a-7-like pools which are stated at cost or amortized value. Investments within the Pension Trust Funds made through financial brokers are held with trustees and are stated at fair value as determined in an active market.

(i) **Receivables, revenues, and interfund obligations**—Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

All trade and property tax receivables, including those for water, sewer and solid waste services, are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 120 days comprise the trade accounts receivable allowance for uncollectibles, including those for water, sewer and solid waste services. The property tax receivable allowance is recorded from approximately 45 percent of outstanding property taxes at September 30, 2020.

The unbilled portion of water, sewer, solid waste, and stormwater earned revenues and accrued at year end is based upon a proration of the October cycle billing.

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 Volusia County Revenue Division. The laws of the state regulating tax assessment are also designed to assure a consistent property valuation method statewide. State Statutes permit municipalities to levy property taxes at a rate of up to ten mills. For the year ended September 30, 2020, the millage rate assessed by the City was 4.2200 mills.

**CITY OF ORMOND BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

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

The property tax calendar is as follows:

Valuation Date January 1, 2019

Property Appraiser prepares the assessment roll with values as of January 1, 2019, submits this preliminary roll for approval by the State and notifies each taxing authority of their respective valuations. July 1, 2019

City Commission holds two required public hearings and adopts a budget and ad valorem tax millage rate for the coming fiscal year. September 2019

Property Appraiser certifies the assessment roll and all real and tangible personal property taxes are due and payable (Levy date). November 1, 2019

A Notice of Taxes is mailed to each property owner on the assessment roll. Taxes may be paid November 2019 through March 2020, with the following applicable discounts: November 1, 2019

<u>Month Paid</u>	<u>Discount Percent</u>	
November	4 %	through
December	3	March 31, 2020
January	2	
February	1	
March	0	

All unpaid taxes on real and tangible personal property become delinquent. April 1, 2020

A list of unpaid tangible personal property taxes and a list of unpaid real property taxes are advertised. April and May
2020

Tax certificates are sold on all real estate parcels with unpaid real property taxes (Lien date). June 1, 2020

A court order is obtained authorizing the seizure and sale of personal property if the taxpayer fails to pay the delinquent personal property taxes. June 1, 2020

At September 30, 2020, the City has recorded property taxes receivable of \$55,987.

(j) **Inventories**— consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time inventory is used (consumption method) using the first-in, first-out method of accounting.

(k) **Prepaid items**—Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are recorded as expenditures in governmental funds using the consumption method.

CITY OF ORMOND BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

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

Sinking funds are used to segregate resources accumulated for debt service payments over the next twelve months.

Renewal and replacement funds are used to report resources set aside to meet unexpected repairs or to fund asset renewal and replacement.

Construction funds are used to report proceeds from bonds restricted for construction and impact fees on new construction and development. Impact fees must be expended on utility system expansions.

Landfill escrow funds are used to meet the obligation for closure and post closure care costs.

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

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	25
Stormwater infrastructure	25
Roadways and sidewalks infrastructure	25
Water system	25
Sewer system	25 – 30
Parks and recreational infrastructure	15
Vehicles and rolling stock	7 – 15
Machinery and equipment	3 – 5

CITY OF ORMOND BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

(n) **Deferred outflows of resources**—In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

The City has two items that qualifies for reporting as deferred outflows of resources, reported in both the government-wide statement of financial position and the proprietary funds statement of financial position. The items are the deferred outflows related to pensions and other post-employment benefits (OPEB). The deferred outflows related to pensions and OPEB will be recognized as either pension/OPEB expense or a reduction in the net pension/OPEB liability, respectively, in future reporting years. Details on the composition of deferred outflows related to pensions and OPEB are reported in subsequent notes.

(o) **Unearned revenue**—Unearned revenues will be recognized as revenue in the fiscal year they are earned or become available. Unearned revenue presented on the government-wide, governmental fund, and proprietary fund statements represents advance collection of funds for services to be provided in future reporting periods, consisting primarily of service deposits.

(p) **Liability for compensated absences**—The City policy permits employees to accumulate a limited amount of earned, but unused personal, vacation, and sick leave. These benefits are payable to employees upon separation from service. All leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in accordance with the GASB Codification.

(q) **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 for 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 is financing the post-employment benefits on a pay-as-you-go basis. As determined by an actuarial valuation, the City records a total OPEB liability in its proprietary and government-wide financial statements related to the implicit subsidy. See Note (13) for further information.

(r) **Long-term obligations**—In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when paid.

In the fund financial statements, governmental fund types recognize premiums and discounts, as well as bond 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 uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**CITY OF ORMOND BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

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

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

Currently, the City has three items that qualify for reporting as deferred inflows of resources, two in both the government-wide statement of financial position and the proprietary funds statement of financial position and one item on the balance sheet of the governmental funds. The deferred inflows related to pensions and OPEB will be recognized as a component of pension/OPEB expense in future reporting years. Details on the composition of deferred inflows related to pensions and OPEB are reported in subsequent notes.

In the governmental funds, a deferred inflow of resources is reported for unavailable revenue, which will be recognized as inflows of resources in the period that the amounts become available. The sources of the unavailable revenue are as follows:

<u>Description</u>	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Property taxes	\$ 32,111	\$ 7,330	\$ 39,441
Payments in lieu of taxes	22,500	-	22,500
Code enforcement violations	457,170	-	457,170
Total	<u>\$ 511,781</u>	<u>\$ 7,330</u>	<u>\$ 519,111</u>

(t) **Fund equity**—In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Amounts that are restricted to specific purposes either by a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances. Amounts that can only be used for specific purposes pursuant to constraints imposed by the City Commission through an ordinance are classified as committed fund balances. Amounts that are constrained by the City’s intent to be used for specific purposes but are neither restricted nor committed are classified as assigned fund balances. As per the City’s fund balance policy, approved by Resolution 2011-138 on September 20, 2011, the intended purpose (assignments) may be determined by the City Commission, City Manager or Finance Director. Non-spendable fund balances include amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact. Unassigned fund balances represent the fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the General Fund.

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

CITY OF ORMOND BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

(u) **Minimum fund balance policy**—The City’s policy is to maintain an adequate General Fund, fund balance to provide liquidity in the event of an economic downturn or natural disaster. The City Commission has adopted a financial standard to maintain a General Fund minimum unassigned fund balance of 15 percent of budgeted annual expenditures. This policy also includes a provision for a revenue stabilization fund of up to \$3,000,000; the balance of this fund at September 30, 2020, was \$2,685,000. Of this balance, \$1,165,000 was appropriated in the fiscal year 2021 budget and is included in assigned fund balance; the remaining \$1,520,000 is included in unassigned fund balance.

(v) **Net position**—The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted. *Net investment in capital assets* groups all capital assets including infrastructure into one component of net position. Accumulated depreciation and the outstanding balances of debt, excluding unspent bond proceeds, that are attributable to the acquisition, construction or improvement of these assets, reduce the balance in this category. *Restricted net position* presents net position with external restrictions imposed by creditors, grantors or laws and regulations of other governments. Unrestricted net position presents the net position balance that does not meet the definition of either of the other two components. The City would typically use restricted net position first, followed by unrestricted net position, but reserves the right to selectively spend unrestricted resources first to defer the use of these other classified funds.

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

(a) **Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position**—Following the governmental fund balance sheet is the reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this difference are explained in the above-referenced financial statement.

(b) **Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**—Following the governmental fund statement of revenues, expenditures, and changes in fund balances, there is a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this difference are explained in the above referenced financial statement.

CITY OF ORMOND BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(3) Cash Deposits and Investments:

(a) City of Ormond Beach

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

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

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

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

Mortgage-Backed Securities – includes securities which are based on mortgages that are guaranteed by a government agency or GSE for payment of principal and a guarantee of timely payments.

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

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

Commercial Paper – includes commercial paper of any United States company that is rated, at the time of purchase, "Prime-1" by Moody's and "A-1" by Standard & Poor's (prime commercial paper. If backed by a letter of credit (LOC), the long-term debt of the LOC provider must be rated at least single "A" category by any two Nationally Recognized Statistical Rating Organizations ("NRSROs").

Corporate Notes – includes corporate notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States that have a long-term debt rating, at the time of purchase, at a minimum single "A" category by any two NRSROs.

Bankers' Acceptances – includes bankers' acceptances which are issued by a domestic bank which has, at the time of purchase, an unsecured, uninsured and unguaranteed obligation rating of at least "Prime-1" by Moody's or "A-1" by Standard & Poor's.

State and/or Local Government Taxable and/or Tax-Exempt Debt – includes state and local government taxable and/or tax-exempt debt, general obligation and/or revenue bonds, rated, at the time of purchase, at a minimum single "A" category by any two NRSROs, or rated at least "MIG-2" by Moody's or "SP-2" by Standard & Poor's for short term debt.

CITY OF ORMOND BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

Registered Investment Companies (Money Market Mutual Funds) – includes shares in open-end and no-load money market funds provided such funds are registered under the Federal Investment Company Act of 1940 and operate in accordance with 17 C.F.R. Section 270.2a-7, which stipulates that money market funds must have an average weighted maturity of 60 days or less. In addition, the share value of the money market funds must be equal to \$1.00. The money market funds shall be rated “AAAm” by Standard & Poor’s or the equivalent by another NRSRO.

Intergovernmental Investment Pool – includes intergovernmental investment pools that are authorized pursuant to the Florida Interlocal Corporation Act, as provided in Section 163.01, Florida Statutes. The intergovernmental investment pool shall be rated “AAA” by Standard & Poor’s or the equivalent by another NRSRO.

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

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

The Florida Security for Public Deposits Act established guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements and characteristics of eligible collateral. Under the Act, the qualified public depository must pledge at least 50 percent of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance. Additional collateral, up to a maximum of 125 percent, may be required, if deemed necessary under the conditions set forth in the Act.

Obligations pledged to secure deposits must be delivered to the State Treasurer or, with the approval of the State Treasurer, to a bank, savings association, or trust company provided a power of attorney is delivered to the Treasurer. Under the Act, the pool may assess participating financial institutions on a pro rata basis to fund any shortfall in the event of the failure of a member institution.

The City is a member of Florida PRIME, the Local Government Surplus Funds Trust Fund Investment Pool (the Pool), that is administered by the State Board of Administration of Florida (SBA). This pool is a “2a-7 like” pool, which has the characteristics of a money market fund. Therefore, the fair value of investments held at the State Board of Administration Pool is the same as the fair value of the pooled shares. The Regulatory Oversight of the Local Government Surplus Funds Trust fund is governed by Ch. 19-7 of the Florida Administrative Code, which identifies the Rules for the State Board of Administration. These rules provide guidance and establish the general procedure for the administration of the Local Government Surplus Funds Trust Fund. The Local Government Surplus Trust Fund is not a registrant with the Securities and Exchange Commission (SEC); however, the Board has adopted operating procedures consistent with the requirements for a 2a-7 fund. The State Board of Administration has taken the position that participants in the pool are not required to disclose information related to interest rate risk, concentration of credit risk, and foreign credit risk.

CITY OF ORMOND BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(3) Cash Deposits and Investments: (Continued)

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

The City measures and records its investments, assets whose use is limited, and restricted assets using fair value measurement guidelines. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

As of September 30, 2020, the City’s Governmental and Business-type investment portfolio is composed of the following investments:

<u>Investment Type</u>	<u>Credit Quality Rating (Moody’s)</u>	<u>Carrying Value</u>	<u>Weighted Average Investment Maturities (in Years)</u>		<u>Fair Value Measurement</u>		
			<u>Less Than 1</u>	<u>1 – 5</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash deposits	NR	\$ 24,787,777	\$ 24,787,777	\$ -	\$ n/a	\$ n/a	\$ n/a
State Board of Administration							
– Florida PRIME	AAAm	191,326	191,326	-	n/a	n/a	n/a
Money market	AAA-mf	29,681,335	29,681,335	-	n/a	n/a	n/a
Total Portfolio		<u>\$ 54,660,438</u>	<u>\$ 54,660,438</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of investments. The City’s investment policy manages its exposure to declines in fair values by limiting the maturity of specific investments to provide sufficient liquidity to pay obligations as they come due. In addition, the City’s investment policy limits investments to those having a maturity, at the time of purchase, of less than five years. There were no investments in the City’s portfolio that exceeded this maximum maturity at September 30, 2020.

Credit Risk: Credit risk is the risk that a debt issuer or other counter-party to an investment will not fulfill its obligations. The City’s investment policy utilizes portfolio diversification in order to limit investments to the highest rated securities as rated by nationally recognized rating agencies. The ratings of the investments held at year end are shown above. All are rated within the investment policy guidelines at September 30, 2020.

CITY OF ORMOND BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(3) Cash Deposits and Investments: (Continued)

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The City's investment policy utilizes limitations on securities of a single issuer to manage this risk. For example, the City's investment policy limits a maximum of 40% of available funds may be invested in any one issuer of Federal Instrumentalities. Likewise, the policy limits state a maximum of 15% of available funds may be invested with any one issuer of Commercial Paper. At September 30, 2020, the investment portfolio met the single issuer and quality limitations of the investment policy.

Custodial Credit Risk: Custodial credit risk is the risk that the City may not recover cash and investments held by another party in the event of financial failure. All of the City's 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. Therefore, the City has no custodial risk associated with deposits.

The City's investment policy 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 portfolio was held with a third-party custodian.

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

(b) Pension Plans

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

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

Time or savings accounts of a national bank, a state bank or a savings/building and loan association insured by the FDIC.

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

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

Foreign securities.

Bonds, stocks, commingled or mutual funds.

State Board of Administration and the investment vehicles it utilizes.

CITY OF ORMOND BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(3) Cash Deposits and Investments: (Continued)

Any other investment that the pension board deems to be prudent.

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

	Carrying Value	Weighted Average Maturity (years)	Credit Rating (Moody's)	Measured at Fair Value:		
				Level 1	Level 2	Level 3
Money market funds	\$ 7,777,572	N/A	NR	\$ n/a	\$ n/a	\$ n/a
U.S. General Obligations	1,862,057	9.38	Aaa	-	1,862,057	-
Government mortgage-backed securities	18,668,730	1.44	NR	-	18,668,730	-
Corporate Bonds	21,510,838	6.88	AA1, A1, A2, A3, Baa1	-	21,510,838	-
Common Stock	61,824,103	N/A	NR	61,824,103	-	-
Foreign Stock	13,808,091	N/A	NR	13,808,091	-	-
Total Portfolio	\$ 125,451,391			\$ 75,632,194	\$ 42,041,625	\$ -

Level 2 investments were all fixed-income securities measured at fair value based on market inputs based on the coupon rates versus index rates.

Investments in Government Mortgage-Backed Securities include the Federal Home Loan Mortgage Corporation and Federal Home Loan Banks.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of investments. Generally, the longer the time to maturity, the greater the exposure to interest rate risk. The established performance objectives of the Pension Plans require investment maturities to provide sufficient liquidity to pay obligations as they become due. At September 30, 2020, the weighted average maturity in years for each investment type is included in the preceding table.

Credit Risk: Credit risk is the risk that a debt issuer or other counter-party to an investment will not fulfill its obligations. The Pension Plans utilize portfolio diversification in order to limit investments to the highest rated securities as rated by nationally recognized rating agencies. The ratings of the investments held at year end are shown above. All are rated within the investment policy guidelines at September 30, 2020.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The Pension trust fund's policy does not allow more than five (5) percent of its assets in the common stock, capital stock, or convertible securities of any one issuing company, nor shall the aggregate investment in any one issuing company, exceed five (5) percent of the outstanding stock of that company, nor shall the aggregate of its investments at market in common stock, capital stock and convertible securities exceed seventy (70) percent of the fund's total assets. At September 30, 2020, the investment portfolios met the single issuer limitations.

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

CITY OF ORMOND BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

Foreign Currency Risk: Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The Pension trust fund's policy allows for up to twenty-five (25) percent of its investments in common stock, capital stock and convertible securities at market value in foreign securities. At September 30, 2020, the investment portfolios met the foreign securities limitations.

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

Fair Value/Carrying Value	
Governmental and Business-type Investment Portfolio	\$ 54,660,438
Pension Investment Portfolio	125,451,391
Total	<u>\$180,111,829</u>
 Government-Wide Statement of Net Position:	
Cash and investments	\$ 41,335,717
Restricted cash and investments	13,324,721
Statement of Plan Net Position:	
Cash and cash equivalents with trustee	7,777,572
Investments with trustee	117,673,819
Total	<u>\$180,111,829</u>

(4) **Receivables:**

Receivables, net of the allowance for doubtful accounts at September 30, 2020, consist of the following:

Fund	Total Accounts Receivable	Less Allowance for Doubtful Accounts	Accounts Receivable, Net
General	\$ 1,910,922	\$ -	\$ 1,910,922
Redevelopment Trust	-	-	-
Ormond Crossings Trust	-	-	-
Water and sewer	1,996,335	(83,288)	1,913,047
Solid waste	866,320	(32,094)	834,226
Internal service	250	-	250
Non-major funds	374,650	(44,627)	330,023
Total	<u>\$ 5,148,477</u>	<u>\$ (160,009)</u>	<u>\$ 4,988,468</u>

In addition to accounts receivable, the City also recorded \$4,367,290 in due from other governments at September 30, 2020.

CITY OF ORMOND BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(5) Capital Assets:

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

	<u>Beginning Balance</u>	<u>Increases / Reclassifications</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated –				
Land	\$ 43,451,918	\$ -	\$ -	43,451,918
Works of art	377,185	-	-	377,185
Intangibles	295,614	13,594	-	309,208
Construction in progress	5,642,890	4,639,763	(3,029,067)	7,253,586
Total capital assets, not being depreciated	<u>49,767,607</u>	<u>4,653,357</u>	<u>(3,029,067)</u>	<u>51,391,897</u>
Capital assets, being depreciated –				
Buildings	29,427,784	282,776	-	29,710,560
Improvements other than buildings	142,429,204	4,715,748	-	147,144,952
Equipment	15,414,734	859,830	(107,635)	16,166,929
Software	2,413,365	-	-	2,413,365
Total capital assets, being depreciated	<u>189,685,087</u>	<u>5,858,354</u>	<u>(107,635)</u>	<u>195,435,806</u>
Less accumulated depreciation for–				
Buildings	(23,686,628)	(602,468)	-	(24,289,096)
Improvements other than buildings	(84,618,474)	(5,767,905)	-	(90,386,379)
Equipment	(10,006,720)	(989,617)	107,085	(10,889,252)
Software	(1,198,183)	(344,831)	-	(1,543,014)
Total accumulated depreciation	<u>(119,510,005)</u>	<u>(7,704,821)</u>	<u>107,085</u>	<u>(127,107,741)</u>
Total capital assets, being depreciated, net	<u>70,175,082</u>	<u>(1,846,467)</u>	<u>(550)</u>	<u>68,328,065</u>
Governmental activities capital assets, net	<u>\$ 119,942,689</u>	<u>\$ 2,806,890</u>	<u>\$ (3,029,617)</u>	<u>\$ 119,719,962</u>
Business-type activities:				
Capital assets, not being depreciated –				
Land	\$ 1,072,485	\$ -	\$ -	\$ 1,072,485
Intangibles	398,680	144,458	-	543,138
Construction in progress	5,661,155	5,357,711	(7,890,170)	3,128,696
Total capital assets, not being depreciated	<u>7,132,320</u>	<u>5,502,169</u>	<u>(7,890,170)</u>	<u>4,744,319</u>
Capital assets, being depreciated –				
Buildings	291,626	-	-	291,626
Improvements other than buildings	230,877,230	9,560,567	-	240,437,797
Equipment	5,898,800	208,015	(50,192)	6,056,623
Total capital assets, being depreciated	<u>237,067,656</u>	<u>9,768,582</u>	<u>(50,192)</u>	<u>246,786,046</u>
Less accumulated depreciation for –				
Buildings	(119,383)	(12,682)	-	(132,065)
Improvements other than buildings	(141,749,149)	(7,859,669)	-	(149,608,818)
Equipment	(4,111,493)	(324,341)	50,192	(4,385,642)
Total accumulated depreciation	<u>(145,980,025)</u>	<u>(8,196,692)</u>	<u>50,192</u>	<u>(154,126,525)</u>
Total capital assets, being depreciated, net	<u>91,087,631</u>	<u>(1,571,890)</u>	<u>-</u>	<u>92,659,521</u>
Business-type activities capital assets, net	<u>\$ 98,219,951</u>	<u>\$ 7,074,059</u>	<u>\$ (7,890,170)</u>	<u>\$ 97,403,840</u>

**CITY OF ORMOND BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

(5) **Capital Assets:** (Continued)

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General governmental	\$ 745,969
Public safety	713,526
Public works	4,031,060
Culture and recreation	2,214,266
Total depreciation expense-governmental activities	<u>\$ 7,704,821</u>
Business-type activities:	
Water and sewer	\$ 8,172,641
Solid waste	24,051
Total depreciation expense-business-type activities	<u>\$ 8,196,692</u>

(6) **Commitments:**

The City has active construction projects as of September 30, 2020. The projects include construction of utility improvements, road and right-of-way improvements, recreational facilities and drainage improvements. At September 30, 2020, the City's construction commitments are as follows:

	<u>Total Adjusted Contract Amounts</u>	<u>Remaining Commitment</u>
Road and drainage improvements	\$ 4,954,000	\$ 744,000
Culture and recreation improvements	35,000	2,000
Water and wastewater system improvements	<u>11,700,000</u>	<u>3,811,000</u>
Total	<u>\$ 16,689,000</u>	<u>\$ 4,557,000</u>

The commitment for water and sewer system improvements is being funded from water and sewer construction funds. The road and drainage improvements are being funded from the transportation improvements fund. Culture and recreation improvements are being funded by the General Fund.

**CITY OF ORMOND BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

(7) Interfund Accounts:

Individual fund interfund receivables and payables, at September 30, 2020, consist of the following:

	Due from Other Funds	Due to Other Funds
General Fund	\$ -	\$ 123,618
Non-major governmental funds	-	-
Fiduciary funds	389,841	266,223
	\$ 389,841	\$ 389,841

	Advances to Other Funds	Advances from Other Funds
General Fund	\$ 610,000	\$ -
Municipal Airport Fund	-	530,000
Grants Fund	-	80,000
	\$ 610,000	\$ 610,000

The interfund receivables between the General Fund and fiduciary funds represent year-end adjustments based upon actual versus required contributions and other reconciling items in the pension funds.

The advances from the General Fund to the Municipal Airport Fund and Grants Fund are interest-bearing and was made to accelerate the capital improvement program for the Municipal Airport. The advance will be repaid by future revenues of the advanced funds.

(8) Interfund Transfers:

The City makes routine transfers between its funds in the course of the fiscal year. The principal purposes of these transfers are to allocate resources for debt service, construction or other capital projects, and to provide operating subsidies. These transfers are consistent with the activities of the funds involved. Transfers of resources from a fund receiving revenue to the fund through which the resources are to be expended are recorded as transfers and are reported as other financing sources (uses) in the Governmental Funds and as transfers in (out) in the Proprietary Funds. Following is a summary of interfund transfers for the year ended September 30, 2020:

	General Fund	Redevelopment Trust Fund	Ormond Crossings Trust Fund	Nonmajor Governmental Funds	Water and Sewer Fund	Total Transfers Out
General Fund	\$ -	\$ 454,102	\$ 38,500	\$ 680,848	\$ -	\$ 1,173,450
Nonmajor Governmental Funds	847,512	-	-	1,050,000	113,808	2,011,320
Water and Sewer Fund	2,516,664	-	-	39,996	-	2,556,660
Solid Waste Fund	914,352	-	-	-	349,240	1,263,592
Internal Service Funds	99,112	-	-	-	-	99,112
Total transfers in	\$4,377,640	\$ 454,102	\$ 38,500	\$ 1,770,844	\$ 463,048	\$ 7,104,134

CITY OF ORMOND BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(8) **Interfund Transfers** (Continued)

In addition to the above purposes, the following transfers occurred during the year ended September 30, 2020:

The transfer out in the General Fund and transfer in for the Redevelopment Trust Special Revenue Fund represents the City's tax increment payment based on the difference in taxable values for the redevelopment area from the base tax year to 2019.

Significant transfers to the General Fund include:

- A transfer out of the Transportation Improvements Fund of \$702,336 to offset road maintenance and street lighting costs and as payment in support of capital improvement projects.
- A transfer out of the Water and Sewer Fund of \$2,516,664 as payment in lieu of franchise fees and support of operating and capital improvement projects.
- A transfer out of the Solid Waste Fund of \$914,352 as payment in support of operating and capital improvement projects and as payment in lieu of franchise fees.

Significant transfers to nonmajor governmental funds include:

- Transfers out of the General Fund of \$158,004 to the 2005 Capital Improvement Note, respectively, to fund debt service payments.
- Transfers out of the General Fund of \$456,448 to the Financing Fund, respectively, to fund debt service payments.
- A transfer out of the General Fund of \$66,396 to the Municipal Airport fund, respectively, to fund renewal and replacement of existing City facilities.

(9) **Capital Leases:**

On October 21, 2014, the City acquired a Pierce Saber Pumper fire apparatus for \$343,606 through a capital lease through Oshkosh Capital. The lease bears interest at 2.85% with annual payments of \$74,702 until October 2019.

On April 1, 2017, the City entered into capital lease through Santander Leasing, LLC, for a Pierce Saber Pumper fire apparatus for \$381,073. The lease bears interest at 3.32% with annual payments of \$83,971 until April 2022.

On January 7, 2020, the City entered into capital lease through Ring Investments, LLC, for a 2019 Caterpillar 938M Wheel Loader for \$236,814. The lease bears interest at 3.5% with annual payments of \$47,363 until February 2024.

On July 30, 2020, the City entered into capital lease through PNC Equipment Finance, LLC, for two Pierce Enforcer Pumper fire apparatuses for \$1,155,825. The lease bears interest at 2.92% with annual payments of \$134,325 until July 2030.

**CITY OF ORMOND BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

(9) **Capital Leases:** (Continued)

The following is a schedule of future minimum lease payments for the four leases listed above for each of the next five years and in the aggregate as of September 30, 2020:

Fiscal Year Ending September 30,	Governmental Activities
2021	\$ 264,659
2022	264,659
2023	181,688
2024	181,688
2025	134,325
2026-2030	671,625
Total minimum lease payments	1,698,644
Less: amount representing interest	(208,918)
Present value of net minimum capital lease payments	\$ 1,489,726

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

(a) **General Obligation Bonds - Series 2003**—The citizens of Ormond Beach approved a bond referendum election held April 8, 2003, to construct a new fire station to replace Fire Station #92, located on Nova Road. The City entered into a \$1,640,000, General Obligation Bond Series 2003, term loan agreement, on June 18, 2003, with SunTrust Bank to finance the construction cost of the fire station replacement and to pay the cost of issuance. The term loan agreement is based on a 20-year amortization and contains a fixed interest rate of 2.73%. Average annual debt service for the term loan is \$114,000.

(b) **General Obligation Bonds - Series 2010**—The citizens of Ormond Beach approved a bond referendum election held August 10, 2010, to acquire property for a beachfront park. The City entered into a \$5,000,000, General Obligation Bond Series 2010, term loan agreement, on November 12, 2010, with JPMorgan Chase Bank to finance the cost of the acquisition and development of lands on the East side of A1A/Atlantic Avenue for a public beachfront park and to pay cost of issuance. The term loan agreement is based on a 20-year amortization and contains a fixed interest rate of 2.89%.

(c) **Capital Improvement Note**—On February 2, 2005, the City issued Capital Improvements Revenue Note, Series 2005, in the amount of \$2,100,000. The proceeds will be used to finance the construction and relocation of Fire Station #91, currently located at 160 East Granada Boulevard to a site located at 354 South Atlantic Avenue. The Capital Improvements Revenue Note, Series 2005, was issued to Bank of America at an interest rate of 3.72% for a term of 20 years, maturing on July 1, 2024. The City has pledged to appropriate non-ad valorem revenues to repay the loan.

CITY OF ORMOND BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

(d) **Water and Sewer Revenue bonds**—Revenue bonds payable at September 30, 2020, are payable solely from the net revenues of the water and sewer systems and are issued in accordance with the water and sewer bond ordinances. The significant terms of the water and sewer ordinances are as follows:

(i) Establish certain funds and accounts within the Water and Sewer Enterprise Fund as follows:

- Operation and Maintenance Fund (Revenue Fund)
- Sinking Fund
- Renewal and Replacement Fund
- Impact Fee Fund
- Construction Trust Fund
- Rebate Fund

(ii) Early Redemption

The bond ordinances provide for early redemption of outstanding bonds at call rates varying from 100% to 101% of the face value, depending upon the call date.

(iii) Investment Restrictions

All funds are to be continuously secured in the same manner as state and municipal deposits of funds are required to be secured by the Laws of the State of Florida;

Permitted investments include such obligations as are permitted to be legal investments of the City by the laws of the State; and

Monies on deposit in the various funds established by the bond ordinance may be invested in permitted investments maturing as specified in the ordinance.

(iv) Covenants

Net Revenues, which shall be adequate at all times to pay in each fiscal year at least 110% of the annual debt service requirement for the Outstanding Bonds and any Additional Parity Bonds hereafter issued for the then current fiscal year.

Net Revenues together with the Impact Fees received in such fiscal year shall be adequate at all times to pay in each fiscal year at least 120% of the annual debt service requirement for the Outstanding Bonds and any Additional Parity Bonds.

City will not reduce its schedule of rates, fees, rentals and other charges as to be insufficient to provide adequate Net Revenues and Impact Fees for such purposes.

The City was in compliance with all bond covenants as of September 30, 2020.

CITY OF ORMOND BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

- (e) **State Revolving Fund Loans**—During the year ended September 30, 2009, the City executed an agreement with the Florida Department of Environmental Protection to borrow up to \$8,344,275 at an interest rate of 3.20% through the State Revolving Fund loan program, for the purpose of expansion and rehabilitation of the wastewater treatment plant. Repayment commenced on August 15, 2011, and is due semiannually thereafter on February 15 and August 15, each year until all amounts due under the agreement have been fully paid on February 15, 2031.

During the year ended September 30, 2012, the City executed an agreement with the Florida Department of Environmental Protection to borrow up to \$7,559,518 at an interest rate of 2.60% through the State Revolving Fund loan program, for the purpose of constructing the wastewater and reuse transmission facilities. Repayment commenced on December 15, 2013, is due semiannually thereafter on June 15 and December 15, each year until all amounts due under the agreement have been fully paid on June 15, 2033.

- (f) Long-Term Debt consists of the following:

Governmental Activities	Rates and Payment Dates	Final Maturity	Annual Serial Payments	Amount Issued	Amount Outstanding
General Obligation Bonds:					
General Obligation Bond, series 2003	2.73% (7/1)	2023	\$55,000- \$110,000	1,640,000	320,000
General Obligation Bond, series 2010	2.89% (7/1)	2030	\$200,000- \$335,000	5,000,000	2,965,000
Total General Obligation Bonds				<u>\$ 6,640,000</u>	<u>\$ 3,285,000</u>
Capital Improvement Note	3.72% (7/1)	2024	\$0-\$151,000	<u>\$ 2,100,000</u>	<u>\$ 572,000</u>

CITY OF ORMOND BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

<u>Business-Type Activities</u>	<u>Rates and Payment Dates</u>	<u>Final Maturity</u>	<u>Annual Serial Payments</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
Water and Sewer Revenue Bonds:					
	3.37%		\$0 -		
2010A Water and sewer	(3/1; 9/1)	2025	\$2,200,000	\$ 20,000,000	\$ 10,295,000
	1.70%				
2013A Water and sewer	(3/1;9/1)	2023	\$0 - \$410,000	3,420,000	1,220,000
	1.58%		\$0 -		
2013B Water and sewer	(3/1;9/1)	2022	\$1,115,000	6,565,000	2,210,000
	2.58%		\$140,000 -		
2015 Water and sewer	(3/1; 9/1)	2030	\$206,000	2,600,000	1,844,000
	2.45%		\$25,000-		
2017 Water and sewer	(3/1;9/1)	2032	\$455,000	4,050,000	3,965,000
	2.65%		\$28,000-		
2019 Water and sewer	(3/1;9/1)	2033	\$480,000	4,543,000	4,543,000
Total Water and Sewer Revenue Bonds				<u>\$ 41,178,000</u>	<u>\$ 24,077,000</u>
State Revolving Fund Loans:					
	3.20%		\$70,000-		
SRF Loan WW710140	(2/1; 8/1)	2031	\$543,000	\$ 8,344,275	\$ 4,804,058
	2.60%				
SRF Loan WW640120	(2/1; 8/1)	2026	\$430,000	7,559,518	4,295,370
Total State Revolving Fund Loans				<u>\$ 15,903,793</u>	<u>\$ 9,099,428</u>

(g) **Debt service requirements**—The annual requirements to amortize the bonds and loans payable outstanding as of September 30, 2020, are as follows:

<u>Fiscal Year Ending September 30</u>	<u>Obligation Bonds Series 2003</u>		<u>Obligation Bonds Series 2010</u>		<u>Obligation Bonds Totals</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 105,000	\$ 10,688	\$ 260,000	\$ 85,688	\$ 365,000	\$ 96,376
2022	105,000	7,181	270,000	78,174	375,000	85,355
2023	110,000	3,674	275,000	70,372	385,000	74,046
2024	-	-	285,000	62,424	285,000	62,424
2025	-	-	290,000	54,188	290,000	54,188
2026	-	-	300,000	45,807	300,000	45,807
2027	-	-	310,000	37,137	310,000	37,137
2028	-	-	315,000	28,178	315,000	28,178
2029	-	-	325,000	19,074	325,000	19,074
2030	-	-	335,000	9,682	335,000	9,682
Totals	<u>\$ 320,000</u>	<u>\$ 21,543</u>	<u>\$2,965,000</u>	<u>\$490,724</u>	<u>\$3,285,000</u>	<u>\$ 512,967</u>

**CITY OF ORMOND BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

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

Fiscal Year Ending September 30		Capital Improvement Note Series 2005	
		Principal	Interest
	2021	\$ 135,000	\$ 21,574
	2022	140,000	16,482
	2023	146,000	11,202
	2024	151,000	5,711
	Totals	\$ 572,000	\$ 54,969

Fiscal Year Ending September 30	Water and Sewer Revenue Bonds Series 2010A		Water and Sewer Revenue Bonds Series 2013A		Water and Sewer Revenue Bonds Series 2013B	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 1,925,000	\$ 346,942	\$ 400,000	\$ 20,740	\$ 1,095,000	\$ 34,918
2022	1,990,000	282,069	410,000	13,940	1,115,000	17,617
2023	2,055,000	215,006	410,000	6,970	-	-
2024	2,125,000	145,753	-	-	-	-
2025	2,200,000	74,140	-	-	-	-
Totals	\$10,295,000	\$ 1,063,910	\$ 1,220,000	\$ 41,650	\$ 2,210,000	\$ 52,535

Fiscal Year Ending September 30	Water and Sewer Revenue Bonds Series 2015		Water and Sewer Revenue Bonds Series 2017	
	Principal	Interest	Principal	Interest
2021	\$ 164,000	\$ 47,575	\$ 30,000	\$ 97,142
2022	168,000	43,344	30,000	96,408
2023	173,000	39,010	330,000	95,672
2024	177,000	34,546	345,000	87,588
2025	182,000	29,980	355,000	79,136
2026	186,000	25,284	370,000	70,438
2027	191,000	20,485	380,000	61,372
2028	196,000	15,557	395,000	52,062
2029	201,000	10,501	410,000	42,384
2030	206,000	5,314	425,000	32,340
2031	-	-	440,000	21,928
2032	-	-	455,000	11,148
Totals	\$ 1,844,000	\$ 271,596	\$ 3,965,000	\$ 747,618

CITY OF ORMOND BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

<u>Fiscal Year Ending September 30</u>	<u>Water and Sewer Revenue Bonds Series 2019</u>		<u>Water and Sewer Revenue Bonds Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ -	\$ 120,390	\$ 3,614,000	\$ 667,707
2022	-	120,390	3,713,000	573,768
2023	361,000	115,606	3,329,000	472,264
2024	371,000	105,907	3,018,000	373,794
2025	380,000	95,957	3,117,000	279,213
2026	391,000	85,751	947,000	181,473
2027	401,000	75,247	972,000	157,104
2028	412,000	64,475	1,003,000	132,094
2029	422,000	53,424	1,033,000	106,309
2030	434,000	42,082	1,065,000	79,736
2031	445,000	30,435	885,000	52,363
2032	457,000	18,484	912,000	29,632
2033	469,000	6,214	469,000	6,214
Totals	<u>\$ 4,543,000</u>	<u>\$ 934,362</u>	<u>\$24,077,000</u>	<u>\$ 3,111,671</u>

<u>Fiscal Year Ending September 30</u>	<u>State Revolving Fund Loan # WW710140</u>		<u>State Revolving Fund Loan # 640120</u>		<u>State Revolving Fund Loans Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 391,686	\$ 150,621	\$ 281,655	\$ 109,861	\$ 673,341	\$ 260,482
2022	404,320	137,987	289,025	102,490	693,345	240,477
2023	417,362	124,945	296,589	94,927	713,951	219,872
2024	430,824	111,483	304,350	87,165	735,174	198,648
2025	444,721	97,586	312,315	79,201	757,036	176,787
2026	459,066	83,241	320,488	71,028	779,554	154,269
2027	473,874	68,434	328,875	62,641	802,749	131,075
2028	489,159	53,148	337,481	54,034	826,640	107,182
2029	504,937	37,370	346,313	45,203	851,250	82,573
2030	521,225	21,082	355,375	36,140	876,600	57,222
2031	266,883	4,270	364,675	26,840	631,558	31,110
2032	-	-	374,218	17,297	374,218	17,297
2033	-	-	384,012	7,504	384,012	7,504
Totals	<u>\$ 4,804,057</u>	<u>\$ 890,167</u>	<u>\$ 4,295,371</u>	<u>\$ 794,331</u>	<u>\$ 9,099,428</u>	<u>\$ 1,964,402</u>

(h) **Other long-term payables**—Other long-term payables consist of a single payable to a software vendor in conjunction with an enterprise software licensing agreement. The agreement commenced June 1, 2016; payments are due in equal monthly amounts through May 31, 2023.

CITY OF ORMOND BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

(i) **Change in long-term liabilities**—Long-term liability activity for the year ended September 30, 2020, was as follows:

	Balance October 1, 2019	Additions	Reductions	Balance September 30, 2020	Due Within One Year
Governmental Activities					
Bonds Payable:					
General Obligation Bonds	\$ 3,640,000	\$ -	\$ 355,000	\$ 3,285,000	\$ 365,000
Capital Improvement Note	702,000		130,000	572,000	135,000
Capital leases	308,701	1,377,155	196,130	1,489,726	221,550
Other long-term payables	1,236,595	-	353,313	883,282	353,313
Claims and judgments	2,082,000	1,332,000	1,032,000	2,382,000	947,000
Compensated absences	1,941,076	1,763,884	1,155,156	2,549,804	1,308,289
Governmental Activities - Long-term liabilities	<u>\$ 9,910,372</u>	<u>\$ 4,473,039</u>	<u>\$ 3,221,599</u>	<u>\$ 11,161,812</u>	<u>\$ 3,330,152</u>
Business-Type Activities					
Bonds Payable					
Revenue Bonds	\$ 27,602,000	\$ -	\$ 3,525,000	\$ 24,077,000	\$ 3,614,000
Loans Payable					
State Revolving Fund	9,751,664	1,684	653,920	9,099,428	673,341
Total bonds and loans payable	37,353,664	1,684	4,178,920	33,176,428	4,287,341
Landfill closure	951,639	-	71,805	879,833	86,513
Compensated absences	310,901	485,471	296,410	499,963	271,036
Business-Type Activities - Long-term liabilities	<u>\$ 38,616,204</u>	<u>\$ 487,155</u>	<u>\$ 4,547,135</u>	<u>\$ 34,556,224</u>	<u>\$ 4,644,890</u>

Compensated absences are recorded in the government-wide financial statements as noncurrent liabilities. As employees leave employment with the City, the balance of compensated absences become due and payable if certain standard employment-departure conditions are met. Compensated absences are liquidated by the General, Stormwater Drainage and Municipal Airport Funds. Claims and judgments and other post-employment benefits are liquidated by the General Fund.

**CITY OF ORMOND BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

(11) Self-Insurance:

The City's Consolidated Insurance Fund (an internal service fund) accounts for the general liability and workers' compensation insurance program.

The City is self-insured for general liability claims and for workers' compensation. The City maintains a blanket buildings and contents policy covering losses to City structures and has obtained excess insurance coverage for workers' compensation. The City has self-retention for each workers' compensation claim up to \$350,000 and excess insurance up to \$1 million.

Section 768.28 of the Florida Statutes establishes that the City is liable for tort claims in the same manner and to the same extent as a private individual under like circumstances, but liability shall not include punitive damages or interest for the period before judgment. Section 768.28 of the Florida Statutes also provides limited liability for tort claims against the state and its agencies and subdivisions. Under the provisions of this law, the City's liability is limited to \$200,000 per claim or judgment by any one person or \$300,000 per claim or judgment for any occurrence. Any portion of a judgment which exceeds these amounts may be reported to the State Legislature, but may be paid in part or in whole only by further act of the State Legislature.

All funds of the City participate in the program and make payments to the fund based on estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses. As of September 30, 2020, the estimates are based on an actuarial analysis of the City's self-insurance program. At September 30, 2020, the claims liability was approximately \$2,382,000. The claims liability estimates were discounted to present value using an assumed discount rate of 4.0% per annum. Because of uncertainties in the estimation process, it is at least reasonably possible that management's estimate of the claims' liability will change in the near term and could be material to the financial statements.

Changes in the claims' liability for the past five years are as follows:

	Balance at Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at End of Fiscal Year
2016	\$ 2,340,000	\$ 531,000	\$ (747,000)	\$ 2,124,000
2017	2,124,000	1,076,000	(1,454,000)	1,746,000
2018	1,746,000	1,535,000	(1,070,000)	2,211,000
2019	2,211,000	1,007,000	(1,136,000)	2,082,000
2020	2,082,000	1,332,000	(1,032,000)	2,382,000

(a) **Litigation**—Various suits and claims arising in the ordinary course of the City's operations are pending against the City. At September 30, 2020, management has estimated these suits and claims to have an immaterial effect on the City's financial statements. At September 30, 2020, certain other suits are indeterminable as to the probability or estimability of the potential liability to the City.

CITY OF ORMOND BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(12) **Retirement Plans:**

(a) **Defined Benefit Pension Plans**

Description of the Plans

Municipal Firefighters' Retirement Trust Fund—The Municipal Firefighters' Retirement Trust Fund is a single-employer defined benefit public employee retirement systems and contains the assets of the fire pension plan. The funding methods and determination of benefits payable are provided in the various acts of the Florida Legislature, which created the funds, including subsequent amendments thereto. The statutes provide, in general, that funds are to be accumulated from employee contributions, city contributions, state appropriations and income from investment of accumulated funds. The act also provides that, should the accumulated funds at any time be insufficient to meet and pay the benefits due, the City shall supplement the fund by an appropriation from current funds, or from any revenues which may lawfully be used for said purposes in an amount sufficient to make up the deficiency. The investments of the funds are administered, managed and operated by their respective Boards of Trustees using the services of the Finance Department and Regions Bank. The Board of trustees consists of two commission appointees, two members of the Department elected by the membership and a fifth member elected by the other four and appointed by Commission. Investments are reported at fair value.

All full-time employees who are classified as full-time firefighters shall participate in the Municipal Firefighters' Retirement System upon employment with the City. Employees vest for full benefits after 10 years of service and receive the vested portion of the accrued benefit payable at the otherwise normal retirement date.

The plan provides retirement, termination, disability and death benefits. Benefit amounts are calculated based on 3.37% for the Firefighters' Pension System of Average Monthly Earnings (total compensation) for the highest five years times credited service prior to January 1, 2016 and 3.35% for credited service on or after January 1, 2016, if hired prior to May 20, 2014. If hired on or after May 20, 2014, benefit amounts are calculated based on 2.75% for the Firefighters' Pension System of Average Monthly Earnings (total compensation) for the highest five years times credited service. Normal retirement for firefighters hired prior to May 20, 2014 occurs the earlier of age 60, age 55 and 10 years of Credited Service or 20 years of Credited Service regardless of age. Normal retirement for firefighters hired on or after May 20, 2014 occurs the earlier of age 60, age 55 and 10 years of Credited Service or age 52 and 25 years of Credited Service. Eligibility for Early Retirement is permitted for those who have at least 10 years of Credited Service and have reached age 50. The accrued benefit is the same as normal retirement but actuarially reduced 3% per year to reflect early payment. The plan also provides both service and nonservice related disability and death benefits. Service incurred disability is covered from the date of employment, while non-service incurred disability is covered for those who have at least 10 years of credit service. Benefit amount is benefit accrued to date of disability but not less than 42% of Average Monthly Earnings (Service Incurred). Vested pre-pension death benefits include monthly accrued benefit payable to designated beneficiary for 10 years. Non-vested pre-pension death benefits include a refund of the accumulated contributions without interest.

CITY OF ORMOND BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(12) **Retirement Plans:** (Continued)

Municipal Police Officers' Retirement Trust Fund—The Municipal Police Officers' Retirement Trust Funds is a single-employer defined benefit public employee retirement system and contains the assets of the police pension plans. The funding methods and determination of benefits payable are provided in the various acts of the Florida Legislature, which created the funds, including subsequent amendments thereto. The statutes provide, in general, that funds are to be accumulated from employee contributions, city contributions, state appropriations and income from investment of accumulated funds. The act also provides that, should the accumulated funds at any time be insufficient to meet and pay the benefits due, the City shall supplement the fund by an appropriation from current funds, or from any revenues which may lawfully be used for said purposes in an amount sufficient to make up the deficiency. The investments of the funds are administered, managed and operated by their respective Boards of Trustees using the services of the Finance Department and Regions Bank. The Board of trustees consists of two commission appointees, two members of the Department elected by the membership and a fifth member elected by the other four and appointed by Council. Investments are reported at fair value.

All full-time employees who are classified as full-time sworn police officers shall participate in the Municipal Police Officers' Retirement System upon employment with the City. Employees vest for full benefits after 10 years of service and receive the vested portion of the accrued benefit payable at the otherwise normal retirement date.

The Plan provides retirement, termination, disability and death benefits. Benefit amounts are calculated based on 3.30%, if hired prior to August 21, 2012, or 2.75%, if hired on or after August 21, 2012, of Average Monthly Earnings, which represents average earnings (total compensation) for the highest five years during the 10 years immediately preceding retirement or termination, times Credited Service or total years and completed months of continuous employment with the City. Normal retirement occurs the earlier of age 60, age 55 and 10 years of Credited Service or 20 years of Credited Service. Eligibility for Early Retirement is permitted for those who have at least 10 years of Credited Service and have reached age 45. The accrued benefit is the same as normal retirement but actuarially reduced by 3% per year to reflect early payment. The plan also provides both service and nonservice related disability and death benefits. Service incurred disability is covered from the date of employment, while non-service incurred disability is covered for those who have at least 10 years of credit service. Benefit amount is benefit accrued to date of disability but not less than 42% of Average Monthly Earnings (Service Incurred). Vested pre-pension death benefits include monthly accrued benefit payable to designated beneficiary for 10 years. Non-vest pre-pension death benefits include a refund of the accumulated contributions without interest. A 1% cost of living adjustment is provided annually beginning the first October 1st following one year of retirement.

General Employees' Trust Fund—The General Employees' Trust Fund is a single-employer defined benefit public employee retirement system and contains the assets of the General Employees' Trust Fund. The General Employees' Trust Fund has an original effective date of November 1, 1969 and an effective date of restatement of April 1, 1979. The funding methods and determination of benefits payable are provided in the various sections of the City's Code of Ordinances, including subsequent amendments thereto. The Code provides, in general, that funds are to be accumulated from employee contributions, City contribution and income from investment of accumulated funds. The investments of the fund are administered, managed and operated by its respective Boards of Trustees using the services of the Finance Department and Regions Bank. The Board of trustees consists of the Finance Director, two representatives appointed by the City Commission and two other city employees' representatives selected by the employees. Investments are reported at fair value.

**CITY OF ORMOND BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

(12) **Retirement Plans:** (Continued)

The General Employees' Trust Fund includes all City employees hired before December 19, 2012, except state certified police and firefighters. Employees became eligible for the plan upon employment by the City, and all eligible employees must participate. Any remaining amount necessary to pay the Normal Cost and fund the accrued, past service liability over 30 years is contributed by the City. Employees vest for full benefits after 5 years of service and receive the vested portion of the accrued benefit payable at the otherwise normal retirement date.

The Plan provides retirement, termination, disability and death benefits. Benefit amounts are calculated based on 2.50% of Average Monthly Earnings, which represents average earnings (base pay excluding overtime and other non-regular payments) during the highest five years, times Credited Service or years and completed months of continuous uninterrupted service with the City. Normal retirement occurs the first of the month coinciding with or following the earlier of age 62 with 5 years of creditable service or when the sum of age and years of service equals 85 but not earlier than age 55. Eligibility for Early Retirement is permitted for those who have at least 5 years of Credited Service and have reached age 60 or when the sum of age and years of service equals 80. The accrued benefit is the same as normal retirement but actuarially reduced by 2% per year to reflect early payment. The plan also provides disability and death benefits. Disability is covered from the date of employment for employees hired before September 1, 1993, while disability is covered for those employees hired on or after September 1, 1993, who have at least 10 years of credit service. Benefit amount is benefit accrued to date of disability. Vested pre-pension death benefits include survivorship annuity computed as though the member retired on the date of death; equivalent alternative forms of benefit may be elected. Non-vested pre-pension death benefits include a refund of accumulated contributions with interest of 4% annually.

Plan membership as of October 1, 2019, the date of the most recent actuarial valuation is as follows:

	Municipal Firefighters' Retirement Fund	General Employees' Trust Fund	Municipal Police Officers' Retirement Fund
Inactive plan members or beneficiaries currently receiving benefits	46	176	63
Inactive plan members entitled to but not yet receiving benefits	3	45	7
Active plan members	44	93	70
Total plan membership	<u>93</u>	<u>314</u>	<u>140</u>

CITY OF ORMOND BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(12) **Retirement Plans:** (Continued)

Contributions

The participant contribution rates are established by and may be amended by the City Commission. Participant contribution rates for the Municipal Firefighters' Retirement Trust Fund, General Employees' Trust Fund and Municipal Police Officers' Retirement Trust Fund are 8.6%, 4.0% and 9.0%, respectively, of covered payroll. The City's annual required contribution for the current year was determined as part of the October 1, 2019 actuarial valuations. The City is required under the Florida Protection of Public Employee Retirement benefits Act to meet required contribution amounts. The City's contributions (and, if applicable, any liquidations of a net pension obligation) to the Municipal Firefighters' Retirement Trust Fund and Municipal Police Officers' Retirement Trust Fund are funded by the General Fund, while the General Employees' Trust Fund contributions are funded by the General Fund and various other governmental and enterprise funds.

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

Contributions to the City's pension plans for the year ended September 30, 2020, were as follows:

	Municipal Firefighters' Retirement Fund	General Employees' Trust Fund	Municipal Police Officers' Retirement Fund	Total
Employee contributions	\$ 246,305	\$ 201,517	\$ 405,567	\$ 853,389
City contributions	1,520,496	1,279,644	1,561,255	4,361,395
State contributions	259,354	-	411,220	670,574
Total contributions	\$ 2,026,155	\$ 1,481,161	\$ 2,378,042	\$ 5,885,358

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

Net Pension Liability

The City's net pension liability was measured as of September 30, 2020. The total pension liability used to calculate the net pension liability was determined as of that date. The components on the net pension liability of the pension plans at September 30, 2020, were as follows:

**CITY OF ORMOND BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

(12) **Retirement Plans:** (Continued)

	Municipal Firefighters' Retirement Fund	General Employees' Trust Fund	Municipal Police Officers' Retirement Fund	Total
Total pension liability	\$ 41,196,784	\$ 59,963,343	\$ 48,885,752	\$ 150,045,879
Plan fiduciary net position*	(33,440,215)	(53,442,760)	(38,632,085)	(125,515,060)
Net pension liability	<u>\$ 7,756,569</u>	<u>\$ 6,520,583</u>	<u>\$ 10,253,667</u>	<u>\$ 24,530,819</u>

Plan fiduciary net position as percentage of total pension liability	81.17%	89.13%	79.03%	83.65%
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*Plan fiduciary net position for the General Employees' Trust Fund and Municipal Firefighters' Retirement Fund varied from the Statement of Fiduciary Net Position due to the recognition of prepaid contributions for net pension liability calculation purposes.

Actuarial assumptions:

The total pension liability was determined by an actuarial valuation as of October 1, 2019, updated to September 30, 2020, using the following actuarial assumptions to all measurement periods:

	Municipal Firefighters' Retirement Fund	General Employees' Trust Fund	Municipal Police Officers' Retirement Fund
Inflation	2.30%	2.30%	2.30%
Salary increases	5.50%	4.00%	5.50%
Discount rate	7.00%	6.75%	6.75%
Investment rate of return	7.00%	6.75%	6.75%

Mortality rates for the Municipal Firefighters' Retirement Fund were based on the PubG.H-2010 General Mortality and PubS.H-2010 Safety Mortality Tables. Disability lives are set forward one year. Mortality rates for the General Employees' Trust Fund were based on the PubG.H-2010 General Mortality and PubS.H-2010 Safety Mortality Tables. Disability lives are set forward three years. Mortality rates for the Municipal Police Officers' Retirement Fund were based on the PubG.H-2010 General Mortality and PubS.H-2010 Safety Mortality Tables. Disability lives are set forward two years. The actuarial assumptions used in the October 1, 2014 valuation were based on the results of an actuarial experience study performed on August 10, 2011, for the period 1998-2010.

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

CITY OF ORMOND BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(12) **Retirement Plans:** (Continued)

	Long-Term Expected Real Rate of Return		
	Municipal Firefighters' Retirement Fund	General Employees' Trust Fund	Municipal Police Officers' Retirement Fund
Domestic equity	5.40%	5.40%	5.40%
International equity	4.20%	4.20%	4.20%
Fixed income	1.45%	1.45%	1.45%

Discount rate:

The discount rate used to measure the total pension liability was 7.00% for the Municipal Firefighters' Retirement Fund and 6.75% for the General Employees' Trust Fund and the Municipal Police Officers' Retirement Fund. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and sponsor contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine total pension liability.

Changes in Net Pension Liability

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

	Municipal Firefighters' Retirement Fund		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) – (b)
Balances at September 30, 2019	\$ 39,941,549	\$ 31,128,040	\$ 8,813,509
Changes for a year:			
Service cost	821,243	-	821,243
Interest	2,782,272	-	2,782,272
Differences between expected and actual experience	(42,666)	-	(42,666)
Changes of assumptions	(250,478)	-	(250,478)
Changes of benefit terms	23,024	-	23,024
Contributions – Employer	-	1,520,496	(1,520,496)
Contributions – State	-	259,354	(259,354)
Contributions – Employee	-	246,353	(246,353)
Net investment income	-	2,422,523	(920,527)
Benefit payments, including refunds of employee contributions	(2,078,160)	(2,078,160)	-
Administrative expense	-	(58,391)	58,391
Net changes	1,255,235	2,312,175	(1,056,940)
Balances at September 30, 2020	\$ 41,196,784	\$ 33,440,215	\$ 7,756,569

CITY OF ORMOND BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(12) **Retirement Plans:** (Continued)

	General Employees' Trust Fund		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) – (b)
Balances at September 30, 2019	\$ 58,790,553	\$ 51,486,963	\$ 7,303,590
Changes for a year:			
Service cost	743,732	-	743,732
Interest	3,908,540	-	3,908,540
Differences between expected and actual experience	(242,973)	-	(242,973)
Change of assumptions	23,463	-	23,463
Contributions – Employer	-	1,279,644	(1,279,644)
Contributions – Employee	-	201,520	(201,520)
Net investment income	-	3,775,172	(3,775,172)
Benefit payments, including refunds of employee contributions	(3,259,972)	(3,259,972)	-
Administrative expense	-	(40,567)	40,567
Net changes	1,172,790	1,955,797	(783,007)
Balances at September 30, 2020	\$ 59,963,343	\$ 53,442,760	\$ 6,520,583

	Municipal Police Officers' Retirement Fund		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) – (b)
Balances at September 30, 2019	\$ 46,836,506	\$ 35,929,512	\$ 10,906,994
Changes for a year:			
Service cost	1,126,512	-	1,126,512
Interest	3,150,057	-	3,150,057
Differences between expected and actual experience	630,589	-	630,589
Changes of assumption	(378,897)	-	(378,897)
Changes of benefit terms	(67,994)	-	(67,994)
Contributions – Employer	-	1,547,724	(1,547,724)
Contributions – State	-	411,220	(411,220)
Contributions – Employee	-	361,554	(361,554)
Contributions – Buy Back	44,013	44,013	-
Net investment income	-	2,849,302	(2,849,302)
Benefit payments, including refunds of employee contributions	(2,455,034)	(2,455,034)	-
Administrative expense	-	(56,206)	56,206
Net changes	2,049,246	2,702,573	(653,327)
Balances at September 30, 2020	\$ 48,885,752	\$ 38,632,085	\$ 10,253,667

**CITY OF ORMOND BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

(12) **Retirement Plans:** (Continued)

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

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

<u>City's Net Pension Liability</u>	<u>Current Rate</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Municipal Firefighters' Retirement Fund	7.00%	\$ 12,226,281	\$ 7,756,569	\$ 4,025,812
General Employees' Trust Fund	6.75%	13,032,675	6,520,583	1,038,882
Municipal Police Officers' Retirement Fund	6.75%	16,369,959	10,253,667	5,227,011
Total		<u>\$ 41,628,915</u>	<u>\$ 24,530,819</u>	<u>\$ 10,291,705</u>

For the year ended September 30, 2020, the annual money-weighted rate of return on each pension plan investments, net of pension plan investment expense was as follows:

	<u>Municipal Firefighters' Retirement Fund</u>	<u>General Employees' Trust Fund</u>	<u>Municipal Police Officers' Retirement Fund</u>
Annual money-weighted rate of return	7.83%	7.42%	7.97%

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

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

For the year ended September 30, 2020, the City recognized pension expense (income) of \$636,315, \$(134,301) and \$1,236,485 related to the Firefighters, General Employees and Police Officers pension plans, respectively, for a total net expense of \$1,738,499.

**CITY OF ORMOND BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

(12) **Retirement Plans:** (Continued)

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

	Municipal Firefighters' Retirement Fund		General Employees' Trust Fund		Municipal Police Officers' Retirement Fund	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 216,355	\$ -	\$ 384,136	\$ 652,526	\$ 148,218
Changes of assumptions	-	187,860	11,732	-	-	284,172
Net difference between projected and actual earnings	-	152,091	-	349,514	-	335,018
Total	\$ -	\$ 556,306	\$ 11,732	\$ 733,650	\$ 652,526	\$ 767,408

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

Year ended September 30:	Municipal Firefighters' Retirement Fund	General Employees' Trust Fund	Municipal Police Officers' Retirement Fund
2021	\$ (532,838)	\$ (882,218)	\$ (197,117)
2022	(98,598)	(80,309)	(86,481)
2023	124,614	312,850	254,518
2024	(49,484)	(72,241)	(85,802)
2025	-	-	-
Thereafter	-	-	-

CITY OF ORMOND BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(12) **Retirement Plans:** (Continued)

Pension fund financial statements—

No standalone financial reports exist for these pension plans. All financial activity is reported within the accompanying statement of fiduciary net position. Combining financial statements for the fiduciary funds statement of fiduciary net position is as follows:

	<u>Fire Pension</u>	<u>General Pension</u>	<u>Police Pension</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents with trustee	\$ 1,968,195	\$ 3,022,615	\$ 2,786,762	\$ 7,777,572
Receivables:				
Due from other funds	113,087	131,064	145,690	389,841
State premium taxes	2,331	-	-	2,331
Interest and dividends receivable	54,812	94,111	63,799	212,722
Total receivables	<u>170,230</u>	<u>225,175</u>	<u>209,489</u>	<u>604,894</u>
Investments, at fair value:				
U.S. Government securities	5,476,441	8,018,178	6,276,122	19,770,741
Mortgage-backed securities	240,783	305,093	213,445	759,321
Corporate bonds	5,800,786	9,270,925	6,439,127	21,510,838
Corporate stocks	16,344,508	26,649,316	18,831,003	61,824,827
Foreign stocks	3,491,753	6,292,594	4,023,745	13,808,092
Total investments	<u>31,354,271</u>	<u>50,536,106</u>	<u>35,783,442</u>	<u>117,673,819</u>
Total assets	<u>\$ 33,492,696</u>	<u>\$ 53,783,896</u>	<u>\$ 38,779,693</u>	<u>\$ 126,056,285</u>
LIABILITIES				
Accounts payable	\$ 52,530	\$ 201,459	\$ 21,096	\$ 275,085
Due to other funds	-	139,711	126,512	266,223
Total liabilities	<u>\$ 52,530</u>	<u>\$ 341,170</u>	<u>\$ 147,608</u>	<u>\$ 541,308</u>
NET POSITION				
Restricted for pensions	<u>\$ 33,440,166</u>	<u>\$ 53,442,726</u>	<u>\$ 38,632,085</u>	<u>\$ 125,514,977</u>

CITY OF ORMOND BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(12) **Retirement Plans:** (Continued)

Combining financial statements for the fiduciary funds statement of changes in fiduciary net position is as follows:

	<u>Fire Pension</u>	<u>General Pension</u>	<u>Police Pension</u>	<u>Total</u>
Additions				
Contributions:				
Employer	\$ 1,520,496	\$ 1,279,644	\$ 1,561,255	\$ 4,361,395
Plan members	246,305	201,517	405,567	853,389
State - insurance premium taxes	259,354	-	411,220	670,574
Total contributions	<u>2,026,155</u>	<u>1,481,161</u>	<u>2,378,042</u>	<u>5,885,358</u>
Investment earnings:				
Net appreciation (depreciation) in fair value of investments	1,972,807	3,028,252	2,326,045	7,327,104
Interest and dividends	609,018	1,007,357	705,833	2,322,208
Total investment earnings	<u>2,581,825</u>	<u>4,035,609</u>	<u>3,031,878</u>	<u>9,649,312</u>
Less: investment expense	<u>(159,302)</u>	<u>(260,437)</u>	<u>(182,576)</u>	<u>(602,315)</u>
Net investment income (loss)	2,422,523	3,775,172	2,849,302	9,046,997
Total additions	<u>4,448,678</u>	<u>5,256,333</u>	<u>5,227,344</u>	<u>14,932,355</u>
Deductions				
Benefit payments	2,076,189	3,251,785	2,411,818	7,739,792
Refunds	1,972	8,189	43,217	53,378
Administrative expenses	58,392	40,567	56,205	155,164
Total deductions	<u>2,136,553</u>	<u>3,300,541</u>	<u>2,511,240</u>	<u>7,948,334</u>
Change in net position	<u>2,312,125</u>	<u>1,955,792</u>	<u>2,716,104</u>	<u>6,984,021</u>
Net position restricted for pensions, beginning of year	31,128,041	51,486,934	35,915,981	118,530,956
Net position restricted for pensions, end of year	<u>\$ 33,440,166</u>	<u>\$ 53,442,726</u>	<u>\$ 38,632,085</u>	<u>\$ 125,514,977</u>

(1) **Significant Accounting Policies**

(a) *Basis of Accounting*—City of Ormond Beach’s financial statements for the three pension funds are prepared using the accrual basis of accounting for Trust Funds. Employer and plan member contributions, benefits and refunds are recognized in the period that each are due and payable in accordance with the terms of the plan.

(b) *Method Used to Value Investments*—Investments in the three plan funds are reported at fair value according to the independent custodian for each plan using various third-party pricing sources. Short-term investments are reported at cost, which approximates fair value.

(c) *Contribution Requirements and Contributions Made*—Florida Legislature, City Commission and each Pension Board govern the City and employee contribution requirements for all three plans. The City’s contribution to the three plans is an actuarially determined periodic amount that increases gradually over time so that sufficient assets will be available to pay benefits when due. The City receives contributions from the state for the Municipal Firefighter and Municipal Police Officers Retirement plans, which are accounted for as part of the total required employer contributions and reduce the amounts due from the City.

(d) *Administrative costs*—The costs of administering the pension plans are funded by the respective plan through the investment earnings of each plan.

**CITY OF ORMOND BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

(12) **Retirement Plans:** (Continued)

(2) **Investments**

(i) *Investment Policy:*

The following was each Board's adopted targeted asset allocation policy as of September 30, 2020:

Asset Class	Target Allocation		
	Municipal Firefighters' Retirement Fund	General Employees' Trust Fund	Municipal Police Officers' Retirement Fund
Domestic equity	55.00%	55.00%	55.00%
International equity	10.00%	10.00%	10.00%
Fixed income	35.00%	35.00%	35.00%
Total	100.00%	100.00%	100.00%

(ii) *Concentrations:*

Each plan did not hold investments in any one organization that represented 5 percent or more of the Pension Plan's fiduciary net position.

(iii) *Related party transactions:*

There were no City securities which were included in the assets of the Municipal Firefighters' Retirement Trust Fund, the Municipal Police Officers' Retirement Trust Fund or the General Employees' Trust Fund.

(3) **Deferred Retirement Option Programs**

(i) *Municipal Firefighters' Retirement Trust Fund*

Firefighters, hired before May 20, 2104, who have reached normal retirement age, are eligible to participate in the Deferred Retirement Option Program (DROP). Upon electing to participate in the DROP, members are considered to have retired for purposes of the pension plan, but continue to remain active employees of the City. The member's normal retirement benefit is calculated as if the member had actually retired on the date of DROP participation. Instead of paying the benefit to the member, a DROP account is established and the benefit is deposited in the account each month. These deposits continue to accumulate investment earnings during the remainder of the member's employment with the City. Maximum duration of DROP participation is 60 months, or the date on which the member completes 35 years of service, if earlier. The rate of return for members who enter the DROP prior to May 20, 2104 is at the participant's election, either 6.5% annually or actual net rate of investment return (total return net of brokerage commissions, transaction costs and management fees) credited each fiscal quarter. The rate of return for members who enter the DROP on or after May 20, 2014 is the actual net rate of investment return but not less than zero. Upon termination of employment, members shall receive their normal retirement benefits monthly and receive their funds from the DROP account in a lump sum distribution.

CITY OF ORMOND BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(12) **Retirement Plans:** (Continued)

Firefighters who have reached normal retirement age may elect to retroactively enter the DROP, considered BAC-DROP. The BAC-DROP period will not exceed 60 months, or the date on which the member completes 35 years of service. The rate of return is actual net rate of investment return but not less than zero.

At September 30, 2020, there were two DROP participants with a total balance of \$446,698.

(ii) *General Employees' Trust Fund*

General employees who have reached normal retirement age are eligible to participate in the Deferred Retirement Option Program (DROP). Upon electing to participate in the DROP, members are considered to have retired for purposes of the pension plan, but continue to remain active employees of the City. The member's normal retirement benefit is calculated as if the member had actually retired on the date of DROP participation. Instead of paying the benefit to the member, a DROP account is established and the benefit is deposited in the account each month. These deposits continue to accumulate investment earnings during the remainder of the member's employment with the City. Maximum duration of DROP participation is 36 months. The rate of return is at the participant's election. For members who enter the DROP prior to December 19, 2012, the rate of return election is either 6.5% annually or actual net rate of investment return (total return net of brokerage commissions, transaction costs and management fees) credited each fiscal quarter. The member may elect to change the form of return once during the period of DROP Participation. For members who enter the DROP on or after December 19, 2012, the rate of return is the actual net rate of investment return but not less than zero. Upon termination of employment, members shall receive their normal retirement benefits monthly and receive their funds from the DROP account in a lump sum distribution.

At September 30, 2020, there were 12 DROP participants with a total balance of \$519,139.

(iii) *Municipal Police Officers' Retirement Trust Fund*

Police Officers, hired before August 21, 2012, who have reached normal retirement age, are eligible to participate in the Deferred Retirement Option Program (DROP). Police officers hired on or after August 21, 2012 are not eligible. Upon electing to participate in the DROP, members are considered to have retired for purposes of the pension plan, but continue to remain active employees of the City. The member's normal retirement benefit is calculated as if the member had actually retired on the date of DROP participation. Instead of paying the benefit to the member, a DROP account is established and the benefit is deposited in the account each month. These deposits continue to accumulate investment earnings during the remainder of the member's employment with the City. Maximum duration of DROP participation is 60 months, or the date on which the member completes 30 years of service, if earlier. The rate of return is at the participant's election, either 6.5% annually for members who enter the DROP prior to August 21, 2012, 2.0% annually for member who enter the DROP on or after August 21, 2012, or actual net rate of investment return (total return net of brokerage commissions, transaction costs and management fees) credited each fiscal quarter. Upon termination of employment, members shall receive their normal retirement benefits monthly and receive their funds from the DROP account in a lump sum distribution.

At September 30, 2020, there was one DROP participant with a total balance of \$169,718.

**CITY OF ORMOND BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

(12) **Retirement Plans:** (Continued)

(b) **Defined Contribution Plans**

On January 8, 2013, the City Commission approved Resolution 2012-46 that established a money purchase plan and trust to be known as the City of Ormond Beach Defined Contribution Plan in the form of the International City Management Association Retirement Corporation (ICMA-RC) Governmental Money Purchase Plan and Trust effective January 1, 2013. The plan is available for all full-time general employees hired on or after December 19, 2012. The City shall contribute on behalf of each participant such percentages or amounts as are specified in the adoption agreement for such plan, or as otherwise authorized by the City Commission, which is currently 6% of earnings. Mandatory participant contributions are not required to be eligible for the City’s contribution. Normal retirement age is 62 and a participant becomes fully vested after five years of service. For the year ended September 30, 2020, actual City contributions to this plan totaled \$320,200.

Although the defined contribution plan was authorized and established by the City, it is monitored and maintained by employees. Benefits are paid directly to employees from the ICMA-RC with no contingent liability belonging to the City. As such these assets are not presented in these financial statements.

(13) **Other Post-Employment Benefits (OPEB):**

Plan Description—Effective October 1, 2016, the City implemented GASB Statement No. 75, *Accounting and Reporting for Post-Employment Benefits Other Than Pensions*, for certain post-employment healthcare benefits provided by the City. The City elected to implement the requirements of this statement prospectively. No assets are held in trust for payment of the OPEB liability as the City had no OPEB liability other than as arising from the implicit rate subsidy, as discussed in the following paragraph.

Retirees and their dependents are permitted to remain covered under the City’s respective health care plans as long as they pay a full premium applicable to the coverage elected. This conforms to the minimum required of Florida governmental employers per Chapter 112.08, Florida Statutes. The Other Post-Employment Benefit Plan does not issue a stand-alone report

Benefits Provided—The Other Post Employment Benefit Plan is a single-employer benefit plan administered by the City. Retirees are charged whatever the insurance company charges for the type of coverage elected, however, the premiums charged by the insurance company are based on a blending of the experience among younger active employees and older retired employees. The older retirees actually have a higher cost which means the City is actually subsidizing the cost of the retiree coverage because it pays all or a significant portion of the premium on behalf of the active employee. GASB No. 75 calls this the “implicit rate subsidy.”

Plan Membership—At October 1, 2018, the date of the latest actuarial valuation, plan participation consisted of the following:

Active Employees	316
Inactive Employees	29
	345

Total OPEB Liability—The City’s total OPEB liability of \$5,945,764 was measured as of September 30, 2020, and was determined by an actuarial measurement as of that date.

**CITY OF ORMOND BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

(13) Other Post-Employment Benefits (OPEB): (Continued)

Actuarial Assumptions and Other Inputs—The total OPEB liability per the September 30, 2020, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	4.00%
Discount rate	2.14%
Healthcare cost trend rate	6.00%
Ultimate rate reached in 2035	4.50%
 Retirees' share of benefit-related costs	 100.00%

The City does not have a dedicated Trust to pay retiree healthcare benefits. The discount rate was based on the S&P Municipal Bond 20 Year High Grade Rate Index as of September 30, 2020.

Mortality rates were based on the PubG.H-2010 General Mortality and PubS.H-2010 Safety Mortality Tables.

Changes in the OPEB liability for the fiscal year ended September 30, 2020, were as follows:

	Total OPEB Liability
Balance at September 30, 2019	\$ 4,898,587
Changes for a year:	
Service cost	404,929
Interest	169,995
Differences between expected and actual experience	(53,177)
Changes of assumptions and other inputs	740,388
Benefit payments – implicit rate subsidy	(270,234)
Other changes	2,099
Net changes	1,047,177
Balance at September 30, 2020	\$ 5,945,764

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

The following presents the total OPEB liability of the City calculated using the discount rate of 2.14%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	<u>Current Rate</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total OPEB Liability	2.14%	\$ 5,450,290	\$ 5,945,764	\$ 6,514,999

**CITY OF ORMOND BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

(13) **Other Post-Employment Benefits (OPEB):** (Continued)

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

The following presents the total OPEB liability of the City as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower and 1% higher than the current healthcare cost trend rates (6.00% decreasing to 4.50%):

	1% Decrease	Current Trend Rates	1% Increase
Total OPEB Liability	\$ 6,630,216	\$ 5,945,764	\$ 5,363,632

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

For the year ended September 30, 2020; the City recognized OPEB expense of \$597,508. At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 133,914	\$ 481,028
Changes of assumptions	870,584	450,194
Total	\$ 1,004,498	\$ 931,222

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

2021	\$(22,583)
2022	(22,583)
2023	(6,497)
2024	33,839
2025	(12,920)
Thereafter	(42,531)

CITY OF ORMOND BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(14) Landfill Closure and Post Closure Care Costs:

The City is required to recognize a liability equal to the estimated total current cost of closure and post closure care for its landfill. The City's landfill was certified closed during the 2000 fiscal year. The City has conducted studies to determine the costs of providing long-term care for its landfill. The results of these studies are reviewed by the Florida Department of Environmental Protection (FDEP).

The City's cost estimate is approximately \$879,833 to provide long-term care for a period of 11 years. These cost estimates may change due to inflation or deflation, or changes in applicable laws or regulations.

The City is required by the State of Florida to make an annual contribution, if necessary, to a trust fund to finance closure costs. The City is in compliance with these requirements, and, as of September 30, 2020, cash and investments of approximately \$107,866 are held in the trust fund for these purposes. These are reported as restricted assets on the statement of net position. The City is funding these costs with additional service fees generated from the City's sanitation contractor.

(15) Contingencies:

Amounts received or receivable from granting agencies are subject to audit and adjustments by grantor agencies, principally the federal and state government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. It is management's opinion that there are no significant liabilities relating to these grants.

The City is a defendant in various lawsuits at September 30, 2020. The estimated liability for probable losses, as a result of the lawsuits, was determined based on advice from legal counsel after consideration of insurance coverage and, in certain instances, the Florida statutory limitations of government liability, and is included in the estimated liability for self-insurance claims in the internal service fund. Although the ultimate outcome of these lawsuits is not presently determinable, it is the opinion of management, based on advice from legal counsel, that the amount of losses resulting from the above litigation in excess of the amount accrued as of September 30, 2020, would not have a material adverse effect on the financial position of the City.

During the year ended September 30, 2020, local, U.S., and world governments have encouraged self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating temporary work stoppage in many sectors and imposing limitations on travel and size and duration of group meetings. Most industries are experiencing disruption to business operations and the impact of reduced consumer spending. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial and other impact to the City as of February 11, 2021, management believes that a material impact on the City's financial position and results of future operations is reasonably possible.

(16) Fund Deficits:

The Municipal Airport Fund deficit of \$488,062 represents the cumulative costs associated with capital improvements and the excess of operating expenses over revenues. This deficit is to be funded by future airport lease revenues.

CITY OF ORMOND BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(17) Recent Accounting Pronouncements:

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

- (a) GASB issued Statement No. 84, *Fiduciary Activities*, in January 2017. GASB 84 improves guidance regarding the identification and reporting of fiduciary activities. The provisions in GASB 84, are effective for periods beginning after December 15, 2019.
- (b) GASB issued Statement No. 87, *Leases*, in June 2017. GASB 87 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 the 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. The provisions in GASB 87 are effective for periods beginning after June 15, 2021.
- (c) GASB issued Statement No. 90, *Majority Equity Interests-an amendment of GASB Statements No. 14 and No. 61*, in August 2018. GASB 90 improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. The provisions in GASB 90 are effective for periods beginning after December 15, 2019.
- (d) GASB issued Statement No. 91, *Conduit Debt Obligations*, in May 2019. GASB 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The provisions in GASB 91 are effective for periods beginning after December 15, 2021.
- (e) GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements, in May 2020*. 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 provisions in GASB 96 are effective for periods beginning after June 15, 2022.

Required Supplementary Information

**CITY OF ORMOND BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY
AND RELATED RATIOS
SEPTEMBER 30, 2020**

	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>
Total OPEB Liability				
Service cost	\$ 404,929	\$ 321,664	\$ 317,133	\$ 319,196
Interest	169,995	200,337	175,582	158,372
Differences between expected and actual experience	-	(686,416)	-	331,981
Changes of assumptions	740,388	(308,486)	(145,049)	(10,542)
Benefit payments - implicit rate subsidy	(270,234)	(227,151)	(242,089)	(209,194)
Other changes	2,099	(18,692)	165,050	43,442
Net change in total OPEB liability	<u>1,047,177</u>	<u>(718,744)</u>	<u>270,627</u>	<u>633,255</u>
Total OPEB liability – beginning	<u>4,898,587</u>	<u>5,617,331</u>	<u>5,346,704</u>	<u>4,713,449</u>
Total OPEB liability – ending	<u><u>\$ 5,945,764</u></u>	<u><u>\$ 4,898,587</u></u>	<u><u>\$ 5,617,331</u></u>	<u><u>\$ 5,346,704</u></u>
 Covered payroll	 \$ 15,650,780	 \$ 15,650,780	 \$ 14,541,516	 \$ 14,541,516
 Total OPEB liability as a percentage of covered payroll	 37.99%	 31.30%	 38.63%	 36.77%

Notes to Schedule:

Valuation Date: 10/1/2018

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

Discount rate	2.14%	3.58%	3.64%	3.36%
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*10 years of data will be presented as it becomes available.

CITY OF ORMOND BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
MUNICIPAL FIREFIGHTERS' RETIREMENT FUND
SEPTEMBER 30, 2020

	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Total Pension Liability							
Service cost	\$ 821,243	\$ 738,014	\$ 746,315	\$ 774,341	\$ 774,684	\$ 752,997	\$ 814,546
Interest	2,782,272	2,747,983	2,665,608	2,585,449	2,423,187	2,324,601	2,232,501
Change in excess state money	-	-	-	-	(334,809)	-	18,529
Share Plan Allocation	-	-	-	-	167,405	-	-
Change in benefit terms	23,024	(1,370)	-	-	15,264	25,989	-
Differences between expected and actual experience	(42,666)	(553,062)	234,661	(393,273)	(137,955)	41,476	-
Changes of assumptions	(250,478)	-	-	-	907,766	-	-
Contributions – buy back	-	-	-	-	17,004	1,440	-
Benefit payments, including refunds of employee contributions	(2,078,160)	(3,020,533)	(1,899,742)	(1,686,978)	(1,980,448)	(1,517,760)	(1,873,763)
Net change in total pension liability	1,255,235	(88,968)	1,746,842	1,279,539	1,852,098	1,628,743	1,191,813
Total pension liability – beginning	39,941,549	40,030,517	38,283,675	37,004,136	35,152,038	33,523,295	32,331,482
Total pension liability – ending (a)	<u>\$ 41,196,784</u>	<u>\$ 39,941,549</u>	<u>\$ 40,030,517</u>	<u>\$ 38,283,675</u>	<u>\$ 37,004,136</u>	<u>\$ 35,152,038</u>	<u>\$ 33,523,295</u>
Total Fiduciary Net Position							
Contributions – employer	\$ 1,520,496	\$ 1,302,755	\$ 1,091,401	\$ 1,145,249	\$ 1,240,944	\$ 1,136,074	\$ 1,289,824
Contributions – state	259,354	306,260	294,761	305,774	338,237	358,368	383,041
Contributions – employee	246,353	227,921	203,207	212,345	217,818	214,220	251,962
Contributions – buy back	-	-	-	-	17,004	1,440	-
Net investment income	2,422,523	920,527	3,111,280	3,046,484	2,035,686	(399,103)	2,472,802
Benefit payments, including refunds of employee contributions	(2,078,160)	(3,020,533)	(1,899,742)	(1,686,978)	(1,980,448)	(1,517,760)	(1,873,763)
Administrative expense	(58,391)	(42,907)	(50,480)	(46,596)	(48,958)	(40,034)	(31,122)
Net change in plan fiduciary net position	2,312,175	(305,977)	2,750,427	2,976,278	1,820,283	(246,795)	2,492,744
Plan fiduciary net position – beginning	31,128,040	31,434,017	28,683,590	25,707,312	23,887,029	24,133,824	21,641,080
Plan fiduciary net position – ending (b)	<u>\$ 33,440,215</u>	<u>\$ 31,128,040</u>	<u>\$ 31,434,017</u>	<u>\$ 28,683,590</u>	<u>\$ 25,707,312</u>	<u>\$ 23,887,029</u>	<u>\$ 24,133,824</u>
Net pension liability – ending (a) - (b)	<u>\$ 7,756,569</u>	<u>\$ 8,813,509</u>	<u>\$ 8,596,500</u>	<u>\$ 9,600,085</u>	<u>\$ 11,296,824</u>	<u>\$ 11,265,009</u>	<u>\$ 9,389,471</u>
Plan fiduciary net position as a percentage of the total pension	81.17%	77.93%	78.53%	74.92%	69.47%	67.95%	71.99%
Covered payroll	\$ 2,932,208	\$ 2,713,348	\$ 2,419,130	\$ 2,527,915	\$ 2,593,073	\$ 2,829,076	\$ 2,712,027
Net pension liability as a percentage of covered payroll	264.53%	324.82%	355.36%	379.76%	435.65%	398.19%	346.22%

Notes to Schedule:

Changes of benefit terms:

For measurement date 9/30/2020, an ordinance has not yet been adopted, but a change to the Death Benefit (making it a life annuity instead of a 10 year benefit) and Member Contribution Rate (increase from 8.4% to 8.6%) has been approved by the City and the Union therefore it is being reflected.

For measurement date 9/30/2019, amounts reported as changes of benefit terms resulted from the provisions of Chapter 112.1816, Florida Statutes. The Statutes state that, effective July 1, 2019, a death or disability (under the Plan's definition of total and permanent disability) for a Firefighter due to the diagnosis of cancer or circumstances that arise out of the treatment of cancer will be treated as duty-related.

Changes of assumptions:

For measurement date 9/30/2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate risk and collar adjustments made based on plan demographics.

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

CITY OF ORMOND BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
GENERAL EMPLOYEES' TRUST FUND
SEPTEMBER 30, 2020

	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
Total Pension Liability							
Service cost	\$ 743,732	\$ 809,155	\$ 950,710	\$ 1,008,657	\$ 1,030,143	\$ 1,018,762	\$ 1,093,946
Interest	3,908,540	3,867,526	3,791,615	3,716,543	3,519,769	3,463,279	3,340,253
Differences between expected and actual experience	(242,973)	(787,946)	(519,512)	(845,456)	(998,789)	(367,046)	-
Changes of assumptions	23,463	-	-	-	2,056,848	1,299,686	-
Benefit payments, including refunds of employee contributions	(3,259,972)	(3,171,410)	(2,741,896)	(2,677,338)	(2,665,290)	(2,848,216)	(2,354,789)
Net change in total pension liability	1,172,790	717,325	1,480,917	1,202,406	2,942,681	2,566,465	2,079,410
Total pension liability – beginning	58,790,553	58,073,228	56,592,311	55,389,905	52,447,224	49,880,759	47,801,349
Total pension liability – ending (a)	<u>\$ 59,963,343</u>	<u>\$ 58,790,553</u>	<u>\$ 58,073,228</u>	<u>\$ 56,592,311</u>	<u>\$ 55,389,905</u>	<u>\$ 52,447,224</u>	<u>\$ 49,880,759</u>
Total Fiduciary Net Position							
Contributions – employer	\$ 1,279,644	\$ 1,433,298	\$ 1,563,324	\$ 1,676,838	\$ 1,841,947	\$ 1,957,894	\$ 2,308,531
Contributions – employee	201,520	211,633	228,033	258,972	268,746	280,702	297,875
Net investment income	3,775,172	1,501,471	5,132,731	5,034,795	3,480,385	(584,428)	4,407,810
Benefit payments, including refunds of employee contributions	(3,259,972)	(3,171,410)	(2,741,896)	(2,677,338)	(2,665,290)	(2,848,216)	(2,354,789)
Administrative expense	(40,567)	(41,123)	(43,838)	(47,283)	(40,941)	(41,210)	(29,130)
Net change in plan fiduciary net position	1,955,797	(66,131)	4,138,354	4,245,984	2,884,847	(1,235,258)	4,630,297
Plan fiduciary net position – beginning	51,486,963	51,553,094	47,414,740	43,168,756	40,283,909	41,519,167	36,888,870
Plan fiduciary net position – ending (b)	<u>\$ 53,442,760</u>	<u>\$ 51,486,963</u>	<u>\$ 51,553,094</u>	<u>\$ 47,414,740</u>	<u>\$ 43,168,756</u>	<u>\$ 40,283,909</u>	<u>\$ 41,519,167</u>
Net pension liability – ending (a) - (b)	<u>\$ 6,520,583</u>	<u>\$ 7,303,590</u>	<u>\$ 6,520,134</u>	<u>\$ 9,177,571</u>	<u>\$ 12,221,149</u>	<u>\$ 12,163,315</u>	<u>\$ 8,361,592</u>
Plan fiduciary net position as a percentage of the total pension liability	89.13%	87.58%	88.77%	83.78%	77.94%	76.81%	83.24%
Covered payroll	\$ 5,037,970	\$ 5,290,001	\$ 5,746,443	\$ 6,449,377	\$ 6,697,988	\$ 7,027,074	\$ 7,446,876
Net pension liability as a percentage of covered payroll	129.43%	138.06%	113.46%	142.30%	182.46%	173.09%	112.28%

Notes to Schedule:

Changes of assumptions:

For measurement date 9/30/2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate risk and collar adjustments made based on plan demographics.

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

CITY OF ORMOND BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
MUNICIPAL POLICE OFFICERS' RETIREMENT FUND
SEPTEMBER 30, 2020

	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
Total Pension Liability							
Service cost	\$ 1,126,512	\$ 1,001,290	\$ 959,833	\$ 891,285	\$ 850,919	\$ 810,639	\$ 798,362
Interest	3,150,057	3,057,358	2,906,209	2,795,510	2,607,294	2,594,521	2,530,996
Changes of benefit terms	(67,994)	-	-	-	-	-	-
Differences between expected and actual experience	630,589	(296,437)	718,338	239,614	274,918	(223,209)	-
Changes of assumptions	(378,897)	-	-	-	1,452,406	1,050,239	-
Contributions - buy back	44,013	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(2,455,034)	(2,437,226)	(2,335,955)	(2,373,971)	(2,501,077)	(2,919,883)	(1,948,382)
Net change in total pension liability	2,049,246	1,324,985	2,248,425	1,552,438	2,684,460	1,312,307	1,380,976
Total pension liability – beginning	46,836,506	45,511,521	43,263,096	41,710,658	39,026,198	37,713,891	36,332,915
Total pension liability – ending (a)	<u>\$ 48,885,752</u>	<u>\$ 46,836,506</u>	<u>\$ 45,511,521</u>	<u>\$ 43,263,096</u>	<u>\$ 41,710,658</u>	<u>\$ 39,026,198</u>	<u>\$ 37,713,891</u>
Total Fiduciary Net Position							
Contributions – employer	\$ 1,547,724	\$ 1,575,425	\$ 1,527,329	\$ 1,379,706	\$ 1,210,121	\$ 1,166,277	\$ 1,311,447
Contributions – state	411,220	406,600	379,636	342,771	333,927	314,798	351,321
Contributions – employee	361,554	338,337	318,195	302,058	271,650	259,838	258,461
Contributions - buy back	44,013	-	-	-	-	-	-
Net investment income	2,849,302	977,835	3,475,229	3,381,623	2,355,123	(472,556)	3,049,358
Benefit payments, including refunds of employee contributions	(2,455,034)	(2,437,226)	(2,335,955)	(2,373,971)	(2,501,077)	(2,919,883)	(1,948,382)
Administrative expense	(56,206)	(48,537)	(36,040)	(37,029)	(35,935)	(36,411)	(26,400)
Net change in plan fiduciary net position	2,702,573	812,434	3,328,394	2,995,158	1,633,809	(1,687,937)	2,995,805
Plan fiduciary net position – beginning	35,929,512	35,117,078	31,788,684	28,793,526	27,159,717	28,847,654	25,851,849
Plan fiduciary net position – ending (b)	<u>\$ 38,632,085</u>	<u>\$ 35,929,512</u>	<u>\$ 35,117,078</u>	<u>\$ 31,788,684</u>	<u>\$ 28,793,526</u>	<u>\$ 27,159,717</u>	<u>\$ 28,847,654</u>
Net pension liability – ending (a) - (b)	<u>\$ 10,253,667</u>	<u>\$ 10,906,994</u>	<u>\$ 10,394,443</u>	<u>\$ 11,474,412</u>	<u>\$ 12,917,132</u>	<u>\$ 11,866,481</u>	<u>\$ 8,866,237</u>
Plan fiduciary net position as a percentage of the total pension liability	79.03%	76.71%	77.16%	73.48%	69.03%	69.59%	76.49%
Covered payroll	\$ 4,017,261	\$ 3,759,300	\$ 3,535,502	\$ 3,356,196	\$ 3,017,787	\$ 3,060,157	\$ 2,871,793
Net pension liability as a percentage of covered payroll	255.24%	290.13%	294.00%	341.89%	428.03%	387.77%	308.74%

Notes to Schedule:

Changes of benefit terms:

For measurement date 9/30/2020, an ordinance has not yet been adopted, but a change to the Normal Retirement Date for Members hired after June 1, 2014 (earlier of 1.) age 55 with 10 years of Credited Service, 2.) age 52 with 25 years of Credited Service or 3.) age 60) has been approved by the City and the Union therefore it is being reflected.

Changes of assumptions:

For measurement date 9/30/2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate risk and collar adjustments made based on plan demographics.

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

**CITY OF ORMOND BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
MUNICIPAL FIREFIGHTERS' RETIREMENT FUND
SEPTEMBER 30, 2020**

	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Actuarially determined contribution	\$ 1,779,850	\$ 1,609,015	\$ 1,386,162	\$ 1,451,023	\$ 1,579,181	\$ 1,494,442	\$ 1,654,336
Contributions in relation to the actuarially	1,779,850	1,609,015	1,386,162	1,451,023	1,579,181	1,494,442	1,654,336
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 2,932,208	\$ 2,713,348	\$ 2,419,130	\$ 2,527,915	\$ 2,593,073	\$ 2,829,076	\$ 2,712,027
Contributions as a percentage of covered payroll	60.70%	59.30%	57.30%	57.40%	60.90%	52.82%	61.00%

Notes to Schedule:

Valuation Date: 10/1/2018
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:

Funding Method:	Entry Age Normal Actuarial Cost Method
Asset Valuation Method:	Each year, the prior Actuarial Value of Assets is brought forward utilizing geometric 4-year average Market Value return (net of fees). It is possible that over time this technique will produce an insignificant bias above or below Market Value of Assets.
Salary Increases:	5.5% per year up to the assumed Pension age. Projected salary at Pension is increased individually to account for non-regular payments.
Interest Rate:	7.00% per year, compounded annually, net of investment related expenses. This is supported by the target asset classification of the trust and the expected long-term return by asset class.
DROP/BACDROP Interest Load:	Normal Retirement benefits are increased by 0.5% for Members hired before May 20, 2014 to account for the interest floor on the CROP and BACDROP benefits.
Payroll Growth:	0.0% for purpose of amortizing the unfunded actuarial accrued liability.
Pension Age:	100% at first eligibility for Normal Retirement. Also, any Member who has reached Normal Retirement eligibility is assumed to continue employment for one additional year.
Early Retirement:	Commencing at the member's eligibility for Early Pension (age 50), members are assuming to retire with an immediate, subsidized benefit at the rate of 5% per year. This is supported by the target asset class allocation of the trust and the expected long-term return by asset class.
Termination Rates:	See table below.
Disability Rates:	See table below.
Mortality:	Mortality Improvement Scale MP-2018
Other Information:	Termination and Disability Rate Table

Age	% Terminating During the Year	% Becoming Disabled During the Year
20	6.0%	0.03%
30	5.0%	0.04%
40	2.6%	0.07%
50	0.8%	0.18%

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

**CITY OF ORMOND BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
GENERAL EMPLOYEES' TRUST FUND
SEPTEMBER 30, 2020**

	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
Actuarially determined contribution	\$ 1,279,644	\$ 1,433,590	\$ 1,563,032	\$ 1,676,838	\$ 1,841,947	\$ 1,957,894	\$ 2,308,531
Contributions in relation to the actuarially	1,279,644	1,433,298	1,563,324	1,676,838	1,841,947	1,957,894	2,308,531
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ 292</u>	<u>\$ (292)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 5,037,970	\$ 5,290,001	\$ 5,746,443	\$ 6,449,377	\$ 6,697,988	\$ 7,027,074	\$ 7,446,876
Contributions as a percentage of covered payroll	25.40%	27.09%	27.21%	26.00%	27.50%	27.86%	31.00%

Notes to Schedule:

Valuation Date: 10/1/2018
Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which Additional years' information will be displayed as it becomes available to present 10 years.

Methods and assumptions used to determine contribution rates:

Funding Method: Entry Age Normal Actuarial Cost Method
Asset Valuation Method: Each year, the prior Actuarial Value of Assets is brought forward utilizing geometric 4-year average Market Value return (net of fees). It is possible that over time this technique will produce an insignificant bias above or below Market Value of Assets.

Salary Increases: 4.0% per year up to the assumed Pension age.
Interest Rate: 6.75% per year, compounded annually, net of investment related expenses.
Payroll Growth: None
Retirement Age: Earlier of age 62 and 5 years of service or when age plus service equal 85 (but at least age 55). Also, any member who has reached Normal Retirement Age is assumed to continue employment for one additional year.
Pension Age: 100% at first eligibility for Normal Retirement. Also, any Member who has reached Normal Retirement eligibility is assumed to continue employment for one additional year.
Early Retirement: Commencing at the member's eligibility for Early Pension (age 60 with 5 years of service or when age plus service equal 80), members are assuming to retire with an immediate, subsidized benefit at the rate of 2% per year.
Termination Rates: See table below.
Disability Rates: See table below.
Mortality: Mortality Improvement Scale MP-2018
Other Information: Termination and Disability Rate Table

<u>Age</u>	<u>Age</u>	<u>% Terminating During the Year</u>	<u>% Becoming Disabled During the Year</u>
20	20	55.00%	0.05%
30	30	38.35%	0.06%
40	40	4.23%	0.12%
50	50	1.68%	0.43%
60	60	0.00%	1.61%

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

**CITY OF ORMOND BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
MUNICIPAL POLICE OFFICERS' RETIREMENT FUND
SEPTEMBER 30, 2020**

	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
Actuarially determined contribution	\$ 1,972,475	\$ 1,969,873	\$ 1,905,635	\$ 1,748,578	\$ 1,517,947	\$ 1,481,075	\$ 1,662,768
Contributions in relation to the actuarially determined	1,958,944	1,982,074	1,906,965	1,722,477	1544048	1,481,075	1,662,768
Contribution deficiency (excess)	<u>\$ 13,531</u>	<u>\$ (12,201)</u>	<u>\$ (1,330)</u>	<u>\$ 26,101</u>	<u>\$ (26,101)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 4,017,261	\$ 3,759,300	\$ 3,535,502	\$ 3,356,196	\$ 3,017,787	\$ 3,060,157	\$ 2,871,793
Contributions as a percentage of covered payroll	48.76%	52.72%	53.94%	51.32%	51.16%	48.40%	57.90%

Notes to Schedule:

Valuation Date: 10/1/2018

are reported.

Additional years' information will be displayed as it becomes available to present 10 years.

Methods and assumptions used to determine contribution rates:

Funding Method: Entry Age Normal Actuarial Cost Method

Asset Valuation Method: Each year, the prior Actuarial Value of Assets is brought forward utilizing geometric 4-year average Market Value return (net of fees). It is possible that over time this technique will produce an insignificant bias above or below Market Value of Assets.

Salary Increases: 5.5% per year up to the assumed retirement age. Projected salary at Pension is increased individually to account for non-regular payments. This is based on the results of one actuarial experience study for the period 1987 - 2010.

Interest Rate: 6.75% per year, compounded annually, net of investment related expenses. This is supported by the results of an actuarial experience study for the period of 1987 - 2010, as well as the target asset classification of the trust and the expected long-term return by asset class.

Payroll Growth: Up to 3% per year (0.44% on 10/01/2018 valuation).

Cost of Living Adjustments: Beginning the first October 1st following one year of retirement, annual adjustment of 1.00%

Retirement Age: Earlier of age 55 and 10 years of service, 20 years of service regardless of age, or age 60.

Early Retirement: Commencing at the member's eligibility for Early Pension (attainment of age 45 with 10 years of Credited Service), members are assuming to retire with an immediate, subsidized benefit at the rate of 5% per year.

Termination Rates: See table below.

Disability Rates: See table below.

Other Information: Termination and Disability Rate Table

<u>Age</u>	<u>% Terminating During the Year</u>	<u>% Becoming Disabled During the Year</u>
20	9.00%	0.03%
30	7.50%	0.04%
40	3.90%	0.07%
50	1.20%	0.18%

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

**CITY OF ORMOND BEACH, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULES OF INVESTMENT RETURNS
 SEPTEMBER 30, 2020**

<u>For the Year Ending</u>	<u>Municipal Firefighters' Retirement Fund</u>	<u>General Employees' Trust Fund</u>	<u>Municipal Police Officers' Retirement Fund</u>
9/30/2020	7.83%	7.42%	7.97%
9/30/2019	2.98%	2.95%	2.81%
9/30/2018	10.93%	10.91%	11.02%
9/30/2017	11.94%	11.76%	11.87%
9/30/2016	8.55%	8.72%	8.78%
9/30/2015	-1.66%	-1.42%	-1.65%
9/30/2014	11.53%	11.92%	11.90%

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

Combining Nonmajor Governmental Fund Financial Statements and Other Schedules

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Stormwater Drainage Utility Fund

This fund accounts for the maintenance of the City's existing stormwater drainage system. Revenues are provided from user charges to the utility customers.

Municipal Airport Fund

The fund accounts for the financial activities of the Ormond Beach Airport. The airport was deeded to the City in 1959. The agreement restricts the use of the land and revenues derived from aviation related purposes. The airport is funded through rentals and lease revenues, grant revenues and transfers from the General Fund.

Local Law Enforcement Trust Fund

This fund accounts for proceeds generated by confiscation activities of the Police Department. Expenditures are restricted for law enforcement purposes only.

Federal Law Enforcement Trust Fund

This fund accounts for proceeds generated by confiscation activities of the Police Department. Expenditures are restricted for law enforcement purposes only.

Pension Contribution Pass Thru Fund

This fund accounts for the insurance premium taxes assessed and collected against properties in the City. Funds are restricted and passed thru to the respective pension trust funds.

Public Recreational Facility Use Fee Fund

This fund accounts for impact fees assessed and collected against users of the various recreation and cultural facilities within the City. Use of these funds is restricted for expansion of those facilities.

Grants Fund

This fund accounts for proceeds of federal and state financial assistance and related costs for various operating and capital expenditures.

Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Financing Debt Service Fund

This fund records principal and interest payments on various capital lease and notes payable obligations. Revenue sources include interest on investments and transfers from the General Fund.

2002 General Obligation Debt Service Fund

This fund records principal and interest payments on Series 2002 General Obligation Bonds. Revenue sources include ad valorem property taxes and interest on investments.

2003 General Obligation Debt Service Fund

This fund records principal and interest payments on Series 2003 General Obligation Bonds. Revenue sources include ad valorem property taxes and interest on investments.

2005 Capital Improvements Note Debt Service Fund

This fund records principal and interest payments on the Capital Improvement Revenue Note, Series 2005. Revenue sources include transfers from the General Fund.

2010 General Obligation Debt Service Fund

This fund records principal and interest payments on Series 2010 General Obligation Bonds. Revenue sources include ad valorem property taxes and interest on investments.

Capital Projects Funds

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by the Proprietary and Trust Funds.

General Improvements Fund

This fund is used to account for capital asset (including infrastructure) acquisitions and construction from general government resources (transfers from the governmental funds) and intergovernmental grants. Other sources of revenue include ad valorem property taxes, interest on investments and donations.

Equipment Renewal and Replacement Fund

This fund accounts for replacement of existing capital assets provided by general government resources. Revenue sources are provided from interest on investments and transfers from the governmental funds.

Transportation Improvements Fund

This fund is used to account for capital infrastructure acquisition and construction from general government resources (transfers from the General Fund). Sources of revenue include ad valorem property taxes, local option gas taxes, and interest on investments.

Recreational Facility Impact Fee Fund

This fund accounts for impact fees assessed and collected against new construction activities. Use of these funds is restricted for expansion of existing recreational facilities or construction of new recreation facilities.

Local Roads Impact Fee Fund

This fund accounts for impact fees assessed and collected against new construction activities. Use of these funds is restricted for expansion of existing local roadway links or construction of new local roadways.

Stormwater Drainage Impact Fee Fund

This fund accounts for impact fees assessed and collected against new construction activities. Use of these funds is restricted for expansion of existing stormwater management facilities or construction of new stormwater management facilities.

Facilities Renewal and Replacement Fund

This fund accounts for ad valorem property taxes restricted for the renewal and replacement of existing City facilities.

**CITY OF ORMOND BEACH, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	Special Revenue Funds							Debt Service Funds		
	Stormwater Drainage Utility	Municipal Airport	Local Law Enforcement Trust	Federal Law Enforcement Trust	Pension Contribution Pass-Through Fund	Public Recreational Facility Use Fee	Grants	Total	Financing	2002 General Obligation
ASSETS										
Equity in pooled cash	\$ 6,641,767	\$ 1,727	\$ 110,416	\$ 6,048	\$ -	\$ 378,085	\$ 56,523	\$ 7,194,566	\$ 196,360	\$ 137,911
Receivables, net	282,214	36,957	-	-	-	-	-	319,171	-	2,674
Due from other governments	702,336	32,379	-	-	-	-	658,005	1,392,720	-	-
Prepaid items	-	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 7,626,317</u>	<u>\$ 71,063</u>	<u>\$ 110,416</u>	<u>\$ 6,048</u>	<u>\$ -</u>	<u>\$ 378,085</u>	<u>\$ 714,528</u>	<u>\$ 8,906,457</u>	<u>\$ 196,360</u>	<u>\$ 140,585</u>
LIABILITIES										
Accounts payable and accrued liabilities	\$ 294,917	\$ 29,125	\$ 22,168	\$ -	\$ -	\$ -	\$ 500,354	\$ 846,564	\$ -	\$ -
Unearned revenue	-	-	-	-	-	-	117,600	117,600	-	-
Advances from other funds	-	530,000	-	-	-	-	80,000	610,000	-	-
Total liabilities	<u>294,917</u>	<u>559,125</u>	<u>22,168</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>697,954</u>	<u>1,574,164</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES										
Unavailable revenue - property taxes	-	-	-	-	-	-	-	-	-	1,448
FUND BALANCES										
Nonspendable:										
Prepaid items	-	-	-	-	-	-	-	-	-	-
Restricted for:										
Stormwater drainage	7,331,400	-	-	-	-	-	-	7,331,400	-	-
Law enforcement	-	-	88,248	6,048	-	-	-	94,296	-	-
Debt service	-	-	-	-	-	-	-	-	-	139,137
Transportation	-	-	-	-	-	-	-	-	-	-
Impact fees	-	-	-	-	-	-	-	-	-	-
Committed to:										
Recreational facilities	-	-	-	-	-	378,085	-	378,085	-	-
Assigned to:										
Recreational facilities	-	-	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	16,574	16,574	-	-
Debt service	-	-	-	-	-	-	-	-	196,360	-
Capital projects	-	-	-	-	-	-	-	-	-	-
Unassigned	-	(488,062)	-	-	-	-	-	(488,062)	-	-
Total fund balances	<u>7,331,400</u>	<u>(488,062)</u>	<u>88,248</u>	<u>6,048</u>	<u>-</u>	<u>378,085</u>	<u>16,574</u>	<u>7,332,293</u>	<u>196,360</u>	<u>139,137</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 7,626,317</u>	<u>\$ 71,063</u>	<u>\$ 110,416</u>	<u>\$ 6,048</u>	<u>\$ -</u>	<u>\$ 378,085</u>	<u>\$ 714,528</u>	<u>\$ 8,906,457</u>	<u>\$ 196,360</u>	<u>\$ 140,585</u>

**CITY OF ORMOND BEACH, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

Debt Service Funds				Capital Projects Funds								Total Nonmajor Governmental Funds
2003 General Obligation	2005 Capital Improvement Note	2010 General Obligation	Total	General Improvements	Equipment Renewal and Replacement	Transportation Improvements	Recreational Facility Impact Fee	Local Roads Impact Fee	Stormwater Drainage Impact Fee	Facilities Renewal and Replacement	Total	
\$ 89,936	\$ 11,925	\$ 9,130	\$ 445,262	\$ 837,411	\$ 649,793	\$ 3,232,611	\$ 98,561	\$ 1,072,848	\$ 457,292	\$ 592,668	\$ 6,941,184	\$14,581,012
511	-	962	4,147	1,504	1,321	1,998	-	-	-	1,882	6,705	330,023
-	-	-	-	494,744	-	194,185	-	-	-	27,187	716,116	2,108,836
-	-	-	-	-	1,155,825	-	-	-	-	-	1,155,825	1,155,825
<u>\$ 90,447</u>	<u>\$ 11,925</u>	<u>\$ 10,092</u>	<u>\$ 449,409</u>	<u>\$ 1,333,659</u>	<u>\$ 1,806,939</u>	<u>\$ 3,428,794</u>	<u>\$ 98,561</u>	<u>\$ 1,072,848</u>	<u>\$ 457,292</u>	<u>\$ 621,737</u>	<u>\$ 8,819,830</u>	<u>\$18,175,696</u>
\$ -	\$ -	\$ -	\$ -	\$ 510,729	\$ -	\$ 288,567	\$ -	\$ -	\$ -	\$ 100,590	\$ 899,886	\$ 1,746,450
-	-	-	-	100,000	-	-	-	-	-	-	100,000	217,600
-	-	-	-	-	-	-	-	-	-	-	-	610,000
-	-	-	-	610,729	-	288,567	-	-	-	100,590	999,886	2,574,050
377	-	832	2,657	1,022	1,189	1,209	-	-	-	1,253	4,673	7,330
-	-	-	-	-	1,155,825	-	-	-	-	-	1,155,825	1,155,825
-	-	-	-	-	-	-	-	-	-	-	-	7,331,400
-	-	-	-	-	-	-	-	-	-	-	-	94,296
90,070	-	9,260	238,467	-	-	-	-	-	-	-	-	238,467
-	-	-	-	-	-	3,139,018	-	-	-	-	3,139,018	3,139,018
-	-	-	-	-	-	-	98,561	1,072,848	457,292	-	1,628,701	1,628,701
-	-	-	-	-	-	-	-	-	-	-	-	378,085
-	-	-	-	-	-	-	-	-	-	519,894	519,894	519,894
-	-	-	-	-	-	-	-	-	-	-	-	16,574
-	11,925	-	208,285	-	-	-	-	-	-	-	-	208,285
-	-	-	-	721,908	649,925	-	-	-	-	-	1,371,833	1,371,833
-	-	-	-	-	-	-	-	-	-	-	-	(488,062)
<u>90,070</u>	<u>11,925</u>	<u>9,260</u>	<u>446,752</u>	<u>721,908</u>	<u>1,805,750</u>	<u>3,139,018</u>	<u>98,561</u>	<u>1,072,848</u>	<u>457,292</u>	<u>519,894</u>	<u>7,815,271</u>	<u>15,594,316</u>
<u>\$ 90,447</u>	<u>\$ 11,925</u>	<u>\$ 10,092</u>	<u>\$ 449,409</u>	<u>\$ 1,333,659</u>	<u>\$ 1,806,939</u>	<u>\$ 3,428,794</u>	<u>\$ 98,561</u>	<u>\$ 1,072,848</u>	<u>\$ 457,292</u>	<u>\$ 621,737</u>	<u>\$ 8,819,830</u>	<u>\$18,175,696</u>

**CITY OF ORMOND BEACH, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Special Revenue Funds							Debt Service Funds		
	Stormwater Drainage Utility	Municipal Airport	Local Law Enforcement Trust	Federal Law Enforcement Trust	Pension Contribution Pass-Through Fund	Public Recreational Facility Use Fee	Grants	Total	Financing	2002 General Obligation
Revenues										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 670,572	\$ -	\$ -	\$ 670,572	\$ -	\$ 1,519
Intergovernmental	195,461	64,137	-	-	-	-	830,705	1,090,303	-	-
Charges for services	2,539,582	-	-	-	-	-	-	2,539,582	-	-
Fines and forfeitures	-	-	14,820	-	-	-	-	14,820	-	-
Miscellaneous	33,483	204,373	849	32	-	15,572	450	254,759	-	-
Total revenues	2,768,526	268,510	15,669	32	670,572	15,572	831,155	4,570,036	-	1,519
Expenditures										
Current:										
Public safety	-	-	19,029	-	670,572	-	-	689,601	-	-
Public works	1,461,088	270,134	-	-	-	-	-	1,731,222	-	-
Culture and recreation	-	-	-	-	-	11,349	-	11,349	-	-
Human services	-	-	-	-	-	-	22,512	22,512	-	-
Capital improvements	1,121,144	70,833	115,898	-	-	-	987,350	2,295,225	-	-
Debt service:										
Principal	-	-	-	-	-	-	-	-	549,443	-
Interest	-	-	-	-	-	-	-	-	9,905	-
Total expenditures	2,582,232	340,967	134,927	-	670,572	11,349	1,009,862	4,749,909	559,348	-
Excess (deficiency) of revenues over expenditures	186,294	(72,457)	(119,258)	32	-	4,223	(178,707)	(179,873)	(559,348)	1,519
Other financing sources (uses)										
Proceeds from issuance of debt	-	-	-	-	-	-	-	-	-	-
Transfers in	-	66,396	-	-	-	-	-	66,396	616,448	-
Transfers out	(224,820)	(13,872)	-	-	-	-	-	(238,692)	-	-
Total other financing sources (uses)	(224,820)	52,524	-	-	-	-	-	(172,296)	616,448	-
Net change in fund balances	(38,526)	(19,933)	(119,258)	32	-	4,223	(178,707)	(352,169)	57,100	1,519
Fund balances, beginning of year	7,369,926	(468,129)	207,506	6,016	-	373,862	195,281	7,684,462	139,260	137,618
Fund balances, end of year	\$ 7,331,400	\$ (488,062)	\$ 88,248	\$ 6,048	\$ -	\$ 378,085	\$ 16,574	\$ 7,332,293	\$ 196,360	\$ 139,137

**CITY OF ORMOND BEACH, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Debt Service Funds				Capital Projects Funds								Total Nonmajor Governmental Funds
2003 General Obligation	2005 Capital Improvement Note	2010 General Obligation	Total	General Improvements	Equipment Renewal and Replacement	Transportation Improvement	Recreational Facility Impact Fee	Local Roads Impact Fee	Stormwater Drainage Impact Fee	Facilities Renewal and Replacement	Total	
\$ 116,872	\$ -	\$ 353,813	\$ 472,204	\$ 408,424	\$ 426,658	\$ 1,678,274	\$ -	\$ -	\$ -	\$ 504,886	\$ 3,018,242	\$ 4,161,018
-	-	-	-	334,020	-	-	-	-	-	10,951	344,971	1,435,274
-	-	-	-	-	-	-	-	-	-	-	-	2,539,582
-	-	-	-	-	-	-	-	-	-	-	-	14,820
-	-	-	-	159,867	12,024	15,824	179,273	56,674	25,349	5,597	454,608	709,367
<u>116,872</u>	<u>-</u>	<u>353,813</u>	<u>472,204</u>	<u>902,311</u>	<u>438,682</u>	<u>1,694,098</u>	<u>179,273</u>	<u>56,674</u>	<u>25,349</u>	<u>521,434</u>	<u>3,817,821</u>	<u>8,860,061</u>
-	-	-	-	25,188	-	-	-	-	-	19,348	44,536	734,137
-	-	-	-	-	-	127,476	-	-	-	19,622	147,098	1,878,320
-	-	-	-	-	-	-	-	-	-	142,585	142,585	153,934
-	-	-	-	-	-	-	-	-	-	-	-	22,512
-	-	-	-	2,267,083	378,417	381,634	-	-	-	713,770	3,740,904	6,036,129
100,000	130,000	255,000	1,034,443	-	-	-	-	-	-	-	-	1,034,443
11,417	26,543	112,982	160,847	-	-	-	-	-	-	-	-	160,847
<u>111,417</u>	<u>156,543</u>	<u>367,982</u>	<u>1,195,290</u>	<u>2,292,271</u>	<u>378,417</u>	<u>509,110</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>895,325</u>	<u>4,075,123</u>	<u>10,020,322</u>
<u>5,455</u>	<u>(156,543)</u>	<u>(14,169)</u>	<u>(723,086)</u>	<u>(1,389,960)</u>	<u>60,265</u>	<u>1,184,988</u>	<u>179,273</u>	<u>56,674</u>	<u>25,349</u>	<u>(373,891)</u>	<u>(257,302)</u>	<u>(1,160,261)</u>
-	-	-	-	-	1,377,155	-	-	-	-	-	1,377,155	1,377,155
-	158,004	-	774,452	929,996	-	-	-	-	-	-	929,996	1,770,844
-	-	-	-	(20,292)	(160,000)	(792,336)	(800,000)	-	-	-	(1,772,628)	(2,011,320)
-	158,004	-	774,452	909,704	1,217,155	(792,336)	(800,000)	-	-	-	534,523	1,136,679
<u>5,455</u>	<u>1,461</u>	<u>(14,169)</u>	<u>51,366</u>	<u>(480,256)</u>	<u>1,277,420</u>	<u>392,652</u>	<u>(620,727)</u>	<u>56,674</u>	<u>25,349</u>	<u>(373,891)</u>	<u>277,221</u>	<u>(23,582)</u>
84,615	10,464	23,429	395,386	1,202,164	528,330	2,746,366	719,288	1,016,174	431,943	893,785	7,538,050	15,617,898
<u>\$ 90,070</u>	<u>\$ 11,925</u>	<u>\$ 9,260</u>	<u>\$ 446,752</u>	<u>\$ 721,908</u>	<u>\$ 1,805,750</u>	<u>\$ 3,139,018</u>	<u>\$ 98,561</u>	<u>\$ 1,072,848</u>	<u>\$ 457,292</u>	<u>\$ 519,894</u>	<u>\$ 7,815,271</u>	<u>\$ 15,594,316</u>

CITY OF ORMOND BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - STORMWATER DRAINAGE UTILITY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 1,689,750	\$ 1,714,160	\$ 195,461	\$ (1,518,699)
Charges for services	2,525,000	2,525,000	2,539,582	14,582
Miscellaneous	2,500	2,500	33,483	30,983
Total revenues	<u>4,217,250</u>	<u>4,241,660</u>	<u>2,768,526</u>	<u>(1,473,134)</u>
Expenditures				
Current:				
Public works	1,440,658	1,417,925	1,461,088	(43,163)
Capital improvements	2,753,000	2,775,733	1,121,144	1,654,589
Total expenditures	<u>4,193,658</u>	<u>4,193,658</u>	<u>2,582,232</u>	<u>1,611,426</u>
Excess (deficiency) of revenues over expenditures	<u>23,592</u>	<u>48,002</u>	<u>186,294</u>	<u>138,292</u>
Other financing sources (uses)				
Transfers out	(224,825)	(224,825)	(224,820)	5
Net change in fund balance	<u>(201,233)</u>	<u>(176,823)</u>	<u>(38,526)</u>	<u>138,297</u>
Fund balance, beginning of year	7,369,926	7,369,926	7,369,926	-
Fund balance, end of year	<u>\$ 7,168,693</u>	<u>\$ 7,193,103</u>	<u>\$ 7,331,400</u>	<u>\$ 138,297</u>

CITY OF ORMOND BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - MUNICIPAL AIRPORT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget -
				Positive
				(Negative)
Revenues				
Intergovernmental	\$ 4,263,173	\$ 4,263,173	\$ 64,137	\$ (4,199,036)
Miscellaneous	197,000	197,000	204,373	7,373
Total revenues	<u>4,460,173</u>	<u>4,460,173</u>	<u>268,510</u>	<u>(4,191,663)</u>
Expenditures				
Current:				
Public works	260,188	260,188	270,134	(9,946)
Capital improvements	4,401,645	4,401,645	70,833	4,330,812
Total expenditures	<u>4,661,833</u>	<u>4,661,833</u>	<u>340,967</u>	<u>4,320,866</u>
Excess (deficiency) of revenues				
 over expenditures	<u>(201,660)</u>	<u>(201,660)</u>	<u>(72,457)</u>	<u>129,203</u>
Other financing sources (uses)				
Transfers in	66,390	66,390	66,396	6
Transfers out	(13,877)	(13,877)	(13,872)	5
Total other financing sources (uses)	<u>52,513</u>	<u>52,513</u>	<u>52,524</u>	<u>11</u>
Net change in fund balance	(149,147)	(149,147)	(19,933)	129,214
Fund balance, beginning of year	(468,129)	(468,129)	(468,129)	-
Fund balance, end of year	<u>\$ (617,276)</u>	<u>\$ (617,276)</u>	<u>\$ (488,062)</u>	<u>\$ 129,214</u>

CITY OF ORMOND BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - LOCAL LAW ENFORCEMENT TRUST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and forfeitures	\$ -	\$ -	\$ 14,820	\$ 14,820
Miscellaneous	-	-	849	849
Total revenues	<u>-</u>	<u>-</u>	<u>15,669</u>	<u>15,669</u>
Expenditures				
Current:				
Police	-	13,500	19,029	(5,529)
Capital improvements	100,000	121,500	115,898	5,602
Total expenditures	<u>100,000</u>	<u>135,000</u>	<u>134,927</u>	<u>73</u>
Net change in fund balance	<u>(100,000)</u>	<u>(135,000)</u>	<u>(119,258)</u>	<u>15,742</u>
Fund balance, beginning of year	207,506	207,506	207,506	-
Fund balance, end of year	<u>\$ 107,506</u>	<u>\$ 72,506</u>	<u>\$ 88,248</u>	<u>\$ 15,742</u>

CITY OF ORMOND BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - FEDERAL LAW ENFORCEMENT TRUST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Miscellaneous	\$ -	\$ -	\$ 32	\$ 32
Total revenues	-	-	32	32
Expenditures				
Current:				
Public safety:				
Police	-	-	-	-
Net change in fund balance	-	-	32	32
Fund balance, beginning of year	6,016	6,016	6,016	-
Fund balance, end of year	<u>\$ 6,016</u>	<u>\$ 6,016</u>	<u>\$ 6,048</u>	<u>\$ 32</u>

CITY OF ORMOND BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - PENSION CONTRIBUTION PASSTHRU FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 750,000	\$ 750,000	\$ 670,572	\$ (79,428)
Total revenues	<u>750,000</u>	<u>750,000</u>	<u>670,572</u>	<u>(79,428)</u>
Expenditures				
Current:				
Public safety:				
Police	400,000	400,000	411,220	(11,220)
Fire Services	350,000	350,000	259,352	90,648
Total expenditures	<u>750,000</u>	<u>750,000</u>	<u>670,572</u>	<u>79,428</u>
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF ORMOND BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - PUBLIC RECREATIONAL FACILITY USE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Miscellaneous	\$ 41,600	\$ 41,600	\$ 15,572	\$ (26,028)
Total revenues	<u>41,600</u>	<u>41,600</u>	<u>15,572</u>	<u>(26,028)</u>
Expenditures				
Current:				
Culture and recreation	47,542	47,542	11,349	36,193
Total expenditures	<u>47,542</u>	<u>47,542</u>	<u>11,349</u>	<u>36,193</u>
Net change in fund balance	<u>(5,942)</u>	<u>(5,942)</u>	<u>4,223</u>	<u>10,165</u>
Fund balance, beginning of year	373,862	373,862	373,862	-
Fund balance, end of year	<u>\$ 367,920</u>	<u>\$ 367,920</u>	<u>\$ 378,085</u>	<u>\$ 10,165</u>

CITY OF ORMOND BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GRANTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 25,000	\$ 925,000	\$ 830,705	\$ (94,295)
Miscellaneous	-	-	450	450
Total revenues	<u>25,000</u>	<u>925,000</u>	<u>831,155</u>	<u>(93,845)</u>
Expenditures				
Current:				
Human services	25,000	24,260	22,512	1,748
Capital improvements	-	991,990	987,350	4,640
Total expenditures	<u>25,000</u>	<u>1,016,250</u>	<u>1,009,862</u>	<u>6,388</u>
Net change in fund balance	<u>-</u>	<u>(91,250)</u>	<u>(178,707)</u>	<u>(87,457)</u>
Fund balance, beginning of year	195,281	195,281	195,281	-
Fund balance, end of year	<u>\$ 195,281</u>	<u>\$ 104,031</u>	<u>\$ 16,574</u>	<u>\$ (87,457)</u>

CITY OF ORMOND BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - FINANCING DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Debt service:				
Principal retirement	737,540	662,540	549,443	113,097
Interest and fiscal charges	228,906	228,906	9,905	219,001
Total expenditures	<u>966,446</u>	<u>891,446</u>	<u>559,348</u>	<u>332,098</u>
Excess (deficiency) of revenues over expenditures	<u>(966,446)</u>	<u>(891,446)</u>	<u>(559,348)</u>	<u>332,098</u>
Other financing sources (uses)				
Transfers in	866,446	791,446	616,448	174,998
Net change in fund balance	<u>(100,000)</u>	<u>(100,000)</u>	<u>57,100</u>	<u>507,096</u>
Fund balance, beginning of year	139,260	139,260	139,260	-
Fund balance, end of year	<u>\$ 39,260</u>	<u>\$ 39,260</u>	<u>\$ 196,360</u>	<u>\$ 507,096</u>

CITY OF ORMOND BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 2002 GENERAL OBLIGATION DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ -	\$ -	\$ 1,519	\$ 1,519
Total revenues	<u>-</u>	<u>-</u>	<u>1,519</u>	<u>1,519</u>
Expenditures				
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>1,519</u>	<u>1,519</u>
Fund balance, beginning of year	137,618	137,618	137,618	-
Fund balance, end of year	<u>\$ 137,618</u>	<u>\$ 137,618</u>	<u>\$ 139,137</u>	<u>\$ 1,519</u>

CITY OF ORMOND BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 2003 GENERAL OBLIGATION DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 116,238	\$ 116,238	\$ 116,872	\$ 634
Total revenues	<u>116,238</u>	<u>116,238</u>	<u>116,872</u>	<u>634</u>
Expenditures				
Current:				
Nondepartmental	2,210	2,210	-	2,210
Debt service:				
Principal retirement	100,000	100,000	100,000	-
Interest and fiscal charges	14,028	14,028	11,417	2,611
Total expenditures	<u>116,238</u>	<u>116,238</u>	<u>111,417</u>	<u>4,821</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>5,455</u>	<u>5,455</u>
Fund balance, beginning of year	84,615	84,615	84,615	-
Fund balance, end of year	<u>\$ 84,615</u>	<u>\$ 84,615</u>	<u>\$ 90,070</u>	<u>\$ 5,455</u>

CITY OF ORMOND BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 2005 CAPITAL IMPROVEMENT NOTE DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Current:				
Nondepartmental	1,450	1,450	-	1,450
Debt service:				
Principal retirement	130,000	130,000	130,000	-
Interest and fiscal charges	26,550	26,550	26,543	7
Total expenditures	<u>158,000</u>	<u>158,000</u>	<u>156,543</u>	<u>1,457</u>
Excess (deficiency) of revenues over expenditures	<u>(158,000)</u>	<u>(158,000)</u>	<u>(156,543)</u>	<u>1,457</u>
Other financing sources (uses)				
Transfers in	158,000	158,000	158,004	(4)
Net change in fund balance	<u>-</u>	<u>-</u>	<u>1,461</u>	<u>1,453</u>
Fund balance, beginning of year	10,464	10,464	10,464	-
Fund balance, end of year	<u>\$ 10,464</u>	<u>\$ 10,464</u>	<u>\$ 11,925</u>	<u>\$ 1,453</u>

CITY OF ORMOND BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 2010 GENERAL OBLIGATION DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 352,373	\$ 352,373	\$ 353,813	\$ 1,440
Total revenues	<u>352,373</u>	<u>352,373</u>	<u>353,813</u>	<u>1,440</u>
Expenditures				
Current:				
Nondepartmental	4,315	4,315	-	4,315
Debt service:				
Principal retirement	255,000	255,000	255,000	-
Interest and fiscal charges	93,058	113,058	112,982	76
Total expenditures	<u>352,373</u>	<u>372,373</u>	<u>367,982</u>	<u>4,391</u>
Net change in fund balance	<u>-</u>	<u>(20,000)</u>	<u>(14,169)</u>	<u>5,831</u>
Fund balance, beginning of year	23,429	23,429	23,429	-
Fund balance, end of year	<u>\$ 23,429</u>	<u>\$ 3,429</u>	<u>\$ 9,260</u>	<u>\$ 5,831</u>

CITY OF ORMOND BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL IMPROVEMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 405,229	\$ 405,229	\$ 408,424	\$ 3,195
Intergovernmental	127,567	533,255	334,020	(199,235)
Miscellaneous	125,000	205,000	159,867	(45,133)
Total revenues	<u>657,796</u>	<u>1,143,484</u>	<u>902,311</u>	<u>(241,173)</u>
Expenditures				
Current:				
General government:	-	-	-	-
Public safety:				
Police	-	-	25,188	25,188
Non-departmental	-	-	-	-
Capital improvements	767,505	2,701,751	2,267,083	434,668
Total expenditures	<u>767,505</u>	<u>2,701,751</u>	<u>2,292,271</u>	<u>459,856</u>
Excess (deficiency) of revenues over expenditures	<u>(109,709)</u>	<u>(1,558,267)</u>	<u>(1,389,960)</u>	<u>168,307</u>
Other financing sources (uses)				
Transfers in	130,000	930,000	929,996	(4)
Transfers out	(20,291)	(20,291)	(20,292)	(1)
Total other financing sources (uses)	<u>109,709</u>	<u>909,709</u>	<u>909,704</u>	<u>(5)</u>
Net change in fund balance	-	(648,558)	(480,256)	168,302
Fund balance, beginning of year	1,202,164	1,202,164	1,202,164	-
Fund balance, end of year	<u>\$ 1,202,164</u>	<u>\$ 553,606</u>	<u>\$ 721,908</u>	<u>\$ 168,302</u>

CITY OF ORMOND BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - EQUIPMENT RENEWAL AND REPLACEMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 429,895	\$ 429,895	\$ 426,658	\$ (3,237)
Miscellaneous	-	-	12,024	12,024
Total revenues	<u>429,895</u>	<u>429,895</u>	<u>438,682</u>	<u>8,787</u>
Expenditures				
Current:				
Capital improvements	1,623,000	1,623,000	378,417	1,244,583
Total expenditures	<u>1,623,000</u>	<u>1,623,000</u>	<u>378,417</u>	<u>1,244,583</u>
Excess (deficiency) of revenues over expenditures	<u>(1,193,105)</u>	<u>(1,193,105)</u>	<u>60,265</u>	<u>1,253,370</u>
Other financing sources (uses)				
Transfers out	(160,000)	(160,000)	(160,000)	-
Net change in fund balance	<u>(3,105)</u>	<u>56,895</u>	<u>1,277,420</u>	<u>1,220,525</u>
Fund balance, beginning of year	528,330	528,330	528,330	-
Fund balance, end of year	<u>\$ 525,225</u>	<u>\$ 585,225</u>	<u>\$ 1,805,750</u>	<u>\$ 1,220,525</u>

CITY OF ORMOND BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - TRANSPORTATION IMPROVEMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 1,800,370	\$ 1,800,370	\$ 1,678,274	\$ (122,096)
Miscellaneous	-	-	15,824	15,824
Total revenues	<u>1,800,370</u>	<u>1,800,370</u>	<u>1,694,098</u>	<u>(106,272)</u>
Expenditures				
Current:				
Public works	112,091	112,091	127,476	(15,385)
Capital improvements	895,947	895,947	381,634	514,313
Total expenditures	<u>1,008,038</u>	<u>1,008,038</u>	<u>509,110</u>	<u>498,928</u>
Excess (deficiency) of revenues over expenditures	<u>792,332</u>	<u>792,332</u>	<u>1,184,988</u>	<u>392,656</u>
Other financing sources (uses)				
Transfers out	(792,332)	(792,332)	(792,336)	(4)
Net change in fund balance	<u>-</u>	<u>-</u>	<u>392,652</u>	<u>392,652</u>
Fund balance, beginning of year	2,746,366	2,746,366	2,746,366	-
Fund balance, end of year	<u><u>\$ 2,746,366</u></u>	<u><u>\$ 2,746,366</u></u>	<u><u>\$ 3,139,018</u></u>	<u><u>\$ 392,652</u></u>

CITY OF ORMOND BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - RECREATIONAL FACILITY IMPACT FEE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Miscellaneous	\$ 125,000	\$ 125,000	\$ 179,273	\$ 54,273
Total revenues	<u>125,000</u>	<u>125,000</u>	<u>179,273</u>	<u>54,273</u>
Expenditures				
Capital improvements	325,000	325,000	-	325,000
Total expenditures	<u>325,000</u>	<u>325,000</u>	<u>-</u>	<u>325,000</u>
Excess (deficiency) of revenues over expenditures	<u>(200,000)</u>	<u>(200,000)</u>	<u>179,273</u>	<u>379,273</u>
Other financing sources (uses)				
Transfers out	-	(800,000)	(800,000)	-
Net change in fund balance	<u>(200,000)</u>	<u>(1,000,000)</u>	<u>(620,727)</u>	<u>379,273</u>
Fund balance, beginning of year	719,288	719,288	719,288	-
Fund balance, end of year	<u>\$ 519,288</u>	<u>\$ (280,712)</u>	<u>\$ 98,561</u>	<u>\$ 379,273</u>

CITY OF ORMOND BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - LOCAL ROADS IMPACT FEE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Miscellaneous	\$ 60,000	\$ 60,000	\$ 56,674	\$ (3,326)
Total revenues	60,000	60,000	56,674	(3,326)
Expenditures				
Current:				
Capital improvements	60,000	60,000	-	60,000
Total expenditures	60,000	60,000	-	60,000
Net change in fund balance	-	-	56,674	56,674
Fund balance, beginning of year	1,016,174	1,016,174	1,016,174	-
Fund balance, end of year	<u>\$ 1,016,174</u>	<u>\$ 1,016,174</u>	<u>\$ 1,072,848</u>	<u>\$ 56,674</u>

CITY OF ORMOND BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - STORMWATER DRAINAGE IMPACT FEE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Miscellaneous	\$ 25,000	\$ 25,000	\$ 25,349	\$ 349
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>25,349</u>	<u>349</u>
Expenditures				
Current:				
Capital improvements	25,000	25,000	-	(25,000)
Total expenditures	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	25,349	25,349
Fund balance, beginning of year	431,943	431,943	431,943	-
Fund balance, end of year	<u>\$ 431,943</u>	<u>\$ 431,943</u>	<u>\$ 457,292</u>	<u>\$ 25,349</u>

CITY OF ORMOND BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - FACILITIES RENEWAL AND REPLACEMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 500,370	\$ 500,370	\$ 504,886	\$ 4,516
Intergovernmental	-	-	10,951	10,951
Miscellaneous	-	-	5,597	5,597
Total revenues	<u>500,370</u>	<u>500,370</u>	<u>521,434</u>	<u>21,064</u>
Expenditures				
Current:				
Public safety:				
Fire services	14,000	17,000	19,348	(2,348)
Public works	22,900	24,300	19,622	4,678
Culture and recreation	183,800	206,985	142,585	64,400
Capital improvements	573,300	851,135	713,770	137,365
Total expenditures	<u>794,000</u>	<u>1,099,420</u>	<u>895,325</u>	<u>204,095</u>
Net change in fund balance	<u>(293,630)</u>	<u>(599,050)</u>	<u>(373,891)</u>	<u>225,159</u>
Fund balance, beginning of year	893,785	893,785	893,785	-
Fund balance, end of year	<u>\$ 600,155</u>	<u>\$ 294,735</u>	<u>\$ 519,894</u>	<u>\$ 225,159</u>

SUPPORTING SCHEDULES

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

**CITY OF ORMOND BEACH, FLORIDA
SCHEDULE FOR WATER AND SEWER BOND COVENANTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Operating revenues	\$ 22,303,458
Less: Operating expenses	<u>10,031,571</u>
Net revenues	12,271,887
 Impact fees	 1,247,232
 Net revenues plus impact fees	 <u>\$ 13,519,119</u>
 Maximum annual debt service	 <u>\$ 5,208,779</u>
 Ratio of net revenues plus impact fees to annual debt service	 <u>2.51</u>
 Ratio of net revenues to annual debt service	 <u>2.27</u>

This schedule is prepared in accordance with Water and Sewer Bond Issue covenant requirements.

In accordance with the requirements of Rule 15c2-12 (the Rule) promulgated by the Securities and Exchange Commission (the Commission), the City has agreed in Resolution #2000-201 to provide or cause to be provided, to each nationally recognized municipal securities information repository (NRMSIR) and to the appropriate state information depository (SID), if any, designated by the State of Florida, the above annual financial information and operating data.

Further information relating to the City's utility system and its customers can be found in the statistical section.

Statistical Section

Statistical Section

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

<u>Contents</u>	<u>Page</u>
Financial Trends	127
These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	
Revenue Capacity	134
These schedules contain information to help the reader assess the factors affecting the City’s ability to generate its property and sales taxes.	
Debt Capacity	144
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	
Demographic and Economic Information	151
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place and help make comparisons over time and with other governments.	
Operating Information	153
These schedules contain information about the City’s operations and resources to help the reader understand how the City’s financial information relates to the services the City provides and the activities it performs.	

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

SCHEDULE 1
CITY OF ORMOND BEACH, FLORIDA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2020
(In Thousands)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Governmental activities										
Net investment in capital assets	\$ 113,490	\$ 114,055	\$ 111,269	\$ 111,339	\$ 115,828	\$ 112,798	\$ 112,209	\$ 107,798	\$ 100,303	\$ 99,090
Restricted for:										
Debt service	196	206	196	201	190	110	91	68	28	108
Construction	1,629	2,167	1,421	1,680	1,443	1,208	963	998	2,304	3,301
Renewal and replacement	-	-	-	-	-	1,058	1,432	1,453	2,407	2,662
Redevelopment trust	1,982	2,056	1,797	1,182	710	749	434	2,026	3,180	3,099
For other purposes	10,632	10,397	10,051	8,374	7,129	4,355	3,367	4,221	3,814	2,857
Unrestricted	(13,955)	(18,006)	(19,204)	(18,927)	(18,616)	(17,572)	7,563	9,054	11,224	12,024
Total governmental activities net position	<u>\$ 113,974</u>	<u>\$ 110,875</u>	<u>\$ 105,530</u>	<u>\$ 103,849</u>	<u>\$ 106,684</u>	<u>\$ 102,706</u>	<u>\$ 126,059</u>	<u>\$ 125,618</u>	<u>\$ 123,260</u>	<u>\$ 123,141</u>
Business-type activities										
Net investment in capital assets	\$ 65,247	\$ 61,880	\$ 63,073	\$ 63,147	\$ 63,102	\$ 62,470	\$ 63,744	\$ 62,338	\$ 68,165	\$ 69,577
Restricted										
Debt service	2,972	2,958	2,524	2,215	1,959	1,782	1,772	1,754	1,607	1,250
Construction	9,623	9,673	10,963	9,722	9,528	8,203	7,229	8,725	4,441	3,373
Renewal and replacement	400	400	400	400	400	400	400	400	400	400
Redevelopment trust	-	-	-	-	-	-	-	-	-	-
For other purposes	-	-	-	-	101	-	-	-	-	-
Unrestricted	5,970	8,899	5,696	6,676	8,036	10,527	14,812	16,961	16,258	15,818
Total business-type activities net position	<u>\$ 84,212</u>	<u>\$ 83,810</u>	<u>\$ 82,656</u>	<u>\$ 82,160</u>	<u>\$ 83,126</u>	<u>\$ 83,382</u>	<u>\$ 87,957</u>	<u>\$ 90,178</u>	<u>\$ 90,871</u>	<u>\$ 90,418</u>
Primary government										
Net investment in capital assets	\$ 178,737	\$ 175,935	\$ 174,342	\$ 174,486	\$ 178,930	\$ 175,268	\$ 175,953	\$ 170,136	\$ 168,468	\$ 168,667
Restricted										
Debt service	3,168	3,164	2,720	2,416	2,149	1,892	1,863	1,822	1,635	1,358
Construction	11,252	11,840	12,384	11,402	10,971	9,411	8,192	9,723	6,745	6,674
Renewal and replacement	400	400	400	400	400	1,458	1,832	1,853	2,807	3,062
Redevelopment trust	1,982	2,056	1,797	1,182	710	749	434	2,026	3,180	3,099
For other purposes	10,632	10,397	10,051	8,374	7,230	4,355	3,367	4,221	3,814	2,857
Unrestricted	(7,985)	(9,107)	(13,508)	(12,251)	(10,580)	(7,045)	22,375	26,015	27,482	27,842
Total primary government net position	<u>\$ 198,186</u>	<u>\$ 194,685</u>	<u>\$ 188,186</u>	<u>\$ 186,009</u>	<u>\$ 189,810</u>	<u>\$ 186,088</u>	<u>\$ 214,016</u>	<u>\$ 215,796</u>	<u>\$ 214,131</u>	<u>\$ 213,559</u>

Notes: In 2015, the City implemented GASB Statement Number 68. In 2017, the City implemented GASB Statement Number 75.

Source: City of Ormond Beach Finance Department

SCHEDULE 2
CITY OF ORMOND BEACH, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2020
(In Thousands)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Expenses										
Governmental activities:										
General government	\$ 5,162	\$ 5,579	\$ 5,255	\$ 13,754	\$ 5,971	\$ 5,509	\$ 5,117	\$ 5,442	\$ 5,261	\$ 4,966
Public safety	17,035	17,277	16,931	15,431	15,412	15,312	14,934	15,171	14,063	14,162
Public works	8,587	8,276	8,757	4,009	7,666	7,685	6,960	6,795	6,450	6,243
Human services	117	170	612	200	90	256	274	347	280	296
Culture and recreation	8,101	7,970	8,059	6,281	7,820	7,143	6,813	6,758	6,252	6,162
Economic development	386	309	337	288	345	311	533	234	226	252
Interest/Fiscal charges on long-term debt	163	190	217	231	256	289	274	307	335	338
Total governmental activities expenses	<u>39,551</u>	<u>39,771</u>	<u>40,168</u>	<u>40,194</u>	<u>37,560</u>	<u>36,505</u>	<u>34,905</u>	<u>35,054</u>	<u>32,867</u>	<u>32,419</u>
Business-type activities:										
Water and sewer	19,234	19,558	18,768	18,837	17,814	18,156	17,888	16,702	15,954	15,959
Solid waste	8,230	7,676	9,281	13,870	6,880	6,803	5,393	5,247	5,494	5,526
Total business-type activities expenses	<u>27,464</u>	<u>27,234</u>	<u>28,049</u>	<u>32,707</u>	<u>24,694</u>	<u>24,959</u>	<u>23,281</u>	<u>21,949</u>	<u>21,448</u>	<u>21,485</u>
Total primary government expenses	<u>\$ 67,015</u>	<u>\$ 67,005</u>	<u>\$ 68,217</u>	<u>\$ 72,901</u>	<u>\$ 62,254</u>	<u>\$ 61,464</u>	<u>\$ 58,186</u>	<u>\$ 57,003</u>	<u>\$ 54,315</u>	<u>\$ 53,904</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 134	\$ 134	\$ 134	\$ 134	\$ 134	\$ 110	\$ 138	\$ 93	\$ 74	\$ 109
Public safety	125	154	167	152	172	215	294	258	324	269
Public works	4,612	4,387	4,847	4,778	4,610	4,173	3,962	3,784	3,653	3,744
Culture and recreation	432	732	814	838	668	600	561	569	650	658
Operating grants and contributions	2,975	1,913	2,272	2,083	1,639	1,233	1,175	1,171	1,184	1,200
Capital grants and contributions	1,840	5,074	1,279	1,312	5,155	2,980	1,852	5,103	4,029	2,572
Total governmental activities program revenues	<u>10,118</u>	<u>12,394</u>	<u>9,513</u>	<u>9,297</u>	<u>12,378</u>	<u>9,311</u>	<u>7,982</u>	<u>10,978</u>	<u>9,914</u>	<u>8,552</u>
Business-type activities:										
Charges for services:										
Water and sewer	20,016	20,538	19,698	18,903	18,130	17,131	17,053	16,892	17,239	16,536
Solid waste	7,525	7,347	6,973	6,743	6,288	5,887	5,392	5,194	5,144	5,108
Operating grants and contributions	2,064	2,192	3,903	8,243	1,457	1,489	946	915	854	875
Capital grants and contributions	1,414	1,008	884	1,206	1,287	818	541	822	470	713
Total business-type activities program revenues	<u>31,019</u>	<u>31,085</u>	<u>31,458</u>	<u>35,095</u>	<u>27,162</u>	<u>25,325</u>	<u>23,932</u>	<u>23,823</u>	<u>23,707</u>	<u>23,232</u>
Total primary government program revenues	<u>\$ 41,137</u>	<u>\$ 43,479</u>	<u>\$ 40,971</u>	<u>\$ 44,392</u>	<u>\$ 39,540</u>	<u>\$ 34,636</u>	<u>\$ 31,914</u>	<u>\$ 34,801</u>	<u>\$ 33,621</u>	<u>\$ 31,784</u>

SCHEDULE 2
CITY OF ORMOND BEACH, FLORIDA
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2020
(In Thousands)
(Continued)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net (Expense) Revenue										
Governmental activities	\$ (29,433)	\$ (27,377)	\$ (30,655)	\$ (30,897)	\$ (25,182)	\$ (27,194)	\$ (26,923)	\$ (24,076)	\$ (22,953)	\$ (23,867)
Business-type activities	3,555	3,851	3,409	2,388	2,468	366	651	1,874	2,259	1,747
Total primary government net expense	<u>\$ (25,878)</u>	<u>\$ (23,526)</u>	<u>\$ (27,246)</u>	<u>\$ (28,509)</u>	<u>\$ (22,714)</u>	<u>\$ (26,828)</u>	<u>\$ (26,272)</u>	<u>\$ (22,202)</u>	<u>\$ (20,694)</u>	<u>\$ (22,120)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 14,948	\$ 14,676	\$ 14,248	\$ 13,198	\$ 12,575	\$ 11,318	\$ 10,698	\$ 10,296	\$ 10,050	\$ 9,707
Sales taxes	2,307	2,366	2,349	2,230	2,138	2,047	1,880	1,767	1,670	1,663
Insurance premium taxes	671	713	674	649	672	673	734	637	649	586
Franchise and utility taxes	8,640	8,833	8,825	8,450	8,474	8,493	8,344	8,005	7,998	8,183
Unrestricted intergovernmental revenue	1,472	1,578	1,559	1,450	1,388	2,140	2,008	1,949	1,814	1,925
Interest revenue	165	372	177	67	46	122	114	41	177	242
Miscellaneous	972	1,105	1,440	743	1,022	658	1,019	1,125	744	891
Transfers	3,357	3,078	3,064	3,034	2,846	2,661	2,601	2,614	2,583	2,446
Total governmental activities	<u>32,532</u>	<u>32,721</u>	<u>32,336</u>	<u>29,821</u>	<u>29,161</u>	<u>28,112</u>	<u>27,398</u>	<u>26,434</u>	<u>25,685</u>	<u>25,643</u>
Business-type activities:										
Interest revenue	151	340	212	71	100	181	114	47	115	240
Miscellaneous	52	40	(61)	9	21	77	11	-	-	9
Transfers	(3,357)	(3,077)	(3,064)	(3,034)	(2,846)	(2,661)	(2,601)	(2,614)	(2,583)	(2,446)
Total business-type activities	<u>(3,154)</u>	<u>(2,697)</u>	<u>(2,913)</u>	<u>(2,954)</u>	<u>(2,725)</u>	<u>(2,403)</u>	<u>(2,476)</u>	<u>(2,567)</u>	<u>(2,468)</u>	<u>(2,197)</u>
Total primary government	<u>\$ 29,378</u>	<u>\$ 30,024</u>	<u>\$ 29,423</u>	<u>\$ 26,867</u>	<u>\$ 26,436</u>	<u>\$ 25,709</u>	<u>\$ 24,922</u>	<u>\$ 23,867</u>	<u>\$ 23,217</u>	<u>\$ 23,446</u>
Change in Net Position										
Governmental activities	\$ 3,099	\$ 5,344	\$ 1,681	\$ (1,076)	\$ 3,979	\$ 918	\$ 475	\$ 2,358	\$ 2,732	\$ 1,776
Business-type activities	401	1,154	496	(566)	(257)	(2,037)	(1,825)	(693)	(209)	(450)
Total primary government	<u>\$ 3,500</u>	<u>\$ 6,498</u>	<u>\$ 2,177</u>	<u>\$ (1,642)</u>	<u>\$ 3,722</u>	<u>\$ (1,119)</u>	<u>\$ (1,350)</u>	<u>\$ 1,665</u>	<u>\$ 2,523</u>	<u>\$ 1,326</u>

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002

Source: City of Ormond Beach Finance Department

SCHEDULE 3
CITY OF ORMOND BEACH, FLORIDA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2020
(In Thousands)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Fund										
Nondisposable	\$ 773	\$ 2,043	\$ 2,069	\$ 684	\$ 652	\$ 400	\$ 377	\$ 511	\$ 384	\$ 1,364
Restricted	67	67	67	67	67	67	67	67	67	67
Committed	-	-	-	-	-	-	-	36	12	47
Assigned	4,146	512	944	502	961	1,640	1,087	1,321	1,328	1,296
Unassigned	7,788	8,874	6,976	8,414	7,433	5,278	4,587	4,625	6,492	7,148
Total general fund	<u>\$ 12,774</u>	<u>\$ 11,496</u>	<u>\$ 10,056</u>	<u>\$ 9,667</u>	<u>\$ 9,113</u>	<u>\$ 7,385</u>	<u>\$ 6,118</u>	<u>\$ 6,560</u>	<u>\$ 8,283</u>	<u>\$ 9,922</u>
Other Governmental Funds										
Nondisposable	\$ 1,156	\$ -	\$ -	\$ 381	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	14,415	14,799	13,449	11,370	9,405	7,466	6,086	8,568	11,557	11,763
Committed	378	374	349	328	295	272	235	212	179	168
Assigned	2,116	2,969	3,434	2,790	2,050	2,840	3,908	5,385	5,414	4,696
Unassigned	(488)	(468)	(329)	(472)	(511)	(204)	(135)	(109)	-	(182)
Total other governmental funds	<u>\$ 17,577</u>	<u>\$ 17,674</u>	<u>\$ 16,903</u>	<u>\$ 14,397</u>	<u>\$ 11,239</u>	<u>\$ 10,374</u>	<u>\$ 10,094</u>	<u>\$ 14,056</u>	<u>\$ 17,150</u>	<u>\$ 16,445</u>
All Governmental Funds										
Nondisposable	\$ 1,929	\$ 2,043	\$ 2,069	\$ 1,065	\$ 652	\$ 400	\$ 377	\$ 511	\$ 384	\$ 1,364
Restricted	14,482	14,866	13,516	11,437	9,472	7,533	6,153	8,635	11,624	11,830
Committed	378	374	349	328	295	272	235	248	191	215
Assigned	6,262	3,481	4,378	3,292	3,011	4,480	4,995	6,706	6,742	5,992
Unassigned	7,300	8,406	6,647	7,942	6,922	5,074	4,452	4,516	6,492	6,966
Total all governmental funds	<u>\$ 30,351</u>	<u>\$ 29,170</u>	<u>\$ 26,959</u>	<u>\$ 24,064</u>	<u>\$ 20,352</u>	<u>\$ 17,759</u>	<u>\$ 16,212</u>	<u>\$ 20,616</u>	<u>\$ 25,433</u>	<u>\$ 26,367</u>

Source: City of Ormond Beach Finance Department

SCHEDULE 4
CITY OF ORMOND BEACH, FLORIDA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2020
(In Thousands)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues										
Taxes	\$ 25,424	\$ 25,551	\$ 25,023	\$ 23,582	\$ 22,959	\$ 21,652	\$ 20,891	\$ 20,141	\$ 19,760	\$ 19,666
Licenses and permits	1,318	1,257	1,354	1,353	1,182	1,027	972	858	715	759
Intergovernmental	7,747	9,965	6,469	6,190	9,191	6,864	5,419	8,712	5,011	7,498
Charges for services	3,303	3,782	4,207	4,071	4,021	3,810	3,754	3,633	3,619	3,690
Fines and forfeitures	78	106	117	167	162	142	150	213	162	253
Miscellaneous	3,419	3,516	3,746	3,106	2,917	3,032	3,548	2,985	3,087	3,130
Total revenues	41,289	44,177	40,916	38,469	40,432	36,527	34,734	36,542	32,354	34,996
Expenditures										
General government	5,991	5,922	5,430	5,512	5,142	4,863	4,885	4,939	4,636	4,576
Public safety	16,755	15,695	14,724	14,563	13,933	13,687	14,286	14,081	13,208	13,133
Public works	7,132	6,753	6,757	6,429	4,860	5,369	5,481	5,346	5,207	5,068
Culture and recreation	6,106	6,265	6,284	6,290	6,371	5,766	5,621	5,567	5,263	5,215
Human services	117	170	612	200	65	256	274	347	280	296
Economic development	414	310	329	287	360	300	532	228	222	247
Capital improvements	7,231	8,535	5,578	3,853	8,930	7,207	9,777	12,576	6,040	11,233
Debt service:										
Principal	1,035	1,336	1,302	1,190	990	859	713	688	759	517
Interest and other	161	202	228	234	268	282	282	313	342	321
Total expenditures	44,942	45,188	41,244	38,558	40,919	38,589	41,851	44,085	35,957	40,606
Excess of revenues over (under) expenditures	(3,653)	(1,011)	(328)	(89)	(487)	(2,062)	(7,117)	(7,543)	(3,603)	(5,610)
Other Financing Sources (Uses)										
Transfers in	6,641	6,107	7,487	6,556	5,767	5,069	4,824	5,534	5,873	5,265
Transfers out	(3,185)	(2,885)	(4,264)	(3,137)	(2,808)	(2,296)	(2,111)	(2,808)	(3,204)	(2,733)
Issuance of debt	1,377	-	-	381	122	836	-	-	-	5,000
Total other financing sources (uses)	4,833	3,222	3,223	3,800	3,081	3,609	2,713	2,726	2,669	7,532
Net change in fund balance	\$ 1,180	\$ 2,211	\$ 2,895	\$ 3,711	\$ 2,594	\$ 1,547	\$ (4,404)	\$ (4,817)	\$ (934)	\$ 1,922
Debt service as a percentage of noncapital expenditures	3.17%	4.20%	4.29%	4.10%	3.93%	3.64%	3.10%	3.18%	3.68%	2.85%

Source: City of Ormond Beach Finance Department

SCHEDULE 5
CITY OF ORMOND BEACH, FLORIDA
GENERAL FUND BALANCE COMPARED TO ANNUAL EXPENDITURES
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2020
(In Thousands)

Fiscal Year Ending September 30	Unassigned Fund Balance	General Fund Annual Expenditures (1)	Balance as % of Expenditures
2011	5,148	26,233	19.62%
2012	4,801	26,343	18.22%
2013	3,965	26,324	15.06%
2014	4,169	27,009	15.44%
2015	5,169	29,183	17.71%
2016	6,952	29,784	23.34%
2017	6,433	34,362	18.72%
2018	6,976	31,519	22.13%
2019	8,874	31,962	27.76%
2020	10,147	33,376	30.40%

Source: City of Ormond Beach Finance Department

SCHEDULE 6
CITY OF ORMOND BEACH, FLORIDA
GENERAL GOVERNMENTAL EXPENDITURES AND OTHER USES BY FUNCTION
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2020
(In Thousands)

Fiscal Year Ended	Total	General	Government	Public		Human Services	Capital Improvements		Economic Environment		Transportation	Culture and Recreation		Transfers Out			
				Safety													
General Fund																	
2011	28,045	4,515	16%	12,509	45%	175	-%	-	-%	223	1%	3,955	13%	5,117	18%	1,551	6%
2012	28,433	4,600	16%	12,505	44%	10	-%	-	-%	220	1%	3,935	13%	5,013	18%	2,150	8%
2013	29,279	4,933	17%	13,304	45%	71	-%	-	-%	226	1%	4,007	14%	5,146	18%	1,592	5%
2014	29,436	4,824	16%	13,516	46%	10	-%	-	-%	526	2%	4,127	14%	5,277	18%	1,156	4%
2015	28,393	4,800	17%	12,959	46%	10	-%	-	-%	300	1%	3,929	14%	5,447	19%	948	3%
2016	29,717	5,080	17%	13,226	45%	7	-%	-	-%	360	1%	3,755	13%	5,817	20%	1,472	5%
2017	32,256	5,411	17%	13,913	43%	33	-%	-	-%	287	1%	5,057	16%	5,544	17%	2,011	6%
2018	33,932	5,319	16%	14,039	41%	508	-%	-	-%	329	1%	5,022	15%	5,875	17%	2,840	8%
2019	33,387	5,797	17%	14,914	45%	11	-%	-	-%	311	1%	5,054	15%	5,863	18%	1,437	4%
2020	34,548	5,931	17%	16,021	46%	94	-%	48	-%	414	1%	5,109	15%	5,758	17%	1,173	3%
Combined Special Revenue Funds																	
2011	5,525	95	2%	677	12%	121	2%	-	-%	24	1%	3,721	67%	432	8%	455	8%
2012	3,706	36	1%	662	18%	270	7%	-	-%	2	1%	2,348	63%	55	1%	333	9%
2013	8,621	6	-%	690	8%	276	3%	-	-%	2	1%	7,349	85%	6	0%	292	3%
2014	8,434	61	1%	749	9%	264	3%	-	-%	-	-%	7,066	84%	14	0%	280	3%
2015	5,734	63	1%	702	12%	246	4%	-	-%	-	-%	4,397	77%	11	0%	315	6%
2016	8,018	61	1%	693	9%	58	1%	-	-%	-	-%	6,625	83%	210	3%	371	6%
2017	4,565	73	2%	649	14%	167	4%	-	-%	-	-%	3,117	68%	215	5%	344	9%
2018	4,469	111	2%	685	15%	104	2%	-	-%	-	-%	1,736	39%	409	9%	1,424	33%
2019	7,044	55	1%	762	11%	58	1%	-	-%	-	-%	5,415	77%	14	0%	740	12%
2020	4,989	0	0%	690	14%	23	0%	2,295	-%	-	-%	1,731	35%	11	0%	239	6%

Capital outlay included under Transportation.

Source: City of Ormond Beach Finance Department

SCHEDULE 7
CITY OF ORMOND BEACH, FLORIDA
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2020
(In Thousands)

Fiscal Year	Property	Local Option Gas (6 cents)	Local Option Gas (5 cents)	Franchise CST and Utilities	Fire Insurance Premium	Casualty Insurance Premium	Total
2011	9,706	638	475	8,261	301	285	19,666
2012	10,050	644	482	7,935	351	298	19,760
2013	10,295	637	480	8,092	349	288	20,141
2014	10,691	642	480	8,344	383	351	20,891
2015	11,320	670	496	8,493	358	315	21,652
2016	12,575	711	528	8,473	338	334	22,959
2017	13,201	783	499	8,450	306	343	23,582
2018	14,248	750	550	8,825	295	380	25,048
2019	14,676	762	558	8,833	306	407	25,542
2020	14,936	675	496	8,630	259	411	25,407
Change 2011 – 2020	53.9%	5.8%	4.4%	4.5%	-14.0%	44.2%	29.2%

**SCHEDULE 8
CITY OF ORMOND BEACH, FLORIDA
GROSS TAXABLE VALUE AND COMPOSITION BY MAJOR PROPERTY CLASSIFICATION
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2020**

Fiscal Year	Residential	%	Commercial	%	Industrial	%	All Other Categories	%	Total Final Gross Taxable Value	% Change From Prior Year	Total Direct Tax Rate
2011	1,912,044,510	72.7%	422,574,768	16.1%	90,974,862	3.5%	203,793,576	7.8%	2,629,387,716	N/A	3.810
2012	1,799,282,367	72.7%	386,673,959	15.6%	85,946,801	3.5%	204,612,831	8.2%	2,476,515,958	-5.8%	4.201
2013	1,795,950,889	73.1%	373,554,926	15.2%	83,403,609	3.4%	204,238,118	8.3%	2,457,147,542	-0.8%	4.326
2014	1,834,154,306	73.4%	379,047,195	15.2%	83,539,611	3.3%	202,531,617	8.1%	2,499,272,729	1.7%	4.424
2015	1,928,687,714	72.7%	428,018,226	16.1%	90,431,243	3.4%	205,921,497	7.8%	2,653,058,680	6.2%	4.406
2016	1,996,385,162	70.1%	449,258,227	15.8%	99,341,657	3.5%	303,665,736	10.7%	2,848,650,782	7.4%	4.557
2017	2,092,102,715	69.5%	484,818,216	16.1%	104,545,988	3.5%	328,704,669	10.9%	3,010,171,588	5.7%	4.536
2018	2,258,133,907	69.6%	526,072,540	16.2%	114,781,024	3.5%	345,422,008	10.6%	3,244,409,479	7.8%	4.536
2019	2,415,581,271	69.8%	567,382,211	16.4%	121,026,020	3.5%	355,133,647	10.3%	3,459,123,149	6.6%	4.389
2020	2,562,846,583	69.9%	608,983,268	16.6%	124,459,132	3.4%	369,434,606	10.1%	3,665,723,589	6.0%	4.220

Notes: The City assesses property annually. Property is assessed at actual market value.

Source: Volusia County Property Appraiser

**SCHEDULE 9
CITY OF ORMOND BEACH, FLORIDA
DIRECT AND OVERLAPPING PROPERTY TAX RATES AND TAX LEVIES
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2020**

Fiscal Year Ended	Ormond Beach			School District	Volusia County	Mosquito Control	Inlet and Port Authority	Halifax Hospital*	St. Johns	Florida Inland	Total - All Taxing Districts
	Operating Millage	Debt Service Millage	Total City Millage						Water Management District		
2011	3.654	0.156	3.810	8.237	6.302	0.208	0.093	2.000	0.416	0.034	21.100
2012	3.893	0.308	4.201	8.063	6.779	0.208	0.093	1.750	0.331	0.035	21.460
2013	4.013	0.313	4.326	7.888	6.881	0.208	0.093	1.250	0.331	0.035	21.012
2014	4.118	0.306	4.424	7.358	7.271	0.208	0.093	1.000	0.328	0.035	20.717
2015	4.118	0.288	4.406	7.336	7.271	0.188	0.093	1.000	0.316	0.035	20.645
2016	4.284	0.273	4.557	7.197	7.271	0.188	0.093	0.955	0.302	0.032	20.595
2017	4.284	0.252	4.536	6.840	7.052	0.188	0.093	0.756	0.289	0.032	19.786
2018	4.284	0.252	4.536	6.792	7.052	0.188	0.093	0.378	0.272	0.032	19.344
2019	4.165	0.224	4.389	6.281	6.646	0.188	0.093	0.355	0.256	0.032	18.241
2020	4.087	0.133	4.220	6.081	6.542	0.188	0.093	0.355	0.241	0.032	17.752
2011	9,607	410	10,017	21,658	16,572	547	244	5,259	1,093	91	55,481
2012	9,642	763	10,405	19,968	16,789	515	230	4,334	820	85	53,146
2013	9,861	769	10,630	19,382	16,907	511	228	3,071	814	85	51,628
2014	10,292	765	11,057	18,390	18,172	520	232	2,499	821	86	51,777
2015	10,940	765	11,705	19,488	19,315	499	247	2,657	841	92	54,844
2016	12,204	777	12,981	20,621	21,236	566	280	2,277	859	96	58,916
2017	12,901	759	13,660	20,597	21,236	566	280	2,277	869	96	59,581
2018	12,901	759	13,660	20,454	21,236	566	280	1,139	820	96	58,250
2019	14,397	774	15,171	21,709	22,972	650	321	1,226	886	111	63,045
2020	14,973	487	15,460	22,278	23,967	689	340	1,301	884	117	65,036

* Tax levy based on homestead exemption and nonexempt values.

Note: Tax levy indicated is for Ormond Beach only. Property tax rates are based upon \$1,000 of assessed taxable value.

**SCHEDULE 10
CITY OF ORMOND BEACH, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND TEN YEARS AGO**

Name	Type of Business	2020			2010		
		Taxable Assessed Value <i>(in Thousands)</i>	Rank	Percentage Taxable Assessed Value	Taxable Assessed Value <i>(in Thousands)</i>	Rank	Percentage Taxable Assessed Value
Florida Power & Light Company	Power Company	\$ 60,515	1	1.55%			
Casa Del Mar Joint Venture	Resort	28,308	2	0.72%			
Bermuda Estates	Apartments	27,228	3	0.70%			
Waypoint Ormond Beach	Resort	25,418	4	0.65%			
Playtex Manufacturing, Inc.	Manufacturing	22,576	5	0.58%			
Royal Floridian Condo Assoc	Resort	22,494	6	0.57%			
Cove II Owners Association	Resort	22,289	7	0.57%			
Royal Floridian South By	Resort	22,162	8	0.57%			
Security First Insurnace	Insurance	20,590	9	0.53%			
Destination Daytona LLC	Retail	18,937	10	0.48%			
Island One, Inc.	Resort				\$ 36,548	1	1.24%
Florida Power & Light	Power Company				30,922	2	1.05%
Casa Del Mar Joint Venture	Resort				26,026	3	0.88%
Royal Floridian by Spinnaker	Resort				24,632	4	0.84%
Florida Production Engineering Inc	Engineering Arm				15,507	5	0.53%
J-7 Land Partners LLP	Real Estate				15,479	6	0.53%
Bermuda Estates	Real Estate				15,473	7	0.53%
Bray & Gillespie LLC	Development Corp.				14,769	8	0.50%
Wal-Mart Stores Inc.	Shopping Center				14,127	9	0.48%
Bell South Telecommunications	Telecommunications				13,273	10	0.45%
		<u>\$ 270,517</u>		<u>6.92%</u>	<u>\$ 206,756</u>		<u>7.03%</u>

Source: Volusia County Property Appraiser

SCHEDULE 11
CITY OF ORMOND BEACH, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2020
(In Thousands)

Fiscal Year Ended	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years ⁽²⁾	Total Collections to Date	
		Amount	Percentage of Levy ⁽¹⁾		Amount	Percentage of Levy
2011	10,017	9,667	96.5	16	9,683	96.7
2012	10,405	10,033	96.4	310	10,343	99.4
2013	10,630	9,985	93.9	30	10,015	94.2
2014	11,057	10,661	96.4	36	10,697	96.7
2015	11,705	11,283	96.4	260	11,543	98.6
2016	12,981	12,319	94.9	-	12,319	94.9
2017	13,660	12,994	95.1	207	13,201	96.6
2018	14,717	13,920	94.6	303	14,223	96.6
2019	15,184	14,402	94.8	274	14,676	96.7
2020	15,469	14,979	96.8	258	15,237	98.5

Notes: (1) Taxes are levied on November 1 of each year. Taxes are due by March 31 of the following year. Taxes paid prior to March 31 receive discounts of up to 4%. See note 1 of the financial statements for more details.

(2) Details relating to collections in subsequent years is unavailable. Subsequent collections have been applied to the previous tax levied year.

Source: Volusia County Property Appraiser

SCHEDULE 12
CITY OF ORMOND BEACH, FLORIDA
FRANCHISE AND UTILITIES SERVICE TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2020
(In Thousands)

Fiscal Year Ended	Total Tax	Electric Utilities	Communications Taxes	Gas Utilities	Electric Franchise	Gas Franchise
2011	8,261	3,184	1,990	117	2,949	21
2012	7,935	3,090	1,956	165	2,679	45
2013	8,092	3,286	1,953	133	2,668	52
2014	8,344	3,543	1,763	146	2,841	51
2015	8,491	3,673	1,708	133	2,921	56
2016	8,474	3,775	1,624	121	2,895	59
2017	8,449	3,788	1,597	136	2,880	48
2018	8,825	4,001	1,669	143	2,960	52
2019	8,834	4,064	1,582	135	3,002	51
2020	8,639	4,040	1,583	138	2,828	50
Change 2011 - 2020	4.58%	26.88%	-20.45%	17.95%	-4.10%	138.10%

Source: City of Ormond Beach Finance Department

**SCHEDULE 13
CITY OF ORMOND BEACH, FLORIDA
SCHEDULE OF PROPERTY VALUATIONS AND
PROPERTY TAX MILLAGE
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2020
(In Thousands)**

Fiscal Year	Valuation				Property Tax Millage							Total
	Total Assessed	Exempt	Percent Exempt	Taxable	Percent Taxable	Operating	Capital Improvements	Transportation Improvements	General Facilities Renewal and Replacement	Vehicle Replacement	Debt Service	
2011	3,462,982	833,594	24.07	2,629,388	75.93	3.055	0.144	0.331	0.124	-	0.156	3.810
2012	3,290,747	812,645	24.69	2,478,102	75.31	3.295	0.144	0.331	0.124	-	0.308	4.201
2013	3,245,435	788,287	24.29	2,457,148	75.71	3.415	0.144	0.331	0.123	-	0.313	4.326
2014	3,278,675	779,402	23.77	2,499,273	76.23	3.620	0.144	0.231	0.123	-	0.306	4.424
2015	3,443,174	790,115	22.95	2,653,059	77.05	3.587	0.144	0.231	0.156	-	0.288	4.406
2016	3,654,848	806,197	22.06	2,848,651	77.94	3.687	0.144	0.231	0.186	0.037	0.273	4.557
2017	3,844,350	834,179	21.70	3,010,171	78.30	3.721	0.139	0.173	0.173	0.078	0.252	4.536
2018	4,103,065	858,632	20.93	3,244,433	79.07	3.760	0.129	0.161	0.161	0.073	0.252	4.536
2019	4,343,043	884,543	20.37	3,458,500	79.63	3.674	0.121	0.151	0.151	0.068	0.224	4.389
2020	4,560,399	894,676	19.62	3,665,723	80.38	3.566	0.115	0.142	0.142	0.122	0.133	4.220

Source: Volusia County Property Appraiser

SCHEDULE 14
CITY OF ORMOND BEACH, FLORIDA
GENERAL GOVERNMENTAL REVENUES AND OTHER SOURCES BY FUNCTION
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2020
(In Thousands)

Fiscal Year Ended	Total	Taxes	Licenses, Permits & Fees		Inter-Governmental Revenues		Charges for Services		Fines and Forfeitures		Miscellaneous Revenue		Other Financing Sources		
			(3)						(1)		(2)				
General Fund															
2011	27,278	16,043	59%	759	3%	3,030	11%	1,087	4%	219	1%	2,598	10%	3,542	12%
2012	26,794	15,816	59%	715	3%	3,007	11%	998	4%	147	1%	2,538	9%	3,573	13%
2013	27,556	16,218	59%	858	3%	3,172	11%	998	4%	206	1%	2,520	9%	3,584	13%
2014	29,110	17,091	59%	972	3%	3,307	11%	1,070	4%	127	0%	2,943	11%	3,600	12%
2015	29,660	17,707	60%	1,027	3%	3,563	12%	1,094	4%	135	0%	2,447	9%	3,687	12%
2016	31,446	18,650	59%	1,182	4%	3,703	12%	1,214	4%	139	0%	2,307	8%	4,251	14%
2017	32,802	16,687	51%	3,939	12%	4,256	13%	1,206	4%	153	0%	2,517	9%	4,044	12%
2018	34,321	17,892	52%	4,071	12%	4,244	12%	1,333	4%	96	0%	2,596	9%	4,089	12%
2019	34,828	21,120	61%	1,257	4%	4,240	12%	1,242	4%	90	0%	2,752	9%	4,127	12%
2020	35,786	21,263	59%	1,318	4%	5,340	15%	763	2%	63	0%	2,701	9%	4,338	12%
Combined Special Revenue Funds															
2011	6,300	586	9%	-	-%	1,756	28%	2,603	41%	34	1%	285	5%	1,036	16%
2012	4,932	649	13%	-	-%	974	20%	2,621	53%	15	-%	316	7%	357	7%
2013	7,796	637	8%	-	-%	3,906	50%	2,635	34%	7	-%	236	3%	375	5%
2014	6,002	734	12%	-	-%	1,819	30%	2,684	45%	23	1%	241	4%	501	8%
2015	7,106	673	9%	-	-%	3,044	43%	2,716	38%	7	0%	251	4%	415	6%
2016	8,574	672	8%	-	-%	4,389	51%	2,807	33%	23	0%	243	3%	440	5%
2017	5,364	649	12%	-	-%	938	17%	2,864	53%	14	0%	258	5%	641	12%
2018	5,507	674	12%	-	-%	930	17%	2,873	52%	22	0%	311	6%	697	13%
2019	6,927	713	10%	-	-%	3,249	47%	2,539	37%	16	0%	344	5%	66	1%
2020	4,636	670	14%	-	-%	1,090	24%	2,540	55%	15	0%	255	6%	66	1%

(1) Miscellaneous encompasses miscellaneous revenues, rentals and interest on investments per the incorporation of the Uniform Accounting System for Units of Local Governments in the State of Florida.

(2) Includes proceeds from issuance of long-term debt and transfers in.

(3) Franchise fees as of 2017 are included in this field.

Source: City of Ormond Beach Finance Department

SCHEDULE 15
CITY OF ORMOND BEACH, FLORIDA
SCHEDULE OF IMPACT FEES
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2020
(In Thousands)

Fiscal Year	West Ormond District Reuse	Primary Water System	Primary Sewer System	Recreational Facility	Administrative Facility	Conservation Land	Cultural Facility	Fire Protection Facility	Law Enforcement Facility	Local Roads	Road Drainage	Storm-Water Drainage
2011	-	211	186	113	-	-	-	-	-	24	-	8
2012	-	128	99	34	-	-	-	-	-	13	-	11
2013	-	264	213	81	-	-	-	-	-	21	-	12
2014	-	297	240	115	-	-	-	-	-	26	-	21
2015	-	489	303	139	-	-	-	-	-	33	-	25
2016	-	515	435	243	-	-	-	-	-	38	-	23
2017	-	592	532	207	-	-	-	-	-	54	-	24
2018	-	473	438	126	-	-	-	-	-	32	-	33
2019	-	428	406	75	-	-	-	-	-	24	-	12
2020	-	643	604	175	-	-	-	-	-	63	-	23

Note: In 2007, the City refunded \$18 of previously recorded West Ormond District Reuse Impact Fees.

Source: City of Ormond Beach Finance Department

SCHEDULE 16
CITY OF ORMOND BEACH, FLORIDA
INTEREST EARNED—ALLFUNDS
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2020
(In Thousands)

Fiscal Year	Governmental Funds			Proprietary Funds		Fiduciary Funds	Total All Funds	
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Enterprise Funds	Internal Service Funds		Pension Trust Fund
2011	85	44	-	57	240	-	1,959	2,385
2012	101	61	-	72	115	-	2,165	2,514
2013	17	11	-	14	47	-	2,217	2,306
2014	62	21	2	32	114	-	2,346	2,577
2015	67	24	-	44	181	-	2,308	2,624
2016	69	11	-	15	100	-	2,123	2,318
2017	25	28	-	19	79	-	1,999	2,150
2018	56	76	-	45	222	-	2,355	2,754
2019	159	131	-	82	340	-	2,623	3,335
2020	73	48	-	44	152	-	2,322	2,639

Source: City of Ormond Beach Finance Department

SCHEDULE 17
CITY OF ORMOND BEACH, FLORIDA
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
September 30, 2020
(In Thousands, Except Per Capita)

Fiscal Year	General Obligation Bonds	Taxable Value of Property	Percentage of Actual Taxable Value of Property	Per Capita	Other Governmental Activities Debt				
					Special Obligation Bonds	Tax Increment Revenue Bonds	Capital Improvement Note	Other Long Term Payables	Capital Leases
2011	7,915	2,629,388	0.30%	208	-	-	1,588		621
2012	7,446	2,478,102	0.30%	196	-	-	1,491		428
2013	6,959	2,457,148	0.28%	178	-	-	1,390		328
2014	6,453	2,499,273	0.26%	165	-	-	1,286		225
2015	5,928	2,653,059	0.22%	148	-	-	1,178		835
2016	5,385	2,848,650	0.19%	133	-	-	1,066	2,297	588
2017	4,828	3,244,409	0.15%	120	-	-	949	1,943	806
2018	4,243	3,247,839	0.13%	99	-	-	828	1,700	452
2019	3,640	3,456,325	0.11%	85	-	-	702	1,237	309
2020	3,285	3,663,498	0.09%	75	-	-	572	883	1490
Business-type Activities									
Year	Revenue Bonds	Fund Loans	Capital Leases		Government	Personal Income	Per Capita		
2011	36,671	7,891	-		54,686	4.39%	1,439		
2012	34,281	12,774	-		56,420	4.39%	1,485		
2013	35,275	13,304	-		57,256	4.28%	1,468		
2014	32,423	12,751	-		53,138	3.86%	1,363		
2015	32,121	12,186	-		52,248	3.61%	1,306		
2016	29,040	11,604	-		49,980	3.24%	1,238		
2017	29,946	11,006	-		49,478	3.21%	1,226		
2018	26,495	10,387	-		44,105	2.86%	1,093		
2019	27,602	9,752	-		43,242	2.88%	995		
2020	24,077	9,099	-		39,406	2.59%	901		

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

See Schedule 24 for personal income and population data.

Source: City of Ormond Beach Finance Department

SCHEDULE 18
CITY OF ORMOND BEACH, FLORIDA
RATIO OF NET GENERAL BONDED DEBT TO
ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2020
(In Thousands)

Fiscal Year	Assessed Value (1)	Gross General Bonded Debt (2)	Less Debt Service Fund	Net General Bonded Debt	General Bonded Debt to Assessed Value	Estimated Population (4)	Net General Debt Per Capita
2011	3,462,982	7,915	108	7,807	0.23%	38	205.45
2012	3,290,747	7,446	28	7,418	0.23%	38	195.21
2013	3,245,435	6,959	68	6,891	0.21%	39	176.69
2014	3,278,675	6,453	91	6,362	0.19%	39	163.13
2015	3,443,174	5,928	115	5,813	0.17%	40	145.33
2016	3,654,848	5,385	189	5,196	0.14%	40	129.90
2017	4,103,066	4,828	200	4,628	0.11%	40	115.70
2018	4,103,065	4,243	228	4,015	0.10%	42	95.60
2019	4,343,043	3,640	246	3,394	0.08%	43	78.93
2020	4,560,399	3,285	241	3,044	0.07%	44	69.18

(1) From Schedule 13

(2) From Schedule 17

(3) Amount available for repayment of General Obligation Bonds

(4) From Schedule 24

Source: City of Ormond Beach Finance Department

SCHEDULE 19
CITY OF ORMOND BEACH, FLORIDA
RATIO OF ANNUAL DEBT SERVICE FOR GENERAL BONDED
DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2020
(In Thousands)

Fiscal Year	Principal	Interest (1)	Total Debt Service	Total General Governmental Expenditures (2)	Ratio of Debt Service to General Governmental Expenditures
2011	260	219	479	33,619	1.42
2012	469	262	731	32,139	2.27
2013	487	243	730	37,900	1.93
2014	506	219	725	37,986	1.91
2015	525	202	727	34,127	2.13
2016	543	193	736	37,735	1.95
2017	557	170	727	36,821	1.97
2018	585	159	744	38,401	1.94
2019	603	149	752	40,431	1.86
2020	355	124	479	39,537	1.21

(1) Includes bond issuance and other costs

(2) Schedule 6

Source: City of Ormond Beach Finance Department

SCHEDULE 20
CITY OF ORMOND BEACH, FLORIDA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
SEPTEMBER 30, 2020
(In Thousands)

	<u>Net Debt Outstanding</u>		<u>Percentage Applicable to the Governmental Unit</u>	<u>City of Ormond Beach — Share of Debt</u>
Direct:				
City of Ormond Beach	\$ 6,230	(1)	100.00%	\$ 6,230
Overlapping:				
Volusia County	NA	(2)	10.43%	NA
Total direct and overlapping debt				<u>NA</u>

- (1) From Schedule 17
(2) Volusia County

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Ormond Beach, Florida. This process recognizes that, when considering the City’s ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident – and therefore responsible for repaying the debt – of each overlapping government.

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values.

Source: City of Ormond Beach Finance Department

SCHEDULE 21
CITY OF ORMOND BEACH, FLORIDA
REVENUE BOND COVERAGE
WATER AND SEWER SYSTEM FUND
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2020
(In Thousands)

Fiscal Year End	Gross Revenues	Operating Expense	Net Revenues	Debt Service Requirements	Debt Service Coverage
2011	17,471	8,884	8,587	3,704 (3)	2.32
2012	17,127	8,380	8,747	3,703 (3)	2.36
2013	16,932	8,576	8,356	3,830 (4)	2.18
2014	17,178	9,235	7,943	3,830 (4)	2.07
2015	17,374	9,190	8,184	4,042 (5)	2.02
2016	18,244	8,817	9,427	4,036 (5)	2.34
2017	19,311	9,510	9,801	4,041 (6)	2.43
2018	19,700	10,140	9,560	3,713 (6)	2.57
2019	20,546	10,703	9,843	4,071 (6)	2.42
2020	20,065	10,031	10,034	4,179 (6)	2.4

- (1) Maximum Debt Service for Series 2000, Series 2004 and Series 2006 combined.
- (2) Maximum Debt Service for Series 2000, Series 2004, Series 2006 and Series 2007 combined.
- (3) Maximum Debt Service for Series 2004, Series 2006, Series 2007 and Series 2010 combined.
- (4) Maximum Debt Service for Series 2004, Series 2010, Series 2013A, Series 2013B and Series 2013C combined.
- (5) Maximum Debt Service for Series 2004, Series 2010, Series 2013A, Series 2013B Series 2013 C and Series 2015 combined.
- (6) Maximum Debt Service for Series 2004, Series 2010, Series 2013A, Series 2013B Series 2013 C, Series 2015, Series 2017 and Series 2019 combined.

Source: City of Ormond Beach Finance Department

SCHEDULE 22
CITY OF ORMOND BEACH, FLORIDA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2020

The Constitution of the State of Florida, Florida Statute 200.181, and the Charter of the City of Ormond Beach, Florida set no legal debt margin.

SCHEDULE 23
CITY OF ORMOND BEACH, FLORIDA
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2020
(In Thousands)

Water & Wastewater Revenue Bonds

Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
2011	17,239	8,884	8,355	2,334	833	2.64
2012	17,028	8,380	8,648	2,390	1,090	2.49
2013	16,892	8,576	8,316	2,426	1,076	2.37
2014	17,053	9,235	7,818	2,852	835	2.12
2015	17,131	9,287	7,844	2,902	826	2.10
2016	18,244	8,817	9,427	2,610	835	2.74
2017	18,913	9,510	9,403	3,238	798	2.33
2018	17,773	10,140	7,633	3,352	815	1.83
2019	20,538	10,703	9,835	4,071	1,028	1.93
2020	20,016	10,032	9,984	4,179	919	1.96

Notes:

Fiscal year 2004 – principal amount of water & wastewater revenue bonds reflects the net change in bonds for the fiscal year due to bond refunding.

Fiscal year 2010 – principal amount of water & wastewater revenue bonds reflects the net change in bonds for the fiscal year due to bond refunding.

Fiscal year 2013 – principal amount of water & wastewater revenue bonds reflects the net change in bonds for the fiscal year due to bond refunding.

Fiscal year 2015 – principal amount of water & wastewater revenue bonds reflects the net change in bonds for the fiscal year due to bond refunding.

Source: City of Ormond Beach Finance Department

SCHEDULE 24
CITY OF ORMOND BEACH, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2020

Fiscal Year	Population⁽¹⁾	Personal Income (In thousands)	Per Capita Personal Income⁽²⁾	Median Age⁽³⁾	Unemployment Rate⁽⁴⁾
2011	38,137	1,246,050	32,673	45.4	9.30%
2012	38,376	1,284,637	33,475	45.8	7.40%
2013	38,557	1,336,424	34,661	46.1	5.50%
2014	39,455	1,376,980	34,900	46.3	5.00%
2015	40,013	1,447,230	36,169	46.6	5.00%
2016	40,366	1,541,860	38,197	46.6	5.20%
2017	40,722	1,591,660	39,086	47.0	3.70%
2018	42,816	1,427,314	33,336	51.0	3.20%
2019	43,475	1,503,322	34,579	51.5	3.20%
2020	43,759	1,523,645	34,819	50.8	5.90%

Sources: (1) Bureau of Economic and Business Research, University of Florida
(2) United States Department of Commerce, Bureau of Economic Analysis, Deltona-Daytona Beach-Ormond Beach Metropolitan Statistical Area
(3) Volusia County, Florida
(4) Bureau of Labor Statistics

Source: City of Ormond Beach Finance Department

**SCHEDULE 25
CITY OF ORMOND BEACH, FLORIDA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO
SEPTEMBER 30, 2020**

Fiscal Year 2020			Fiscal Year 2010		
Employer	Number of Employees	Percent of Total Employment	Employer	Number of Employees	Percent of Total Employment
Volusia County School Board	7,503	2.49	Volusia County School Board	8,273	3.26
Halifax Community Health	4,709	1.56	Halifax Community Health	4,232	1.67
County of Volusia	3,341	1.11	County of Volusia	3,519	1.39
Florida Hospital - All Divisions	3,256	1.08	Florida Hospital - All Divisions	3,717	1.46
Daytona State College	1,568	0.52	State of Florida	2,423	0.95
Embry Riddle Aeronautical University	1,423	0.47	Walmart	2,139	0.84
Florida Health Care Plans	916	0.30	Publix Supermarkets Incorporated	2,415	0.95
Frontier Communications	800	0.27	Daytona State College	1,589	0.63
Department of Transportation	700	0.23	U.S Government	1,434	0.56
Bert Fish Medical Center	700	0.23	Embry Riddle Aeronautical University	1,198	0.47
Total	<u>24,916</u>	<u>8.26</u>	Total	<u>30,939</u>	<u>12.18</u>
Estimated total workforce	301,341		Estimated total workforce	253,875	

Note: No statistics are kept on primary employers within the City of Ormond Beach, Florida

Sources: County of Volusia, Department of Economic Development (Latest Available Data)
Labor Market Statistics, Florida Research and Economic Database

SCHEDULE 26
CITY OF ORMOND BEACH, FLORIDA
AUTHORIZED POSITIONS BY DEPARTMENT/DIVISION/SECTION
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2020

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
City Administration	4.00	3.00	3.00	2.60	2.60	2.60	2.60	2.60	2.60	3.60
Support Services	3.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.50	5.50
City Attorney	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Human Resources	4.00	5.00	4.50	4.50	4.00	4.00	4.00	4.00	4.00	4.00
Finance:										
Budget/Finance	9.65	6.65	6.65	6.65	6.65	6.90	7.15	7.15	5.65	5.65
Utility and Customer Services	12.35	12.35	12.35	12.35	11.85	11.85	11.85	11.85	11.85	11.35
Information Technology	7.00	6.00	6.00	6.00	6.00	5.00	5.00	5.00	5.00	6.00
Planning	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	6.25	6.05
Building Inspection/Permitting	11.35	11.35	10.35	10.35	9.35	9.35	9.35	9.35	8.35	8.35
Economic Development	0.90	1.00	0.90	0.90	0.90	0.90	0.90	0.90	0.90	1.00
Police Department	89.50	88.50	87.82	87.82	90.32	85.32	86.32	87.32	87.32	87.32
Neighborhood Improvement	6.00	6.00	6.00	6.00	6.00	5.00	5.00	5.00	5.00	5.00
Fire Department	47.00	47.00	47.00	47.00	47.00	50.00	50.00	51.00	51.00	52.00
Public Works Department:										
Public Works Administration								-	-	-
Engineering	12.25	12.25	12.25	11.83	10.83	10.83	10.83	10.83	10.83	10.83
Streets and Roadside Maintenance	19.05	19.05	18.05	16.80	16.80	17.80	17.00	17.00	17.00	16.90
Fleet Operations Management	5.50	4.50	4.50	5.50	5.50	5.50	5.50	5.50	5.50	6.50
Stormwater Drainage	9.90	9.90	9.00	8.70	8.70	8.70	8.70	8.70	8.70	8.70
Water Treatment and Distribution	30.10	29.60	29.60	29.05	28.60	27.60	27.60	27.60	27.60	27.10
Wastewater Collection and Treatment	28.10	27.60	27.60	27.60	27.60	27.10	27.10	27.10	27.10	27.10
Solid Waste Collection and Disposal	0.65	0.65	1.65	1.65	1.65	1.65	1.65	1.65	1.65	1.65
Recycling	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35
Street Sweeping						-	-	-	-	-
Yard Waste Mulching						-	-	-	-	-
Leisure Services:										
Building Maintenance	7.00	7.00	8.00	6.50	6.50	8.00	6.50	6.50	6.50	6.50
Parks and Grounds Maintenance	6.00	6.00	4.23	5.73	5.23	2.23	2.00	2.00	3.00	2.00
The Casements	3.75	3.75	3.75	3.75	4.20	4.20	3.70	3.70	3.70	3.70
Performing Arts Center	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.50	3.75	3.25
Senior Center	0.50	0.50	0.50	0.50	0.50	1.00	1.00	1.00	1.00	1.00
Community Events/Special Services	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.00
Leisure Services Administration	6.63	6.63	7.26	6.63	6.63	3.50	3.50	3.50	3.50	3.50
Recreation Activities	8.50	8.50	12.90	12.45	12.45	18.08	17.58	17.58	17.58	16.45
Athletic Fields Maintenance	7.50	7.50	7.50	7.50	7.50	11.00	11.00	10.00	10.00	10.00
Environmental Discovery Center	2.00	1.63	1.45	1.08	0.45					
Municipal Airport	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	0.95
	359.88	353.61	354.51	351.14	349.51	349.81	347.53	348.28	349.53	349.30

Note: Number of positions are full time equivalents

Source: City of Ormond Beach Finance Department

SCHEDULE 27
CITY OF ORMOND BEACH, FLORIDA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2020

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Police										
Number of traffic citations issued	7,626	8,906	9,281	6,803	7,551	8,237	7,509	9,814	7,475	7,925
Number of offense reports	5,923	6,713	6,568	8,834	7,326	7,501	7,064	7,025	6,956	6,791
Number of calls for service	75,266	54,949	65,390	83,083	83,098	87,867	93,102	84,485	82,713	64,325
Fire										
Emergency fire responses	3,065	2,790	3,045	5,600	2,120	2,025	2,120	2,090	1,750	1,820
Emergency rescue responses (ALS/BLS)	4,119	4,411	4,796	6,800	5,300	5,424	5,227	4,577	4,872	4,157
Education classroom presentations	5	50	64	86	98	75	47	61	102	154
Education (not included in reporting entity)										
Kindergarten-Grade 5 students	298	2,940	2,892	2,931	2,899	2,899	2,857	2,857	2,836	2,913
Grades 6-8 students	126	1,054	1,006	1,048	1,022	1,022	1,108	1,108	1,100	1,076
Airport										
Fixed based operator	13	13	12	11	10	10	10	10	12	11
Flight School	3	3	2	2	5	2	3	2	3	3
Based aircraft	140	142	175	163	140	180	177	169	171	169
Total 12 hour, operations	112,677	100,877	100,173	116,165	109,000	108,689	118,929	124,769	130,770	133,183
Water treatment plants										
Jefferson Street Plant:										
Design capacity	12.00 MGD	12.00 MGD	12.00 MGD	12.00 MGD	12.00 MGD	12.00 MGD	12.00 MGD	12.00 MGD	12.00 MGD	12.00 MGD
Current production rate	5.93 MGD	5.93 MGD	5.93 MGD	5.93 MGD	5.93 MGD	5.73 MGD	5.29 MGD	5.27 MGD	5.38 MGD	5.54 MGD
Number of water utility connections	23,638	23,465	22,793	21,905	21,905	21,661	21,444	21,248	21,162	21,138
Solid waste system										
Number of solid waste disposal customers	17,214	17,501	17,284	17,066	16,868	16,672	16,457	16,333	16,262	16,246
Number of active participating recycling program (units)	16,704	16,667	17,017	16,302	16,105	17,321	17,126	16,998	16,905	16,893
Water pollution control plants										
Orchard Street Plant:										
Design capacity	8.00 MGD	8.00 MGD	8.00 MGD	8.00 MGD	8.00 MGD	8.00 MGD	8.00 MGD	8.00 MGD	6.00 MGD	6.00 MGD
Current treatment rate	4.19 MGD	4.19 MGD	4.19 MGD	4.19 MGD	4.19 MGD	4.94 MGD	4.57 MGD	4.67 MGD	4.63 MGD	4.50 MGD
Number of collection system connections	18,117	17,440	16,882	16,874	16,424	16,227	16,029	15,891	15,823	15,811
Number of effluent reuse connections	3,080	3,073	3,053	2,603	2,345	2,495	2,472	2,459	2,447	2,437

* Information not available.

Sources: City of Ormond Beach Police Department, City of Ormond Beach Fire Department, School Board of Volusia County, City of Ormond Beach Airport Department, City of Ormond Beach Public Works Department, City of Ormond Beach Finance Department.

SCHEDULE 28
CITY OF ORMOND BEACH, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2020

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Police										
Police station	1	1	1	1	1	1	1	1	1	1
Holding facility	1	1	1	1	1	1	1	1	1	1
Vehicular patrol units	51	51	51	51	51	51	51	51	51	51
Animal control/service vehicles	5	5	5	5	5	5	6	6	6	6
Motorcycle units	5	5	5	5	4	4	5	5	5	5
Evidence vehicles	1	1	1	1	1	1	1	1	1	1
Administrative vehicles	6	6	6	6	6	6	7	7	7	7
Investigative units	9	10	9	9	9	9	8	8	8	8
Outreach vehicles	3	3	3	3	3	3	3	3	3	3
Volunteer vehicles	2	2	2	2	2	2	2	2	2	2
Neighborhood improvement / code enforcement vehicles	5	5	4	4	4	4	4	4	4	4
SMART trailers	4	2	2	2	2	2	2	2	2	2
Fire stations in City limits	4	4	4	4	4	4	4	4	4	4
Medical facilities (not included in reporting entity)										
Number of hospitals	0	0	0	2	2	2	2	2	2	2
Number of patient beds	0	0	0	324	324	324	324	324	324	324
Public library square footage	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000
Education (not included in reporting entity)										
Volusia County Schools -										
Kindergarten – Grade 5	5	5	5	5	5	5	5	5	5	5
Grades 6-8	1	1	1	1	1	1	1	1	1	1
Airport										
Runways	2	2	2	2	2	2	2	2	2	2
Taxiways – fully listed	7	7	7	7	7	7	7	7	7	7

SCHEDULE 28
CITY OF ORMOND BEACH, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2018

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Recreation										
Parks (acres)	602	532	532	532	532	532	532	532	532	532
Picnic areas	18	12	12	12	12	12	12	12	11	11
Playgrounds	13	12	12	12	12	12	12	12	11	11
Baseball/softball complexes	1	1	1	1	1	1	1	1	1	1
Baseball fields	9	12	12	12	12	12	12	12	14	14
Softball fields	13	9	9	9	9	9	9	9	8	8
Soccer fields	12	13	13	13	13	13	13	13	8	8
Handball/racquetball courts	6	8	8	8	8	8	8	8	8	8
Shuffleboard courts	12	12	12	12	12	12	12	12	12	12
Community centers	4	3	3	3	3	3	3	3	3	3
Gymnastics building	1	1	1	1	1	1	1	1	1	1
Tennis center	2	2	2	2	2	2	2	2	2	2
Tennis courts – clay/lighted	8	8	8	8	8	8	8	8	8	8
Tennis courts – hard surface / without lights	9	11	11	11	11	11	11	11	11	11
Tennis courts – hard surface / lighted	2	2	2	2	2	2	2	2	2	2
Basketball courts – outside / lighted	5	5	5	5	5	5	5	5	2	2
Senior Citizens Center	1	1	1	1	1	1	1	1	1	1
Civic Center/Performing Arts	1	1	1	1	1	1	1	1	1	1
Skate court	1	1	1	1	1	1	1	1	1	1
Boat ramps/public	6	6	6	6	6	6	6	6	6	6
Fishing piers/public	11	7	7	7	7	7	7	7	7	7
18-hole golf course/public (not included in the reporting entity)	1	1	1	1	1	1	1	1	1	1
Public works										
Area: square miles	38	38	36	36	36	36	36	36	36	36
Miles paved streets	181	177	177	177	176	176	176	176	176	176
Miles unpaved streets	0	0	0	0	-	-	-	-	-	-
Miles sidewalks (est'd)	161	156	153	153	88	88	88	88	84	84
Miles storm sewers (est'd)	99	100	98	98	98	98	98	98	97	96
Miles sanitary sewer	273	273	270	266	266	266	266	266	266	266
Fire hydrants	2607	2594	2191	2497	1,797	1,797	1,797	1,797	1,942	1,925

Sources: City of Ormond Beach Police Department, City of Ormond Beach Fire Department, Florida Hospital, School Board of Volusia County, City of Ormond Beach Airport Department, City of Ormond Beach Leisure Services Department, City of Ormond Beach Public Works Department, City of Ormond Beach Engineering Department, City of Ormond Beach Finance Department

SCHEDULE 29
CITY OF ORMOND BEACH, FLORIDA
CHANGES IN NET POSITION, ENTERPRISE FUNDS
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2020

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Operating revenues										
Charges for services:										
Water sales	\$ 10,505	\$ 11,448	\$ 10,457	\$ 10,020	\$ 9,589	\$ 8,984	\$ 8,969	\$ 8,916	\$ 9,158	\$ 9,349
Service charges	242	436	501	532	488	484	449	458	408	413
Sewer charges	9,269	8,654	8,740	8,351	8,053	7,663	7,635	7,518	7,462	7,477
Refuse charges	7,525	7,347	6,973	6,743	6,288	5,887	5,392	5,194	5,177	5,144
Franchise fees	1,544	1,535	1,474	1,469	1,457	1,484	937	913	916	840
Miscellaneous	49	8	2	9	-	5	9	2	6	14
Total operating revenues	29,134	29,428	28,147	27,124	25,875	24,507	23,391	23,001	23,127	23,237
Operating expenses										
Billing and customer service	1,507	1,618	1,450	1,585	1,375	1,185	1,212	1,209	986	1,230
Water system	4,060	4,242	3,972	3,745	3,902	3,927	3,978	3,593	3,530	3,658
Sewer system	4,464	4,843	4,718	4,179	3,904	4,175	4,045	3,774	3,864	3,996
Solid waste system	8,206	7,656	9,254	13,863	6,835	6,780	5,371	5,229	5,417	5,510
Depreciation	8,197	7,789	7,535	8,151	7,490	7,671	7,460	6,756	6,166	6,009
Total operating expenses	26,434	26,148	26,929	31,523	23,506	23,738	22,066	20,561	19,963	20,403
Operating income	2,700	3,280	1,218	(4,399)	2,369	769	1,325	2,440	3,164	2,834
Nonoperating income (expenses)										
Interest revenue	152	340	211	71	100	181	114	47	115	240
Operating Grants	520	658	2,430	6,774						
Debt issuance costs	-	(41)	-	(43)						
Interest/amortization expense	(1,030)	(1,045)	(1,120)	(1,140)	(1,187)	(1,221)	(1,215)	(1,384)	(1,424)	(1,082)
Gain on disposal of capital assets	2	32	(62)	58	21	77	11	(4)	(61)	9
Total nonoperating revenues (expenses)	(356)	(56)	1,459	5,720	(1,066)	(963)	(1,090)	(1,341)	(1,370)	(833)
Income before contributions, grants and transfers	2,344	3,224	2,677	1,321	1,303	(194)	235	1,099	1,794	2,001
Capital contributions and grants	1,414	1,007	884	1,206	1,287	818	541	822	1,242	470
Transfers in	463	455	346	551	462	306	293	278	6,707	296
Transfers out	(3,820)	(3,533)	(3,410)	(3,586)	(3,308)	(2,967)	(2,894)	(2,892)	(9,290)	(2,742)
Change in net position	\$ 401	\$ 1,153	\$ 497	\$ (508)	\$ (256)	\$ (2,037)	\$ (1,825)	\$ (693)	\$ 453	\$ 25

Source: City of Ormond Beach Finance Department

**SCHEDULE 30
CITY OF ORMOND BEACH, FLORIDA
OPERATING REVENUES BY SOURCE, ENTERPRISE FUNDS
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2020**

Fiscal Year	Water	Sales	Service Charges	Sewer Charges	Refuse Charges	Franchise Fees	Operating Grants	Miscellaneous	Total Operating Revenues
2011		9,349	413	7,477	5,144	840	-	14	23,237
2012		9,158	408	7,462	5,177	916	-	6	23,127
2013		8,916	458	7,518	5,194	913	-	2	23,001
2014		8,969	449	7,635	5,392	937	-	9	23,391
2015		8,984	484	7,663	5,887	1,484	-	5	24,507
2016		9,589	488	8,053	6,288	1,457	-	-	25,875
2017		10,021	532	8,351	6,743	1,469	6,775	9	33,900
2018		10,457	501	8,740	6,973	1,474	2,430	2	30,577
2019		11,448	436	8,654	7,347	1,535	658	8	30,086
2020		10,505	242	9,269	7,525	1,544	520	49	29,654

Source: City of Ormond Beach Finance Department

**SCHEDULE 31
CITY OF ORMOND BEACH, FLORIDA
OPERATING EXPENSES, ENTERPRISE FUNDS
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2020**

Personal Services									
Fiscal Year	Utility Billing & Customer Service	Water	Sewer	Solid Waste	Contractual, Supplies, Utilities	Landfill Closure Costs	Subtotal, Expenses before Depreciation	Depreciation	Total Operating Expenses
2011	603	1,769	1,534	170	10,008	310	14,394	6,009	20,403
2012	599	1,709	1,676	142	9,654	17	13,797	6,166	19,963
2013	687	1,852	1,817	155	9,427	(133)	13,805	6,756	20,561
2014	693	1,897	1,814	156	10,106	(60)	14,606	7,460	22,066
2015	670	1,885	1,904	147	11,524	(63)	16,067	7,671	23,738
2016	727	2,078	1,984	189	10,932	(71)	15,839	7,490	23,329
2017	788	2,134	2,101	204	19,217	(68)	24,376	7,638	32,014
2018	730	2,030	1,906	125	14,412	(65)	19,138	7,535	26,673
2019	734	1,989	1,836	117	13,915	(64)	18,527	7,789	26,316
2020	868	2,236	2,128	134	20,756	(72)	26,050	8,197	34,247

Source: City of Ormond Beach Finance Department

**SCHEDULE 32
CITY OF ORMOND BEACH, FLORIDA
WATER TREATED AND CONSUMED AND WASTEWATER TREATED
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2020**

Fiscal Year	Gallons of Raw Water Pumped	Gallons of Water Treated	Gallons of Water Consumed	%	Gallons of Water Unbilled	Average Percent Unbilled	Gallons of Wastewater Treated	Total Direct Rate				
								Water			Sewer	
								Base (a)	Use (b)	Excess (c)	Base (a)	Use (d)
2010	2,037,671	1,870,814	1,740,058	-0.03%	130,756	6.99%	1,473,990	11.50	3.02	3.59	15.02	4.21
2011	2,576,900	2,022,100	1,806,692	3.83%	215,408	10.65%	1,416,200	11.79	3.10	3.68	15.40	4.32
2012	2,528,391	1,965,391	1,759,285	-2.62%	206,106	10.49%	1,441,750	11.79	3.10	3.68	15.40	4.32
2013	2,291,683	1,922,660	1,700,352	-3.35%	222,308	11.56%	1,453,460	11.79	3.10	3.68	15.40	4.32
2014	2,069,029	1,930,073	1,659,864	-2.38%	270,209	14.00%	1,535,350	12.08	3.18	3.77	15.79	4.43
2015	2,145,501	2,092,165	1,662,554	0.16%	429,611	20.53%	1,671,250	12.08	3.18	3.77	15.79	4.43
2016	2,200,000	2,200,000	1,724,216	3.71%	475,784	21.63%	1,165,043	14.08	3.18	3.77	17.79	4.43
2017	2,295,000	2,016,000	1,876,854	8.85%	139,146	6.90%	1,683,000	14.08	3.18	3.77	17.79	4.43
2018	2,300,000	2,016,000	1,700,750	-9.38%	315,250	15.64%	1,685,000	15.08	3.18	3.77	18.79	4.43
2019	2,515,000	2,196,000	1,755,805	3.24%	440,195	20.05%	1,680,000	15.58	3.18	3.77	19.29	4.43
2020	2,499,300	2,116,800	1,802,390	2.65%	314,410	14.85%	1,632,300	15.58	3.18	3.77	19.29	4.43

Notes: See Schedule 33 for detail of water and sewer residential service rates, inside City.

In fiscal year 2006, the City experienced several breaks in major distribution lines which resulted in increase in average percent unbilled.

- (a) Use up to 2,000 gallons
- (b) Use range 3,000 through 6,000 gallons, charge per 1,000 gallons
- (c) Use over 6,000 gallons, charge per 1,000 gallons
- (d) Use over 2,000 gallons, charge per 1,000 gallons

Source: City of Ormond Beach Finance Department

SCHEDULE 33
CITY OF ORMOND BEACH, FLORIDA
WATER & SEWER RESIDENTIAL SERVICE RATES, INSIDE CITY
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2020

Fiscal Year	Water Service Rates			Sewer Service Rates	
	Minimum Use Charge (0 – 2,000 Total Gallons)	Additional Use Charge For Each 1,000 Gallons (3,000 – 6,000 Total Gallons)	Additional Use Charge For Each 1,000 Gallons (Over 6,000 Total Gallons)	Minimum Use Charge (0 – 2,000 Total Gallons)	Additional Use Charge For Each 1,000 Gallons (Over 3,000 Total Gallons)
2011 ⁽⁶⁾	11.79	3.10	3.68	15.40	4.32
2012	11.79	3.10	3.68	15.40	4.32
2013	11.79	3.10	3.68	15.40	4.32
2014 ⁽⁷⁾	12.08	3.18	3.77	15.79	4.43
2015 ⁽⁸⁾	12.08	3.18	3.77	15.79	4.43
2016	14.08	3.18	3.77	17.79	4.43
2017	14.08	3.18	3.77	17.79	4.43
2018 ⁽⁹⁾	15.08	3.18	3.77	18.79	4.43
2019 ⁽¹⁰⁾	15.58	3.18	3.77	19.29	4.43
2020	15.58	3.18	3.77	19.29	4.43

Notes: Changes in water and sewer rates must be approved by the City Commission.

(5) City Commission approved a 4.00% average increase in additional use water and sewer rates, effective 10/1/2009.

(6) City Commission approved a 2.50% average increase in additional use water and sewer rates, effective 10/1/2010.

(7) City Commission approved a 2.50% average increase in additional use water and sewer rates, effective 10/1/2013.

(8) City Commission approved a \$1/month increase on water and sewer rates, effective 10/1/2015 and \$1/month effective

(9) City Commission approved a \$1/month increase on water and sewer rates, effective 10/1/2015 and \$1/month effective 9/30/17

(10) City Commission approved a \$.50/month increase on water and sewer rates 09/19/2017

Source: City of Ormond Beach Finance Department

SCHEDULE 34
CITY OF ORMOND BEACH, FLORIDA
MAJOR WATER AND WASTEWATER CUSTOMERS
CURRENT YEAR AND TEN YEARS AGO
SEPTEMBER 30, 2020
(In Thousands)

Name	Fiscal Year 2020					
	Gallons Consumed	%	Water & Irrigation Sales Revenue Produced	%	Sewer Revenue Produced	%
Tymer Creek Utilities Incorporated	23,992	1.33%	\$ 58	0.53%	\$ -	0.00%
Bear Creek Venture, Ltd.	17,918	0.99%	124	1.13%	154	1.84%
Bermuda Estates LLC	16,339	0.91%	87	0.79%	111	1.33%
Playtex Manufacturing	12,969	0.72%	61	0.56%	73	0.87%
San Marco Association, Ltd.	9,865	0.55%	58	0.53%	73	0.87%
Waypoint Ormond Beach	9,660	0.54%	58	0.53%	73	0.87%
NDC Asset Management Inc	8,955	0.50%	44	0.40%	57	0.68%
Ormond in the Pines Management	8,009	0.44%	44	0.40%	57	0.68%
Shadow Lakes Propr Holdings	7,511	0.42%	43	0.39%	54	0.65%
Kingston Shores	7,059	0.39%	50	0.46%	-	0.00%
Subtotal (10 largest)	122,277	6.79%	627	5.72%	652	7.79%
Balance from other customers	1,680,113	93.22%	10,350	94.29%	7,708	92.20%
Grand totals	1,802,390	100.01%	\$ 10,977	100.01%	\$ 8,360	99.99%

SCHEDULE 36
CITY OF ORMOND BEACH, FLORIDA
MAJOR WATER AND WASTEWATER CUSTOMERS
CURRENT YEAR AND TEN YEARS AGO
SEPTEMBER 30, 2020
(In Thousands)
(Continued)

Name	Fiscal Year 2011					
	Gallons Consumed	%	Water & Irrigation Revenue Produced	%	Sewer Revenue Produced	%
Tymber Creek Utilities Incorporated	30,683	1.70%	\$ 72	0.77%	\$ -	0.00%
Ocean Village Villas Homeowners Association	19,293	1.07%	88	0.94%	-	0.00%
Bear Creek Venture, Ltd.	18,761	1.04%	96	1.02%	126	1.77%
Bermuda Estates LLC	16,391	0.91%	71	0.76%	89	1.25%
San Marco Association, Ltd.	11,335	0.63%	75	0.80%	102	1.44%
Florida Hospital	11,148	0.62%	53	0.56%	15	0.21%
Volusia County School Board	9,734	0.54%	44	0.47%	48	0.68%
Gabriel Living Centers, LLC	9,247	0.51%	43	0.46%	51	0.72%
LEC Properties, Inc.	8,189	0.45%	62	0.66%	83	1.17%
Homac Manufacturing Company	7,710	0.43%	35	0.37%	41	0.58%
Subtotal (10 largest)	142,491	7.90%	639	6.44%	555	7.81%
Balance from other customers	1,664,201	92.11%	8,743	93.19%	6,552	92.19%
Grand totals	1,806,692	100.01%	\$ 9,382	99.63%	\$ 7,107	100.00%

Source: City of Ormond Beach Finance Department

SCHEDULE 35
CITY OF ORMOND BEACH, FLORIDA
MUNICIPAL FIREFIGHTERS' RETIREMENT TRUST
REVENUES BY SOURCE AND EXPENSE BY TYPE
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2020
(In Thousands)

Revenues by Source							
Fiscal Year Ended	Employee Contributions	Employer Contributions	Employer Contributions as Percent of Payroll	State Contributions	Investment Income	Other	Total
2011	251	783	30.23%	301	(97)	-	1,238
2012	250	1,007	39.21%	351	3,027	-	4,635
2013	241	1,254	48.18%	349	2,505	-	4,349
2014	252	1,290	47.57%	383	2,473	-	4,398
2015	216	1,136	40.16%	358	(399)	-	1,311
2016	235	1,241	43.87%	338	2,036	-	3,850
2017	212	1,145	40.47%	306	3,046	-	4,709
2018	203	1,091	38.56%	295	3,111	-	4,700
2019	228	1,303	46.06%	306	921	-	2,758
2020	246	1,520	53.73%	259	2,423	-	4,448

Expense by Type				
Fiscal Year Ended	Refunds	Benefits	Professional / Administrative Services	Total
2011	61	1,382	47	1,490
2012	-	1,408	36	1,444
2013	-	1,410	31	1,441
2014	26	1,848	31	1,905
2015	-	1,518	40	1,558
2016	30	1,951	49	2,030
2017	14	1,673	47	1,734
2018	52	1,848	50	1,950
2019	20	1,885	43	1,948
2020	2	2,029	58	2,089

Source: City of Ormond Beach Finance Department

SCHEDULE 36
CITY OF ORMOND BEACH, FLORIDA
GENERAL EMPLOYEES PENSION
REVENUES BY SOURCE AND EXPENSE BY TYPE
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2020
(In Thousands)

Revenues by Source					
Fiscal Year Ended	Employee Contributions	Employer Contributions	Employer Contributions as Percent of Payroll	Investment Income	Total
2011	323	1,650	21.32%	(174)	1,799
2012	313	1,998	25.68%	5,430	7,741
2013	307	2,473	32.03%	4,484	7,264
2014	298	2,308	30.99%	4,408	7,014
2015	280	1,958	27.86%	(584)	1,654
2016	268	1,842	26.21%	3,480	5,590
2017	258	1,676	23.85%	5,035	6,969
2018	228	1,563	22.24%	5,133	6,924
2019	212	1,433	20.39%	1,501	3,146
2020	201	1,280	18.22%	3,775	5,256

Expense by Type					
Fiscal Year Ended	Refunds	Benefits	Professional / Administrative Services	Other	Total
2011	25	2,419	44	-	2,488
2012	34	2,753	31	-	2,818
2013	67	2,507	40	-	2,614
2014	33	2,322	29	-	2,384
2015	88	2,760	41	-	2,889
2016	32	2,633	41	-	2,706
2017	44	2,633	47	-	2,724
2018	9	2,733	44	-	2,786
2019	11	2,842	41	-	2,894
2020	8	2,813	41	-	2,862

Source: City of Ormond Beach Finance Department

SCHEDULE 37
CITY OF ORMOND BEACH, FLORIDA
MUNICIPAL POLICE OFFICERS' RETIREMENT TRUST
REVENUES BY SOURCE AND EXPENSE BY TYPE
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2020
(In Thousands)

Revenues by Source						
Fiscal Year Ended	Employee Contributions	Employer Contributions	Employer Contributions as Percent of Payroll	State Contributions	Investment Income	Total
2011	240	696	26.50%	285	(141)	1,080
2012	243	948	36.02%	298	3,878	5,367
2013	251	1,267	44.08%	288	3,080	4,886
2014	258	1,312	45.68%	351	3,049	4,970
2015	260	1,166	38.10%	315	(472)	1,269
2016	272	1,184	38.69%	334	2,355	4,145
2017	302	1,406	45.95%	343	3,382	5,433
2018	318	1,527	49.90%	379	3,475	5,699
2019	338	1,575	51.47%	407	978	3,298
2020	406	1,561	51.01%	411	2,849	5,227

Expense by Type				
Year Ended	Refunds	Benefits	Administrative Services	Total
2011	8	1,533	39	1,580
2012	63	1,926	34	2,023
2013	24	1,882	26	1,932
2014	92	1,856	26	1,974
2015	18	2,902	37	2,957
2016	35	2,466	36	2,537
2017	18	2,356	37	2,411
2018	79	2,257	36	2,372
2019	69	2,369	49	2,487
2020	43	2,395	56	2,494

Note: There were no Employer Contributions from 1999 to 2003, as the City was overfunded for the Plan.

Source: City of Ormond Beach Finance Department

**SCHEDULE 38
CITY OF ORMOND BEACH, FLORIDA
OTHER POST EMPLOYMENT BENEFITS (OPEB)
STATISTICAL INFORMATION
CURRENT FISCAL YEAR
SEPTEMBER 30, 2020**

Participant Data

Census date	October 2019
 Participants	
Active Employees	316
Inactive Employees entitled to But Not Yet Receiving Benefits	-
Inactive Employees Currently Receiving Benefits	29
Total	345
 Average Service	
Active Employees	9.4

Source: City of Ormond Beach Finance Department

Single Audit

**CITY OF ORMOND BEACH, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Federal/State Agency / Pass-Through Entity / Federal Program/State Project	CFDA/CSFA Number	Contract / Grant Number	Expenditures	Passed Through to Subrecipients
FEDERAL AWARDS				
<u>U.S. Department of Housing and Urban Development (HUD)</u>				
Indirect Programs:				
Passed-through County of Volusia, Florida				
Community Development Block Grant FY15-FY16	14.218	Subrecipient Agreement	\$ 4,525	\$ -
Community Development Block Grant FY16-FY17	14.218	Subrecipient Agreement	32,393	-
Community Development Block Grant FY17-FY18	14.218	Subrecipient Agreement	1,753	-
Community Development Block Grant FY18-FY19	14.218	Subrecipient Agreement	90,138	-
Community Development Block Grant FY19-FY20	14.218	Subrecipient Agreement	77,512	-
Total U.S. HUD / Total CDBG - Entitlements Grants Cluster			<u>206,321</u>	<u>-</u>
<u>U.S. Department of Justice</u>				
Direct Programs:				
Bulletproof Vest Partnership	16.607	2019BUBX19099408	8,590	-
COPS Program	16.710	2016UMWX0215	1,892	-
Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.738	2019-DJ-BX-0294	15,435	-
Indirect Programs:				
Passed-through Florida Office of Attorney General				
Victims of Crime Act (VOCA)	16.575	VOCA-2018-00110	38,603	-
Passed-through County of Volusia, Florida				
COVID-19 - Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-0419	9,753	-
Total U.S. Department of Justice			<u>74,273</u>	<u>-</u>
<u>U.S. Department of Transportation</u>				
Direct Programs:				
Airport Improvement Program				
Design Rehab Runway 8-26	20.106	3-12-0059-021-2018	31,905	-
Runway Ext 9/27 & Taxiway A	20.106	3-12-0059-022-2019	5,758	-
Total U.S. Department of Transportation			<u>37,663</u>	<u>-</u>
<u>U.S. Department of the Treasury</u>				
Indirect Programs:				
Passed-through County of Volusia, Florida				
COVID-19 - Coronavirus Relief Fund	21.019	3-12-0059-023-2020	1,522,712	-
Total U.S. Department of the Treasury			<u>1,522,712</u>	<u>-</u>
<u>U.S. Department of Homeland Security</u>				
Indirect Programs:				
Passed-through Florida Division of Emergency Management				
Fleming Avenue Stormwater Improvements	97.039	4283-25-R	9,365	-
Fleming Avenue Pump Station	97.039	4283-70-R	210,985	-
Total Hazard Mitigation Grants			<u>220,350</u>	<u>-</u>
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Matthew	432,384	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Irma	2,612,732	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Dorian	23,303	-
Total Disaster Grants-Public Assistance (Presidentially Declared Disasters)			<u>3,068,419</u>	<u>-</u>
Total U.S. Department of Homeland Security			<u>3,288,769</u>	<u>-</u>
Total Federal Awards			<u>\$ 5,129,738</u>	<u>\$ -</u>

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

CITY OF ORMOND BEACH, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

(1) **Basis of Presentation:**

The accompanying schedule of expenditures of federal awards and state financial assistance includes the federal and state grant activity of the City of Ormond Beach, Florida, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Section 215.97, Florida Statutes, *Florida Single Audit Act*. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

(2) **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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Section 215, Florida Statutes, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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

The City did not elect to use the 10% de minimis indirect cost rate as covered in §200.414, *Indirect (F&A) costs*, of the Uniform Guidance.

(4) **Deferred FEMA Expenditures:**

During the fiscal years ended September 30, 2018, and 2017, the City incurred substantial costs related to Hurricanes Matthew and Irma. Additionally, the City incurred costs related to Hurricanes Michael and Dorian during the fiscal year ended September 30, 2019. Per the OMB Compliance Supplement, any reimbursements from the Federal Emergency Management Agency (FEMA) under CFDA 97.036 are not to be recognized as expenditures for purposes of the Schedule of Expenditures of Federal Awards until the respective Project Worksheets (PW) have been approved. At September 30, 2020, only some of the City's PWs from these storms had been approved by FEMA. As a result, there are \$897,481 of expenditures and related revenues which have been recorded for financial statement purposes and not on the Schedule of Expenditures of Federal Awards and State Financial Assistant; these expenditures will be recognized on the Schedule of Expenditures of Federal Awards and State Financial Assistance in future years once approved by FEMA.

(5) **Contingency:**

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

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited the City of Ormond Beach, Florida's (the City) compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2020. The City's major federal programs 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 the requirements of federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs 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, and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards 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 occurred. An audit includes examining, on a test basis, evidence about the City'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. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2020.

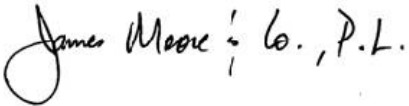
Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program 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 to test and report on internal control over compliance in accordance with the Uniform Guidance, 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'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 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 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 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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. Accordingly, this report is not suitable for any other purpose.



Daytona Beach, Florida
February 11, 2021

Other Reports

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ormond Beach, Florida (the City) as of and for the year ended September 30, 2020, and the related notes to financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 11, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as the basis for designing 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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.

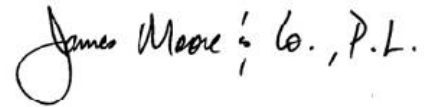
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies, and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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

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

Daytona Beach, Florida
February 11, 2021

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

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

Report on the Financial Statements

We have audited the basic financial statements of City of Ormond Beach, Florida (the City), as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated February 11, 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 of Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Florida Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance; Schedule of Findings and Questioned Costs; and Independent Accountants' Examination Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated February 11, 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. No recommendations were made in the preceding annual financial report.

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 City of Ormond Beach, Florida was created and reestablished as a municipal government when its present charter was approved by the voters at a general referendum in 1931 and by the Laws of Florida 14622 and the Act of 1929. Also see note 1(b) to the financial statements.

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121 Executive Circle
Daytona Beach, FL 32114-1180
Telephone: 386-257-4100

133 East Indiana Avenue
DeLand, FL 32724-4329
Telephone: 386-738-3300

5931 NW 1st Place
Gainesville, FL 32607-2063
Telephone: 352-378-1331

2477 Tim Gamble Place, Suite 200
Tallahassee, FL 32308-4386
Telephone: 850-386-6184

Financial Condition and Management

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

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

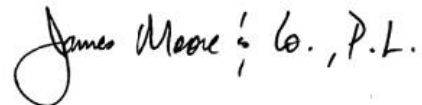
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

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

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 State grant agencies, and applicable management and the City Commission, management, and others within the City and is not intended to be and should not be used by anyone other than these specified parties.

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

Daytona Beach, Florida
February 11, 2021

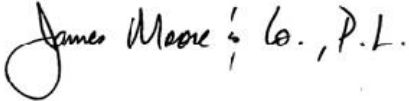
INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

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

We have examined the City of Ormond Beach, Florida's (the City) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2020. The City of Ormond Beach's management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our 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 complied with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2020, in all material respects. An examination involves performing procedures to obtain evidence about the City's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the City of Ormond Beach, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.



Daytona Beach, Florida
February 11, 2021



CITY OF ORMOND BEACH

Finance Department • 22 South Beach Street • Ormond Beach, FL 32174 • (386) 676-3209 • Fax (386) 676-3374

AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared, Kelly A. McGuire, who being duly sworn, deposes and says on oath that:

1. I am the Chief Financial Officer of the City of Ormond Beach which is a local governmental entity of the State of Florida;
2. The City of Ormond Beach adopted Ordinance No. 2019-42 implementing an impact fee; and
3. The City of Ormond Beach has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

Kelly A McGuire

Kelly A. McGuire, Finance Director

STATE OF FLORIDA
COUNTY OF Volusia (Name of County)

SWORN TO AND SUBSCRIBED before me this 12 day of January, 2021

Paula Sha Moss

NOTARY PUBLIC

Print Name Paula Sha Moss

Personally known or produced identification _____

Type of identification produced: _____

My Commission Expires

