

The City of Daytona Beach, Florida Annual Comprehensive Financial Report

Fiscal Year ended September 30, 2021

City of Daytona Beach, Florida

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the year ended September 30, 2021

Prepared by: The Finance Department

Introduction Section



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The CITY OF DAYTONA BEACH

“THE WORLD’S MOST FAMOUS BEACH”

June 30, 2022

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

We are pleased to submit the Annual Comprehensive Financial Report of The City of Daytona Beach, Florida, for the fiscal year ended September 30, 2021. The report fulfills the requirements of Article X, Section 41 of The City of Daytona Beach Charter; Section 166.241, Florida Statutes; and Section 10.550 of the Rules of the Florida Auditor General. The financial statements included in this report conform to Generally Accepted Accounting Principles in the United States (GAAP), as prescribed by the Governmental Accounting Standards Board (GASB).

We believe this report complies with these requirements and continues to present the City’s strong tradition of full financial disclosure. The management team assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance the financial statements are free of any material misstatements.

Carr, Riggs & Ingram, LLC, Certified Public Accountants, have issued an unmodified (“clean”) opinion on The City of Daytona Beach’s financial statements for the year ended September 30, 2021. The independent auditor’s report is located at the front of the financial section of this report. Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of The City of Daytona Beach

The City of Daytona Beach, Florida, (the “City”) is an incorporated municipality of the State of Florida located within the County of Volusia. The City, which currently encompasses 68 square miles, is located on the central east coast of the State of Florida, 89 miles south of Jacksonville, 50 miles northeast of Orlando and 75 miles north of Cape Canaveral. It is at the top of the I-4 Corridor and located at the crossroads of Interstate 4 and Interstate 95. The area’s natural environment includes miles of pristine beaches, blue waterways, brilliant sunlit skies, and exceptional weather. An estimated population of 74,000 residents call this full-service city their home.

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

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

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

Financial Reporting Entity

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

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

The City, in conjunction with the County of Volusia and two (2) other cities in Volusia County have created the Eastern Volusia Regional Water Authority (EVRWA), whose purpose is to protect the area's future water supply. The EVRWA is composed of one member from the governing board of each of the municipalities and county. This fiscal year the EVRWA voted to dissolve its operations and remaining funds were liquidated back to the member municipalities. The City received \$27,892 or 72 percent of the fund balance based on the pro-rata level of contributions. Moreover, the EVRWA is not a part of this financial report.

Factors Affecting Financial Condition

Leadership. The Mayor and City Commissioners provide excellent representation, governance and guidance in the direction of the City's path through their ideas, legislation, and policies. These directives are put into action by the City's top administrator. Deric C. Feacher began as the City Manager June 1, 2021. Using innovative and inspired leadership skills, he immediately challenged his management team to "ACCELERATE!" to build upon our City's foundation to be the community of choice to live, work, play, learn, and raise a family. Input from residents, guests, business owners, and employees are sought, and proactive action is taken with the axiom of "How do we get to yes" in mind.

Local economy. The city has seen an enormous wave of new housing opportunities which occurred before, during, and after the COVID pandemic shutdown. Daytona Beach has been recognized as among hottest US real estate markets by Coastal Living Magazine, among top 25 fastest growing communities by the US Census Bureau, and among top 10 best places to live in the US by Town & Country Magazine. In recent years, over 10,000 single family residential and apartment rental units have been recently completed or currently under construction with additional units being planned. Several complexes are “class A” apartments with high end features and amenities while others are fully furnished, resort-style apartments or geared toward college students. Commissioners have actively pursued work force housing prospects, too, and have taken local legislative action to incentivize developers to address the affordable housing quandary. This overall growth opportunity will be a surge in population and puts the City in position to improve its financial position and that of its resident workers and business community.

While tourism is returning, developers’ interest in housing, retail and manufacturing has continued at its pre-COVID pace. The City’s growth is the generator for the entire Volusia County’s growth which means making smart planning choices now are more important than ever before. The financial picture of the city includes resources to ensure adequate infrastructure to support existing and planned growth, a safe, healthy, and welcoming community of desirable neighborhoods, and an environment of prosperity to promote economic vitality and opportunity for everyone. The local area unemployment rate of 4.0 percent in September 2021 is a decrease from the 6.3 percent rate in September 2020 and approximately the same as the state unemployment rate, which decreased to 3.9 percent from 8.7 percent (as revised) for the same period primarily due to recovery efforts from the COVID pandemic.

Major features of the economy include “the World’s Most Famous Beach,” an international airport, a motorsports entertainment venue, a minor league baseball affiliate, convention and entertainment districts, retail outlet centers, institutions of higher learning, an engineering, aviation and aerospace research and development incubator and innovation complex, a business district, headquarters for several leading national and global companies, manufacturing and distribution centers, multiple hospital systems and medical facilities, museums, theaters, bandshells, and other cultural facilities. The city’s economic sectors include professional and business services, trade, transportation, utilities, education, insurance, and health services. According to the 2020 U.S. Census, the four largest industries in Daytona Beach are retail trade, health care and social assistance, manufacturers shipment, and accommodation and food services. The three highest paying industries are utilities, public administration, and professional, scientific, and technical services.

The City is aware of the business community’s need for a healthy and well-educated workforce. Two well attended recurring programs are the Mayor’s Literacy Initiative which encourages childhood reading, and the Mayor’s Fitness Challenge which promotes healthy living. A new program started this year, Mayor’s Multiplication Boot Camp, is a volunteer driven, mathematics-oriented program to provide a fun, social, and educational venue for our youth. Moreover, the six institutions of higher learning within the city include Daytona State College, Bethune-Cookman University, Embry-Riddle Aeronautical University, Keiser University, University of Central Florida’s Connect Campus, and Florida State University’s College of Medicine Regional Campus. Likewise, the Daytona Beach International Airport is one of the only teaching airports in the country.

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

Additionally, the city is located at the crossroads of Interstate 4 and Interstate 95 and convenient to most major metropolitan areas and commercial markets in the eastern coastal United States. The city is at the top of the I-4 Corridor in which Interstate 4 crosses the state of Florida, starting at Daytona Beach running west through Orlando continuing to Tampa. Interstate 95 at the east end of I-4 provides access to Port Canaveral, Miami and all of south Florida as well as northbound destinations like Jacksonville's JaxPort, the Eastern Seaboard and points north of the Florida border. Because of its location and access to the interstate and its international airport, the city is a major distribution hub currently servicing World Class Distribution (Trader Joe's stores), B. Braun Medical, TopBuild, Amazon, and others. The city's geographical location provides a significant advantage for the pursuit of rapid economic recovery going into 2022.

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

Relevant financial policies. To ensure sound financial management policies and procedures are in place in Daytona Beach, the city forefathers adopted the Fiscal Integrity Principles Ordinance. The City Commission recognizes the need to meet seasonal shortfalls in cash flows, its susceptibility to emergency or unanticipated expenditures, or to the possibility of revenue shortfalls during any fiscal year. To address these issues, the Fiscal Integrity Principles Ordinance contains a policy to maintain a segregated budgetary cash reserve in the General Fund of not less than 10 percent of next year's budgeted operating expenditures. This type of reserve allowed City Commission to authorize in April 2020 over \$3.5 million for stimulus recovery as a rebate on utility bills for residents and business owners during the pandemic prior to any federal recovery efforts. The segregated budgetary cash reserve is shown as unassigned fund balance on the General Fund Balance Sheet. On September 30, 2021, the General Fund unassigned fund balance is \$11.1 million which is 11 percent of fiscal year 2021-22 budgeted operating expenditures of \$96.5 million. Additionally, these funds will be used for unreimbursed expenditures from hurricanes Matthew, Irma, and Dorian which occurred in October 2016, September 2017, and September 2019, respectively, and which still have open, unpaid FEMA claims.

Major initiatives – Current year. Fiscal year 2021 was another successful year for infrastructure projects and funding assistance. The City is extremely appreciative of the federal, state and local grants that were received and the services that they make possible. Team members continue to pursue grant funding to leverage our resources to offer the best possible public services at the lowest cost.

Significant completed initiatives and projects include the following.

- Helped residents and businesses succeed in rehabilitating or renovating their properties by waiving permit and inspection fees in the city's core area and providing grants and other assistance citywide.
- Provided COVID-19 pandemic response including easy access to testing sites and vaccination incentives to the community as well as rental and utility bill assistance.
- Both Campbell Pool and the Cypress Aquatic Center had several improvements that increased the enjoyment and access to the pool by building a new pavilion with expanded shade structures, adding an ADA compliant entrance ramp to the pool, resurfacing the pool, and adding a heater to allow year-round usage.
- Dr. Martin Luther King Jr. Boulevard corridor improvements completed in the Midtown Community Redevelopment Agency area which replaced outdated sanitary sewer lateral connections and potable water infrastructure and leveraged multiple funding sources and grants to add reclaimed water service, improve street lighting, and provide new pedestrian-friendly features such as decorative 8-foot-wide sidewalks.

- Various segments added to the Sweetheart Trail, a multi-use pathway that runs along the Halifax River across from the downtown area and is Daytona Beach's section of the 2,900-mile-long East Coast Greenway Trail between Calais, Maine and Key West, Florida.
- Beach Street streetscape, which provides a more pedestrian-oriented and aesthetically improved roadway, combined with the Seawall Restoration project, which installed a positive 4 elevation to the seawall, was finished in Downtown Community Redevelopment Agency area.
- Removal of abandoned and derelict vessels located in the Halifax River and condemnation of dilapidated, unsafe residential and commercial properties throughout the city in order to reduce environmental hazards, improve safety, and remove visual blight in neighborhoods. In the past several years, the collection of demolition liens via the inclusion on these code violations on the property tax bills has held the responsible property owners accountable and provided financial recovery of city expenditures.
- A \$42 million upgrade to several treatment processes at the Westside Regional Water Reclamation Facility which was funded by zero percent interest loan from the State's Revolving Fund loan program and enables the city to treat wastewater more reliably to reclaimed standards.
- Provided \$2.3 million in direct assistance to our community's less fortunate to reduce homelessness and stabilize housing for residents at risk of homelessness.
- Supplied \$0.4 million in assistance to preserve existing housing stock and create affordable homeownership opportunities and improve suitable living conditions in Daytona Beach.

Establish community spending action plan for the \$7.5 million in Fiscal Recovery Funds received in June 2021 as part of the American Rescue Plan Act to provide programs to individuals and businesses as a pathway to recovery from the pandemic. Recovery initiatives include creating affordable housing development and rehabilitation programs, building stronger communities through outdoor art, addressing education disparities, and creating a small business equity, diversity, and inclusion resource center.

Additionally, a marble statue of Dr. Mary McLeod Bethune, prominent civil and women's rights advocate and founder of a school which later became Bethune-Cookman University, was displayed locally before continuing to the U.S. Capitol in Washington, D.C. Dr. Bethune's statue is the first African American woman to represent any state in the National Statuary Hall collection with an unveiling ceremony set in July 2022. A bronze replica will be located in the Riverfront Esplanade.

Major initiatives – In the future. The City is committed to investing in its future through various long-term programs and policies that will ensure the preservation of the City's quality of life. Long-term capital item improvements include facility improvements, road improvements, streetscaping, bicycle and pedestrian projects, and drainage projects.

Known notable projects still scheduled to be completed in fiscal year 2022 include the following.

- Streetscape and lighting improvements on Dr. Mary McLeod Bethune Boulevard and other major roads to create a vibrant and positive atmosphere.
- Continue the Derbyshire sidewalk project-Phase 2 to expand and improve the walkability of the neighborhood to Derbyshire Park and Sports Complex.
- Continue adding features and amenities to the Derbyshire Sports Complex to promote healthy living and vitality.
- Dickerson Park improvement project to promote usage of both the Dickerson Center and the Campbell Pool facilities and provide additional parking, connecting sidewalks, lighting, an area for playground equipment, new lighted basketball court and other amenities for new and existing residents and for special events.
- Lower water and sewer utility rates for most residential customers by adopting a new utility rate structure effective October 1, 2021.
- Restructure redevelopment grants to help small businesses recover and succeed.
- Continue the successful public-private partnership by providing funding to the Brown Riverfront Esplanade Foundation which maintains the mile-long, 22.5-acre, city-owned Riverfront Esplanade that parallels Beach Street. Work continues on the Foundation's \$25 million construction project to overhaul

the plain, linear park into a destination of sculptured rolling gardens and outlook areas with an anticipated final completion in 2023.

Pledge to budget \$2 million over a five-year period towards operational costs of the First Step Shelter Inc., a homeless assistance center offering housing and rehabilitation services.

Additionally, the City continues its plans to address quality of life issues, to fund assistance programs and to modernized and improve other existing infrastructure with projects such as the following.

- Continuation of affordable housing incentives.
- Address the impacts to the community of late-night bar hours and the congestion caused by the growth in the LPGA area.
- Annual resurfacing of public roadways.
- Replacement of existing and increase the quantity of sidewalks.
- Improvements to the street lighting in various neighborhoods.
- Rehabilitation of critical infrastructure by replacement of aging watermains, force mains, and sanitary lift stations.
- Continuation of the annual storm water improvement program.
- Continuation of investment in parks and recreation facilities and family friendly events.
- Maintenance and replacement of public safety vehicles and equipment.
- Review government facilities such as City Hall and Fire Station No. 1 for modernization or replacement opportunities.

Continuation of the community spending action plan for the remaining \$7.5 million of Fiscal Recovery Funds which will be received next year (\$15 million total over the two-year period).

Tax abatements. Tax abatements are a temporary reduction in property tax revenues for a limited length of time. The City is authorized by city resolution 13-313 and Section 196.1995, Florida Statutes, to enter into economic development ad valorem tax exemption agreements with new or expanding businesses. Under the program, property tax abatements are used to attract or retain businesses which contribute to the economy of the City with new jobs, improvements to designated Brownfield properties, and increases to real and personal property values. During the fiscal year 2020-21, no new agreements were created and no previously adopted agreements became eligible for the program. The City abated 2020 real estate and tangible property taxes to eleven businesses at six locations totaling \$483,256.

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

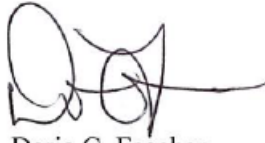
Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to The City of Daytona Beach for its annual comprehensive financial report for the fiscal year ended September 30, 2020. This was the 49th consecutive year the City has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one (1) year only. We believe that our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

An annual comprehensive financial report of this nature could not have been prepared without the dedicated efforts of all staff members concerned. We would like to express our appreciation to all those who helped to produce this report and for their interest and support in planning and conducting the fiscal operations of the City. A special note of thanks and acknowledgement is extended to the Accounting team of the Finance Department for their continued dedicated contribution especially under the COVID pandemic working conditions, and their proficient effort in the preparation of this report. Thank you to Carr, Riggs & Ingram LLC for their professional approach and high standards in conducting the independent audit. Credit must also be given to the City Commission and City Management Team for their commitment to support sound fiscal management practices with an emphasis on long-term financial stability and sustainability.

Respectfully submitted,



Deric C. Feacher
City Manager



Patricia Bliss
Chief Financial Officer



Christine Aiken
Financial Services Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Daytona Beach
Florida**

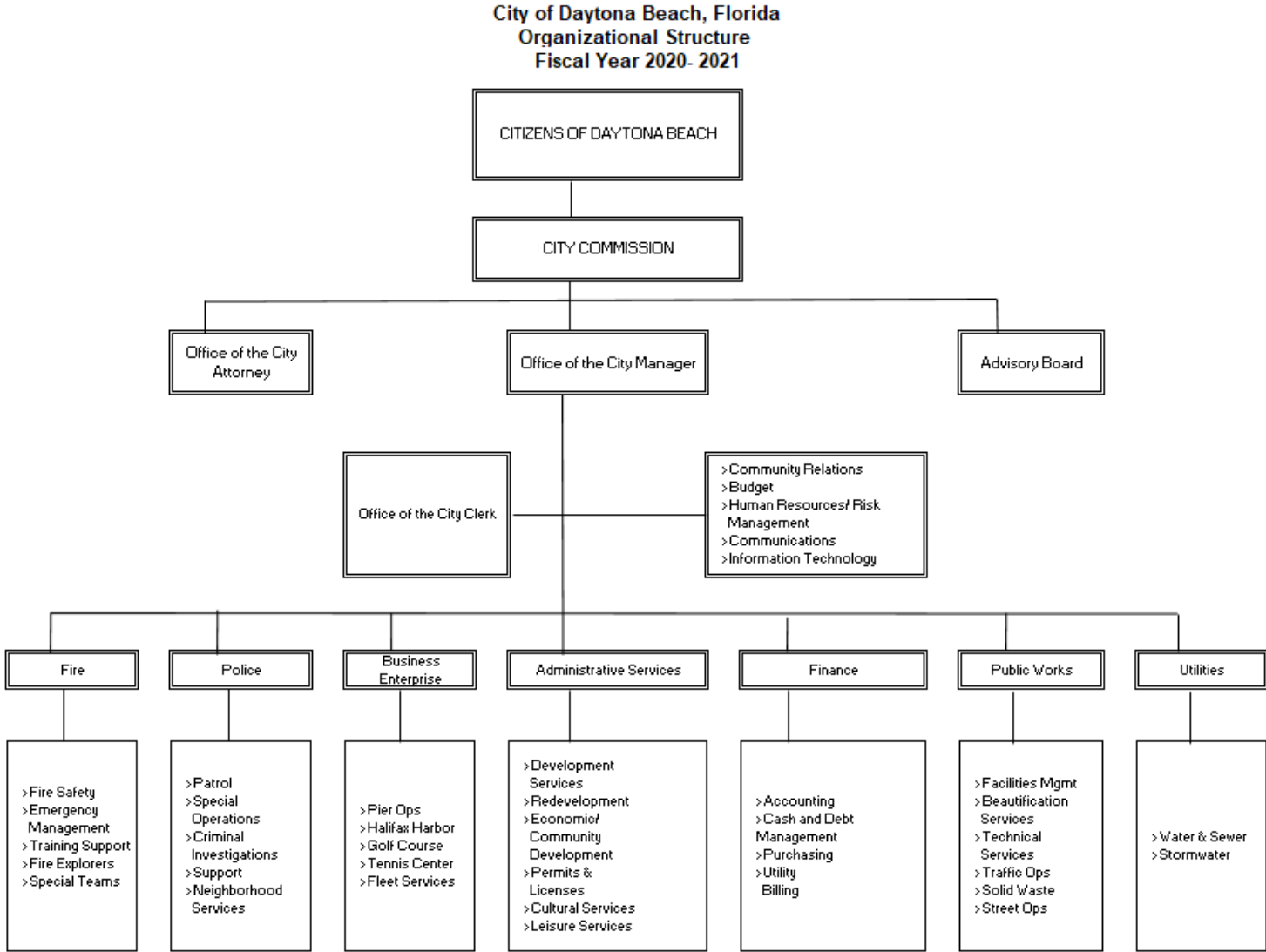
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morill

Executive Director/CEO

City of Daytona Beach, Florida
Organization Chart
September 30, 2021



**City of Daytona Beach, Florida
Mayor, City Commissioners and City Officials
September 30, 2021**

MAYOR AND COMMISSIONERS



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

CITY MANAGER
Deric C. Feacher

CHIEF FINANCIAL OFFICER
Patricia Bliss

CITY ATTORNEY
Robert Jagger

CITY CLERK
Letitia LaMagna

Financial Section





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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Daytona Beach, Florida (the "City"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Police and Fire Pension Trust Fund, which represents 100% of the assets, net position and additions of the pension trust fiduciary fund. We also did not audit the financial statements of First Step Shelter, Inc., which represents 97%, 96%, and 86%, respectively, of the assets, net position and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the Police and Fire Pension Trust Fund and to First Step Shelter, Inc., is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund and the redevelopment trust special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

The combining and individual nonmajor fund financial statements, budgetary schedules of special revenue and debt service funds, combining internal service fund financial statements, combining discretely presented component units financial statements, combining schedule of deposits and withdrawals for the redevelopment trust funds, and schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying

accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary schedules of special revenue and debt service funds, combining internal service fund financial statements, combining discretely presented component units financial statements, combining schedule of deposits and withdrawals for the redevelopment trust funds, and schedule of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Carr, Rigg & Ingram, L.L.C.

Melbourne, Florida
June 30, 2022



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Management's Discussion and Analysis



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

On behalf of the City of Daytona Beach (the “City”), management presents to the readers of the City’s financial statements this narrative overview and analysis of financial activities of the City of Daytona Beach for the fiscal year ended September 30, 2021. We are providing this discussion and analysis to assist the reader in a better understanding of the City’s overall financial position. This discussion and analysis should be considered in conjunction with the additional information in the letter of transmittal beginning on page 5, and the City’s financial statements beginning on page 33.

FINANCIAL HIGHLIGHTS

- The City’s assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of FY 2020-21 by \$223.2 million (*net position*). Because the City has non-asset related debt and due to the impact of the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other than Pensions*, the unrestricted net position reflects a deficit of \$15.0 million.
- For FY 2020-21, the City’s total net position increased by \$41.5 million when compared to last fiscal year’s net position. The governmental activities net position increased by \$26.7 million. The business-type activities net position increased by \$14.8 million.
- At the close of the current fiscal year, the City’s governmental funds reported combined fund balances of \$93.0 million, an increase of \$16.9 million from the prior fiscal year. Approximately \$11.4 million of this amount is available for spending at the City’s discretion (*unassigned fund balance*).
- At the end of FY 2020-21, the General Fund’s unrestricted fund balance (the total of *committed, assigned, and unassigned* components of *fund balance*) was \$29.8 million.
- In compliance with the City’s Fiscal Integrity Principles Ordinance, segregated budgetary cash reserves (*unassigned fund balance*) in the General Fund on September 30, 2021 is 11.5 percent of the future year’s (FY 2021-22) budgeted operating expenditures, which is greater than the 10 percent minimum requirement. Water and Sewer System, Stormwater Improvement, and Daytona Beach Pier enterprise funds contain a FY 2020-21 budget appropriation designated for capital renewal and replacement equal to 8 percent of the preceding fiscal year's (FY2020-21) revenues, which is the minimum amount required.
- The City’s total outstanding long-term debt from bonds, loans and notes increased by \$7.1 million during the current fiscal year. Governmental activities debt decreased \$0.6 million, net of \$25.2 million in new refunding and revenue note and capital lease less principal retirement of \$25.8 million. Business-type activities debt increased \$7.7 million which is net of principal retirement of \$7.4 million and new borrowing of \$15.1 million for new utility projects.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City’s basic financial statements which are comprised of the following components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also includes required supplementary information intended to furnish additional detail to support the basic financial statements themselves.

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

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The *statement of net position* presents information on all the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The *statement of activities* presents information on how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government services, public safety, transportation, economic environment, human services, cultural, leisure and recreation. The business-type activities of the City include the water and sewer system, solid waste management, stormwater improvement, marina with office plaza, and pier operations. The government-wide financial statements include not only the City itself (known as the *primary government*), but also the legally separate Downtown Development Authority and First Step Shelter, Inc. for which the City discretely reports separately from the primary government. The government-wide financial statements can be found on pages 33 and 34 of this report.

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

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted into cash. Such information may be useful in evaluating the City's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*. These reconciliations can be found on pages 36 and 38.

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

The City adopts an annual appropriated budget for its General Fund and Redevelopment Trust Fund. Budgetary comparison statements have been provided for the General Fund and Redevelopment Trust Fund (special revenue fund) to demonstrate compliance with the adopted budgets. The basic governmental fund financial statements can be found on pages 35-40 of this report.

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

Proprietary Funds. The City maintains two (2) different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses five (5) enterprise funds to account for its water and sewer system, solid waste management, stormwater improvement, marina and office plaza, and pier operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses five (5) internal service funds to account for its fleet vehicle maintenance, employment services, property maintenance, information technology systems, and consolidated insurance. These internal service funds have been included within *governmental activities* in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements only in more detail. The proprietary fund financial statements provide separate information for the water and sewer system, solid waste management, and stormwater improvement, all of which are major funds. Data from the other nonmajor proprietary funds are combined into a single, aggregated presentation. Internal service funds are also combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the nonmajor proprietary funds and the internal service funds is provided in the form of *combining statements* in the combining and individual fund statements and schedules section of this report. The basic proprietary fund financial statements can be found on pages 41-44 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are *not* reported in the government-wide financial statements because the resources of those funds are *not* available to support the City's programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City maintains two (2) different types of fiduciary funds. The Police and Fire Pension Trust Fund is used to report resources held in trust for retirees and beneficiaries covered by this pension trust fund. The Police Asset Agency Fund is used to report resources held in trust that were seized by police officials and held in evidence until the criminal investigations are complete. The basic fiduciary fund financial statements can be found on pages 45 and 46 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 47-112 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* on pages 113-117 concerning the City's proportionate share of and changes in the net pension liability for Florida Retirement System, Health Insurance Subsidy, the Police and Fire pensions, and the total liability and changes in the total liability for post-employment benefits (OPEB), as well as the City's progress in funding its contribution requirements for pension benefits and other post-employment benefits to certain employees.

The *combining statements* referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds and internal service funds are presented immediately following the required supplementary information on pensions and other post-employment benefits. Combining and individual fund statements and budget and actual schedules can be found on pages 119-161 of this report.

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

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

As noted previously, net position over time may serve as a useful indicator of a government's financial position. The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of FY 2020-21 by \$223.2 million, which is an increase of \$41.5 million or 22.8 percent from the previous fiscal year.

The City of Daytona Beach, Florida
Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$118,531,620	\$94,701,913	\$112,605,042	\$95,359,097	\$231,136,662	\$190,061,010
Capital assets	114,608,989	115,099,996	179,302,331	175,802,169	293,911,320	290,902,165
Total assets	233,140,609	209,801,909	291,907,373	271,161,266	525,047,982	480,963,175
Total deferred outflows of resources	15,435,913	14,389,695	4,387,813	5,052,696	19,823,726	19,442,391
Current liabilities	24,642,776	16,236,452	27,574,778	27,263,016	52,217,554	43,499,468
Long-term liabilities	97,973,889	142,852,609	123,567,640	124,815,522	221,541,529	267,668,131
Total liabilities	122,616,665	159,089,061	151,142,418	152,078,538	273,759,083	311,167,599
Total deferred inflows of resources	41,457,635	7,284,368	6,432,882	242,344	47,890,517	7,526,712
Net position:						
Net investment						
in capital assets	80,650,660	75,684,936	52,868,672	54,938,452	133,519,332	130,623,388
Restricted	50,096,156	39,171,020	51,039,643	38,023,320	101,135,799	77,194,340
Unrestricted (deficit)	(46,244,595)	(57,037,781)	34,811,571	30,931,308	(11,433,024)	(26,106,473)
Total net position	\$84,502,221	\$57,818,175	\$138,719,886	\$123,893,080	\$223,222,107	\$181,711,255

The largest portion of the City's net position (\$133.5 million) reflects its substantial investment in capital assets (e.g., land, buildings, improvements, equipment, and infrastructure) less any related debt used to acquire those assets that is still outstanding. This displays the City's commitment to investing in assets that have useful lives more than the life the debt issues used to finance the assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. It should be noted that resources needed to repay capital-related debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate the liabilities.

A smaller portion of net position (\$101.1 million) represents resources that are subject to external restrictions on how they may be used. These restrictions include debt covenants, enabling legislation, capital improvements, and other legal requirements.

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

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

The City's overall net position increased \$41.5 million compared to the prior fiscal year's balance. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

Statement of Activities. The following is a comparison of major revenue and expense categories for the fiscal years ending September 30, 2021, and 2020:

The City of Daytona Beach, Florida Changes in Net Position

	Governmental		Business-Type		Total	
	Activities		Activities		Primary Government	
	2021	2020	2021	2020	2021	2020
REVENUES:						
Program revenues:						
Charges for services	\$ 21,740,029	\$ 19,636,384	\$ 97,540,569	\$ 91,198,528	\$ 119,280,598	\$ 110,834,912
Operating grants and contributions	10,530,401	6,385,834	-	-	10,530,401	6,385,834
Capital grants and contributions	772,259	1,137,268	6,841,468	6,459,983	7,613,727	7,597,251
General revenues:						
Property taxes levied for general purpose	32,467,888	31,460,044	-	-	32,467,888	31,460,044
Gas taxes	1,964,513	1,782,150	-	-	1,964,513	1,782,150
Public service taxes	12,061,254	11,561,162	-	-	12,061,254	11,561,162
Sales taxes	4,366,650	3,723,080	-	-	4,366,650	3,723,080
Franchise taxes	6,486,956	6,049,136	-	-	6,486,956	6,049,136
Tax increment taxes	3,721,725	3,381,051	-	-	3,721,725	3,381,051
Other taxes	1,081,810	1,058,682	-	-	1,081,810	1,058,682
Intergovernmental revenue not restricted to specific programs	3,484,479	2,645,381	-	-	3,484,479	2,645,381
Income on investments	63,560	2,188,981	500,292	535,839	563,852	2,724,820
Other general revenues	969,525	1,709,696	128,273	111,737	1,097,798	1,821,433
Total revenues	99,711,049	92,718,849	105,010,602	98,306,087	204,721,651	191,024,936
EXPENSES:						
General government	18,530,978	20,700,101	-	-	18,530,978	20,700,101
Public safety	49,816,836	55,222,208	-	-	49,816,836	55,222,208
Physical environment	-	875,087	-	-	-	875,087
Transportation	8,598,799	13,904,629	-	-	8,598,799	13,904,629
Economic environment	6,656,054	2,904,699	-	-	6,656,054	2,904,699
Human services	661,205	804,993	-	-	661,205	804,993
Culture and recreation	12,309,313	13,338,815	-	-	12,309,313	13,338,815
Interest and fiscal charges	1,708,540	1,610,615	-	-	1,708,540	1,610,615
Water and sewer system	-	-	44,358,123	43,346,808	44,358,123	43,346,808
Solid waste management	-	-	10,675,469	10,467,111	10,675,469	10,467,111
Stormwater improvement	-	-	5,604,742	5,333,481	5,604,742	5,333,481
Halifax Harbor Marina	-	-	3,315,451	2,926,017	3,315,451	2,926,017
Daytona Beach Pier	-	-	975,289	1,948,461	975,289	1,948,461
Total expenses	98,281,725	109,361,147	64,929,074	64,021,878	163,210,799	173,383,025
Excess (deficiency) before transfers	1,429,324	(16,642,298)	40,081,528	34,284,209	41,510,852	17,641,911
Net transfers - in (out)	25,254,722	25,163,049	(25,254,722)	(25,163,049)	-	-
Changes in net position	26,684,046	8,520,751	14,826,806	9,121,160	41,510,852	17,641,911
NET POSITION:						
Net position-beginning	57,818,175	49,297,424	123,893,080	114,771,920	181,711,255	164,069,344
Net position-ending	\$ 84,502,221	\$ 57,818,175	\$ 138,719,886	\$ 123,893,080	\$ 223,222,107	\$ 181,711,255

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

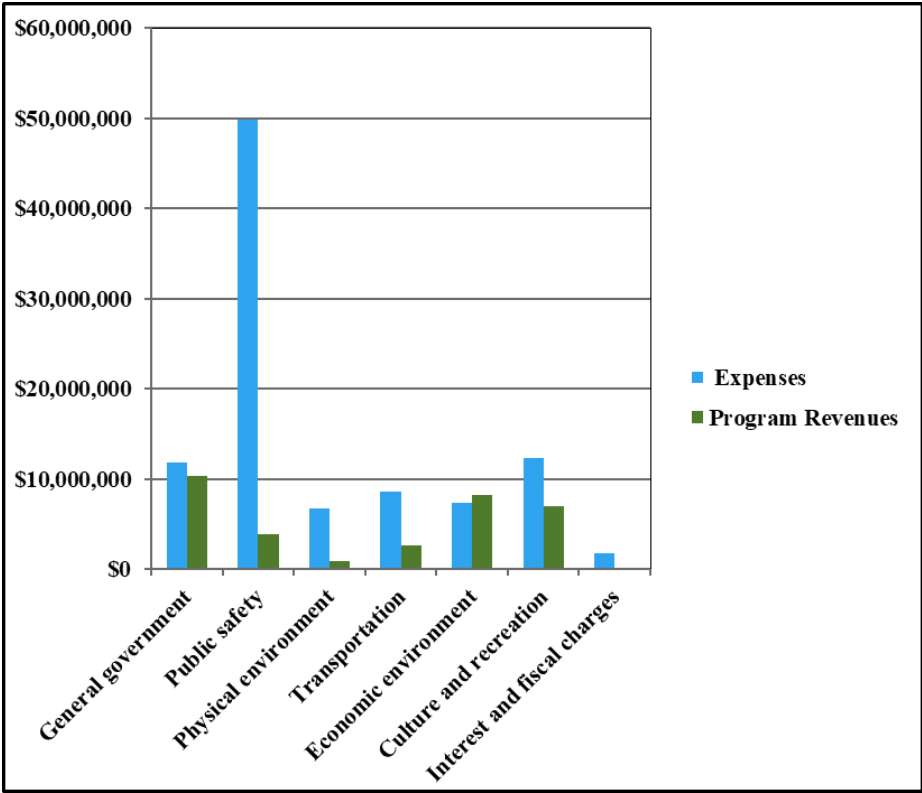
Governmental Activities:

Revenues for the governmental activities increased by \$7.0 million, or 7.5 percent from the prior fiscal year. This increase is attributable to increases in intergovernmental revenue (\$3.3 million), in particular \$2.4 million received as a CARES Act pass-through grant from the County of Volusia, charges for services (\$2.1 million), which can be attributed to an uptick in the demand for general government services, resulting from positive changes to the economic recovery from the pandemic; operating and capital grants and contributions (\$1.7 million), property tax revenue (\$1.0 million), primarily due to increased property values. On the other hand, income on investments decreased by (\$2.1 million) primarily due to effects of the ongoing pandemic, decreased interest rates and the volatility of the stock market.

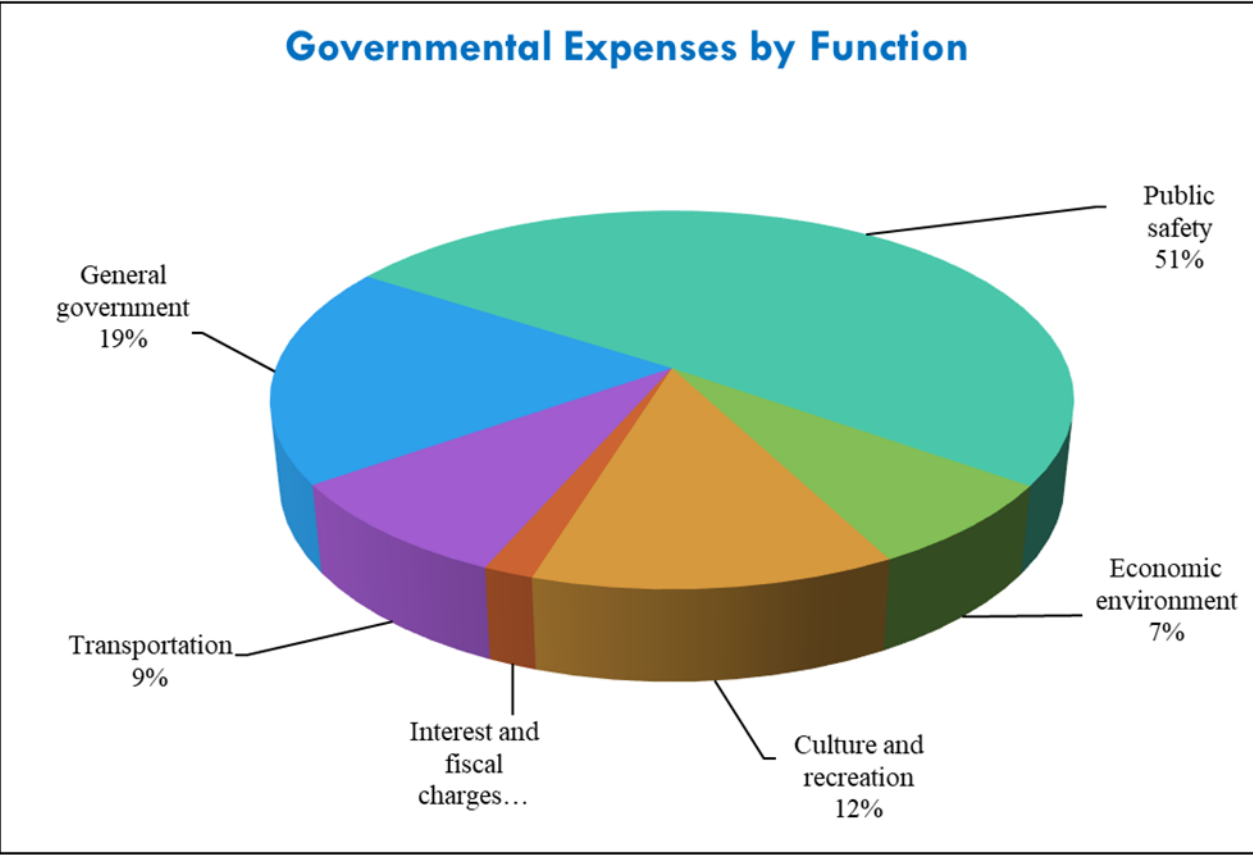
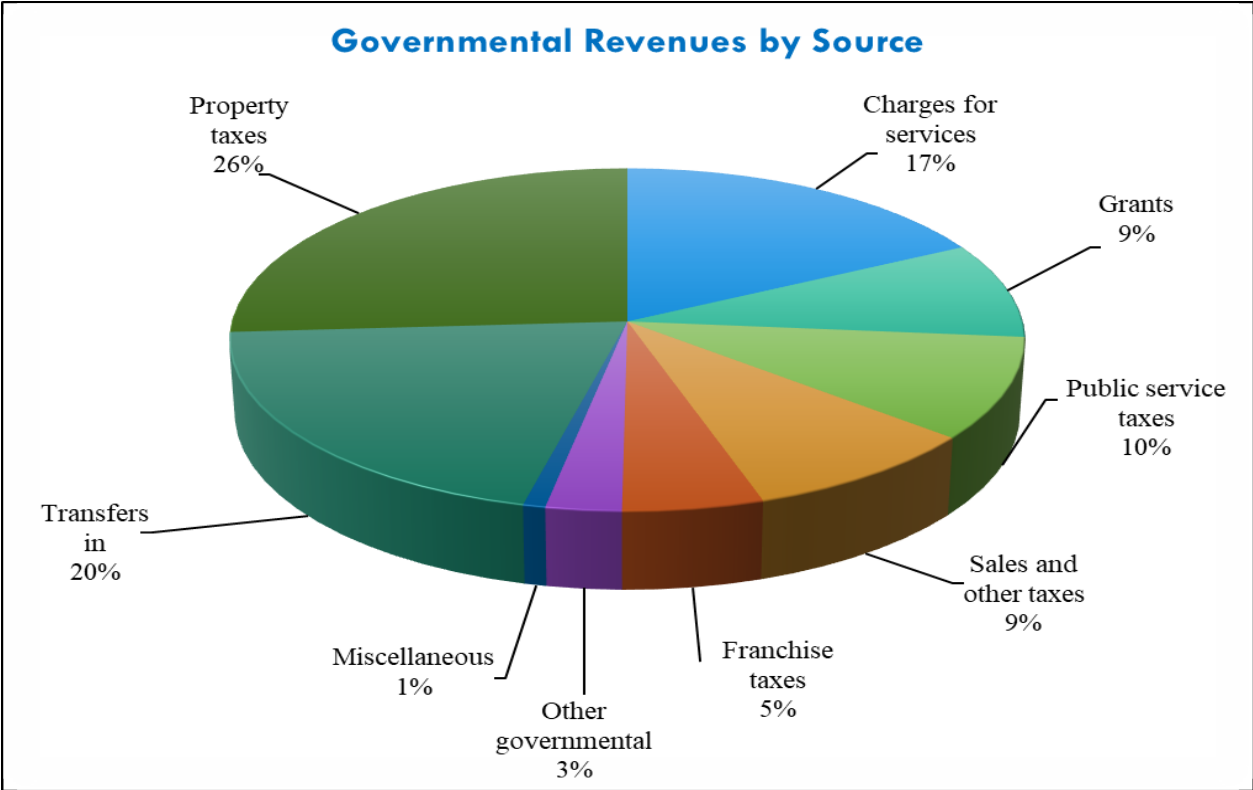
The cost of all governmental activities this fiscal year was \$98.3 million compared to \$109.4 million last fiscal year which is a \$11.1 million decrease. A major aspect of this decrease was related to reduced spending due to unfilled positions and reduced spending after re-opening from the pandemic shutdown which mostly impacted the general government and public safety related expenditures. One of the major decreases in expenditures when comparing the prior year to the current fiscal year is the one-time rebate of over \$3.5 million on utility bills which was provided to residents and business owners in April 2020 as a stimulus in response to the COVID-19 pandemic which occurred last fiscal year in the general government expenditure category. In this fiscal year, additional spending to improve the economic condition of the city and its residents in the form of grants increased the economic environment expenditures by \$3.8 million. Moreover, while the City was opened for municipal governance activities, the culture and recreation expenditures continued to show a decline by \$1.0 million due to the continued cancellation of major events within the year as a precaution to the spread of COVID.

The overall change in net position for governmental activities was an increase of \$26.7 million.

FY 2020-21 Expenses and Program Revenues - Governmental Activities



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

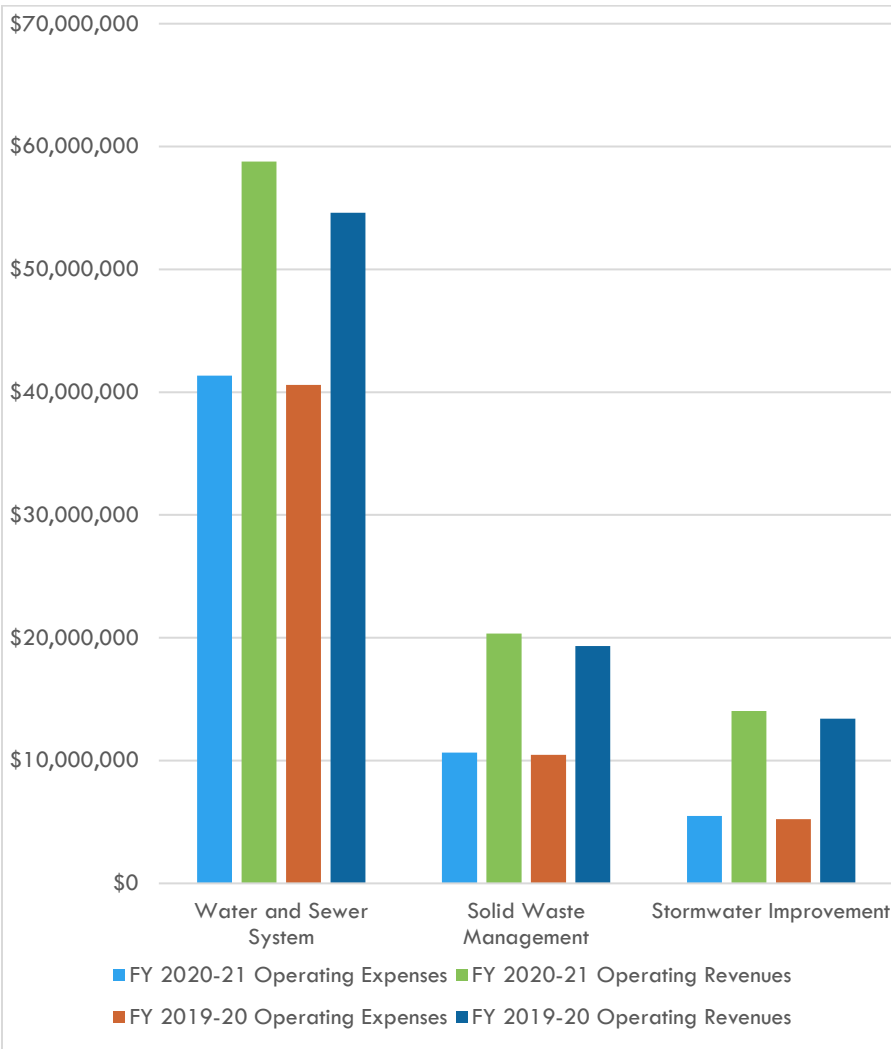


City of Daytona Beach, Florida Management's Discussion and Analysis

Business-Type Activities:

The results of the City’s business-type activities for the current fiscal year were positive in that overall net position increased to reach an ending balance of \$138.7 million. The City's utilities have acquired subsidized, low interest rate loans from the Florida Department of Environmental Protection and has aggressively sought capital grants to fund major construction initiatives. The total increase in net position was \$14.8 million, or 12 percent, compared to the prior fiscal year. The growth in net position, in large part, is attributable to collection of excess water, sewer, stormwater and solid waste rate revenues over operating expenditures. The utility department intentionally planned small incremental rate increases linked to the CPI index to accommodate future increasing debt service payments that will become due in future fiscal years instead of a one-time significant rate adjustment in the year when the debt service is due.

FY 2020-21 Business-Type Activities – Major Funds – Operating Expenses and Operating Revenues



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

Water and Sewer System Fund operating revenues increased \$4.2 million or 7.6 percent from the prior fiscal year primarily due to the net effect of the increases from the annual CPI rate changes, and increases in new construction, which simultaneously increased consumption. Operating expenses increased marginally by \$0.8 million or 1.9 percent, from the prior fiscal year, and is primarily attributed to decreased personnel charges resulting from staffing shortages being experienced by the department. There was a slight decrease in contractual services over last fiscal year, which is attributable to the completion of the Regional Wastewater Plant that spanned over three years. The fund's net operating income increased by \$3.4 million for a total of \$17.4 million, a 24.3 percent increase from the prior fiscal year. The fund reported a change in net position of \$14.2 million primarily due to increased revenues attributed to usage increases, annual CPI adjustment, new construction, and grant contribution.

Solid Waste Management Fund operating revenues increased by \$1.0 million, or 5.3 percent, from the prior fiscal year primarily due to the annual CPI adjustment and increased demand for services. Operating expenses increased by \$0.2 million, or 1.9 percent. The increased operating expenses is primarily due to increased expenses related to contractual services for solid waste collection with Waste Pro, for landfill tipping fee with Volusia County, and landfill post-closure charges. The fund reported net operating income of \$9.7 million for fiscal year 2020-21, as compared to \$8.9 million in FY 2019-20, a 9.3 percent increase. Net position decreased by \$0.4 million largely due to increased transfers out to the capital projects fund and general fund for upcoming projects.

Stormwater Improvement Fund operating revenues increased \$0.6 million, or 4.7 percent, from the prior fiscal year to \$14.0 million. This increase was primarily due to the annual CPI rate change. Operating expenses increased by \$0.3 million or 5.1 percent, when compared to the prior fiscal year, partially due to an economic development grant provided to Brown & Brown Insurance Company to improve the City's infrastructure. Net operating income at the end of the fiscal year was \$8.5 million, an increase of \$0.4 million, or 4.5 percent, over the previous fiscal year. The fund also reported an increase in net position of \$1.7 million which was largely due to increases in charges for services.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

At the end of the fiscal year, governmental funds reported combined fund balances of \$93.0 million, which is an increase of \$16.9 million, or 22.3 percent, in comparison with the prior fiscal year, which is directly related to the first tranche of \$7.5 million received from the American Rescue Plan Act (ARPA) and lower than budgeted expenditures. Approximately 12.0 percent of this total fund balance amount, \$11.1 million, constitutes unassigned fund balance which is available for spending at the City's discretion. The remainder of fund balance is *non-spendable, restricted, committed or assigned* to indicate the following:

- non-spendable for inventories and prepaid items (\$0.4 million)
- legally required to be maintained intact for debt covenants (\$0.7 million)
- restricted by external grantors and outside agencies for specific purposes (\$49.5 million)
- assigned by the City for specific purposes (\$31.2 million)

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

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, general fund reported a fund balance of \$30.2 million. Of this amount, \$0.4 million is considered nonspendable because it cannot be easily converted to cash or is contractually required to remain intact. The remaining spendable portions are either restricted for a specific purpose (\$0.4 million) or assigned to fund the FY 2021-22 budget (\$12.9 million) and capital/other projects (\$3.1 million). As of September 30, 2021, the unassigned fund balance in the General Fund was \$11.1 million, which is a decrease of \$3.8 million compared to FY 2019-20. This decrease is attributable to a portion of unassigned fund balance used in FY2020 to stimulate recovery in the form of rebate on utility bills for residential and business owners totaling over \$3.5 million during the COVID-19 pandemic. Additionally, a portion of the change is due to the modification in terminology applied to unassigned balance per the updated Fiscal Integrity Ordinance in FY 2018-19. According to the Fiscal Integrity Ordinance, some of the surplus will be included in the budget and be reported as an assigned balance the next budget year balance. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 12.8 percent of total current year's (FY 2020-21) General Fund expenditures (excluding transfers out, capital, and other financing uses). Total fund balance represents approximately 34.9 percent of that same amount.

The Redevelopment Trust Fund is a special revenue fund that reports the activities of the five (5) tax increment redevelopment areas of the City. For fiscal year ended September 30, 2021, the Redevelopment Trust Fund reflected an increase of \$5.7 million when revenues are compared to expenditures including transfers, which is indicative of new money received from debt issuance. Total revenues increased by \$0.3 million due to rising property values. Ending fund balance on September 30, 2021, was \$15.8 million. At the end of the fiscal year, any unspent funds will be used for future projects per state statutes. More detailed financial information on the Redevelopment Trust Fund can be found on page 168 in the combining and individual fund statements and schedules section of this report.

The Capital Projects Fund reflected a total fund balance of \$12.7 million at the end of FY 2020-21 compared to \$12.3 million in the prior fiscal year. The fund has remaining unspent funds for several high-dollar capital projects expected to be completed in the next year.

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

GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year, the total City budget was amended after adoption by the City Commission and in accordance with the Fiscal Integrity Ordinance and Resolutions of the City Commission. The General Fund final expenditure budget, including transfers out, increased by approximately \$18.5 million, or 18.1 percent, from the originally adopted expenditure budget. The most significant amendments made to the budget were as follows:

- \$5.9 million for the capital projects, including the carryforward of unexpended project funds from FY 2019-20 to FY 2020-21
- \$5.9 million for transfers out to fund capital projects
- \$3.8 million for reserves as required by the Fiscal Integrity Ordinance
- \$2.4 million for operating grant contributions received from the County of Volusia

Actual expenditures were \$24.3 million lower than final budgeted appropriations. A large portion of the decreases is attributed to \$10.9 million for budgetary reserves, \$2.4 million of unspent balances designated for projects relating to economic recovery, which will be carried forward to the new fiscal year. Additionally, decreases in

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

final budgeted appropriations is attributed to reductions in culture and recreational activities resulting from the aftermath of the ongoing COVID-19 pandemic, decreases in public safety expenditures partially due to personnel shortages, and transportation costs. All departments' expenditures exhibited positive variances compared to budgeted amounts. In addition, \$5.0 million of capital projects were not completed by the end of the fiscal year and will be carried forward for completion in the following fiscal years.

Final budgeted revenues in the General Fund (including transfers in and reserves) were \$18.5 million more than originally budgeted primarily due to increases in budgetary reserves of \$12.7 million, intergovernmental revenues of \$2.4 million and \$0.9 million received as debt proceeds during the year.

Overall, actual General Fund revenues not including reserves decreased by \$1.7 million over final budgeted revenues. Some of the major decreases include \$2.0 million in charges for services, \$1.5 million in investment income, resulting from the decline in the stock market and low interest rates, and \$0.3 million in license and permits, all of which is attributed to the pandemic. A budgetary comparison statement can be found in the basic financial statements section on page 39.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets includes land, buildings, improvements and infrastructure, equipment, and construction in progress. As of September 30, 2021, the City had investment in capital assets, net of related depreciation, of \$293.9 million. This represents a net increase (consisting of additions, deletions, and depreciation) of \$3.0 million from the prior fiscal year. The following is a summary of the City's capital assets, net of depreciation, as of September 30, 2021, and 2020:

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Land	\$ 28,921,471	\$ 28,821,471	\$ 6,428,187	\$ 6,428,187	\$ 35,349,658	\$ 35,249,658
Construction in progress	2,218,458	9,416,389	10,090,609	50,436,625	12,309,067	59,853,014
Buildings	31,272,109	33,129,958	15,991,511	13,568,226	47,263,620	46,698,184
Improvements and infrastructure	43,346,627	33,685,381	116,845,762	72,189,044	160,192,389	105,874,425
Equipment	8,850,322	10,046,793	29,946,263	33,180,086	38,796,585	43,226,879
Total	\$ 114,608,987	\$ 115,099,992	\$ 179,302,332	\$ 175,802,168	\$ 293,911,319	\$ 290,902,160

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

- Westside Regional Water Reclamation Facility - \$43,046,723
- Beach Street Force Main – \$7,186,624
- Beach Street Streetscape Improvement– \$3,855,920
- Sweetheart Trail - \$3,191,838
- Martin Luther King Blvd. Reconstruction Improvement - \$3,171,057
- Riverfront Park Seawall - \$1,549,210
- Halifax Harbor Master Building Seawall - \$441,360

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

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

Debt Administration

At fiscal year end, the City had \$164.9 million in debt outstanding compared to \$157.8 million the previous fiscal year as shown in the table below.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Revenue bonds	\$ -	\$ 21,598,709	\$ 29,588,457	\$ 32,652,410	\$ 29,588,457	\$ 54,251,119
General obligation bonds	10,030,182	11,111,331	-	-	10,030,182	11,111,331
Notes payable	26,841,726	5,179,387	20,292,000	23,196,000	47,133,726	28,375,387
State Revolving Fund loans	-	-	75,692,370	62,047,382	75,692,370	62,047,382
Capital lease payable	2,445,155	1,979,461	-	-	2,445,155	1,979,461
Total	\$ 39,317,063	\$ 39,868,888	\$ 125,572,827	\$ 117,895,792	\$ 164,889,890	\$ 157,764,680

Governmental debt decreased \$0.6 million, net of \$25.2 million in new refunding and revenue note, and capital lease less principal retirement of \$25.8 million. Furthermore, \$5.2 million was received for improvements and projects in the Main Street CRA area. Business-type debt increased \$7.7 million which is net of principal retirement of \$7.5 million and new debt issuance of \$15.1 million. Currently, the City has 100 percent fixed rate debt. Of the outstanding debt, approximately 6.1 percent is backed by the full faith and credit of the government and the balance is secured by various revenue sources. The City Commission adopted a Municipal Securities Disclosure Policy on November 19, 2014 and uses the services of a financial advisor for debt administration related to new debt issues.

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

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

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

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

Fiscal Integrity Principles Ordinance

On June 2, 2004, the City Commission established the Fiscal Integrity Principles Ordinance (the “Ordinance”) to institute sound financial policies and procedures in assuring the optimal use of public funds. The Ordinance was amended in FY 2006-07, FY 2007-08, FY 2011-12, and FY 2018-19 and was used as a basis for the FY 2005-06 through FY 2020-21 budgets. Some of the more salient points of the Ordinance include: maintaining a General Fund segregated budgetary cash reserve at a minimum of 10 percent of next year’s budgeted operating expenditures, limiting new personnel requests to an increase in services and new recurring revenue, limiting annual salary increases to increases in recurring revenues, funding the pension plan contributions as actuarially computed and in a manner that provides for a more level annual contribution, funding a self-insurance program through fees charged to user departments, performing user fee rate studies when an operating loss has occurred for two (2) consecutive fiscal years and cash reserves fall below 10 percent, preparing and updating a 5-year financial plan annually, and establishing a budget review committee to review and verify the assumptions and estimates underlying the annual budget and 5-year financial plan. Additionally, non-recurring revenues from the City’s fund balance account cannot be used to balance the annual budget for recurring expenditures.

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

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

The City is compliant with the Ordinance by having segregated budgetary cash reserve in the General Fund of 11.5 percent of future year’s (FY2021-22) budgeted operating expenditures and by appropriating 8 percent of the prior year’s (FY 2020-21) budget for renewal and replacement in the Water and Sewer System, Stormwater Improvement, and Daytona Beach Pier funds.

ECONOMIC FACTORS AFFECTING NEXT YEAR’S BUDGET AND RATES

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

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

The most recent estimates available for unemployment data in the Deltona-Daytona Beach-Ormond Beach Area are compiled by the U.S. Bureau of Labor Statistics. This agency estimates a local area unemployment rate of 4.0% at the end of September 2021, which has decreased primarily due to recovery from the economic shutdowns resulting from the COVID pandemic compared to the 6.3% unemployment rate experienced one year earlier. This trend can be compared to the change in State of Florida rates as well, which decreased to 3.9% from 8.7% (as revised) in the same period.

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

When the FY 2021/22 budget was developed, market and taxable property values had increased for the ninth straight year since 2012 by an overall growth of 100.8% and 94.8%, respectively. The single year growth has been 8.0% and 5.2%, respectively. The General Fund and Redevelopment Trust Fund have benefited from the growth in tax revenue due to the rising valuations. The adopted millage rate of \$5.5300 per \$1,000 of taxable value for the FY 2021/22 annual operating budget is the same as the FY 2019/20 millage rate of \$5.5300.

In addition to property taxes the City's other major revenue source is water and sewer utility revenue. An automatic annual rate adjustment tied to the CPI index, normally in effect in accordance with City ordinance, was waived for the FY 2021/22 budget. It is anticipated that this annual rate adjustment will be in effect for FY 2022/23. On March 4, 2020, the city engaged a Utilities rate consultant to perform the annual revenue sufficiency study and to review its water and sewer rates and impact fees, which resulted in Commission adoption on February 17, 2021 of a modified rate structure to address equitability in rates and improve revenue stability. The new retail rate structure will be effective October 1, 2021, and the new impact fees will be effective July 1, 2021.

The City's infrastructure needs to be in place and available to coincide with the growth and private capital investments occurring within the City's boundaries. Management has continued to look for ways to streamline City functions to keep expenditures low and continues to pursue cost saving measures such as outsourcing. The City and its four unions –the Coastal Florida Police Benevolent Association (CFPBA), the American Federation of State, County and Municipal Employees, Florida Council (AFSCME), the International Association of Firefighters Local 1162 (IAFF), and the Florida State Lodge Fraternal Order of Police (FOP)- executed two-year collective bargaining agreements, which began on October 1, 2021 and will expire on September 30, 2023. All union contracts will impact future budgets.

The FY 2021/22 budget was developed to address the City Commission's priorities, which includes improvements for stormwater mitigation, addressing the homeless population of Daytona Beach, initiatives for proactive public safety, repaving of roads, evaluation of the utility system, funding for sidewalk and trail projects, and redevelopment of the downtown and midtown areas. While the magnitude and duration of the pandemic remains unknown currently, management is handling the impacts of the emergency using proactive planning. The City will continue to monitor revenue and expenditure trends during the nationwide economic financial downturn and pursue financial assistance to stabilize the local economy.

Despite the financial constraints from dealing with the COVID-19 pandemic and the ongoing restraints put on all local governments to keep taxes and service fees as low as possible, the City continues with a long-term strategic focus on improving the quality of life for all citizens, encouraging a positive business environment, and improving tourist gateway corridor appearances. It is anticipated that the City's spending requirements for FY 2021/22 will be met with current financial resources including federal aid and grants from COVID relief funds.

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

FINANCIAL CONTACT

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

Basic Financial Statements



City of Daytona Beach, Florida
Statement of Net Position
September 30, 2021

September 30, 2021	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS:				
Equity in pooled cash, cash equivalents, and investments	\$ 102,892,686	\$ 48,265,329	\$ 151,158,015	\$ 1,038,814
Receivables (net):				
Accounts	3,062,407	14,598,183	17,660,590	377,090
Taxes	199,905	-	199,905	-
Notes	146,396	-	146,396	-
Accrued interest	166,978	-	166,978	-
Intergovernmental receivable	6,029,551	-	6,029,551	-
Internal balances	(1,701,284)	1,701,284	-	-
Inventory	570,465	860,039	1,430,504	-
Prepays	1,323,172	114,309	1,437,481	23,240
Other assets	10,150	27,000	37,150	19,145
Net pension asset	-	22,744	22,744	-
Restricted assets:				
Equity in pooled cash, cash equivalents, and investments	5,831,194	46,955,166	52,786,360	-
Prepaid insurance costs - bonds	-	60,988	60,988	-
Capital assets:				
Land and construction in progress	31,139,931	16,518,796	47,658,727	46,500
Other capital assets, net of accumulated depreciation	83,469,058	162,783,535	246,252,593	325,560
Total assets	233,140,609	291,907,373	525,047,982	1,830,349
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred amount on refunding	109,409	879,817	989,226	-
Deferred amount for other post-employment benefits	643,691	183,693	827,384	-
Deferred amount for pensions	14,682,813	3,324,303	18,007,116	-
Total deferred outflows of resources	15,435,913	4,387,813	19,823,726	-
LIABILITIES:				
Accounts payable and other liabilities	6,018,251	3,266,334	9,284,585	217,163
Contracts payable	-	89,826	89,826	-
Intergovernmental payable	157,419	45,414	202,833	-
Deposits	156,290	9,864,289	10,020,579	-
Unearned revenue	8,647,390	1,704,593	10,351,983	19,071
Payable from restricted assets:				
Accounts payable and other liabilities	-	855,285	855,285	-
Contracts payable	16,608	224,132	240,740	-
Accrued interest	394,190	917,537	1,311,727	-
Due within one year:				
Bonds, loans, and notes payable	4,707,496	9,935,138	14,642,634	-
Insurance claims payable	2,195,000	-	2,195,000	-
Other liabilities	2,350,133	672,230	3,022,363	14,948
Due in more than one year:				
Bonds, loans, and notes payable	34,499,390	115,637,687	150,137,077	-
Net pension liability	46,371,987	5,249,381	51,621,368	-
Insurance claims payable	7,394,000	-	7,394,000	-
Other liabilities	9,708,512	2,680,572	12,389,084	-
Total liabilities	122,616,666	151,142,418	273,759,084	251,182
DEFERRED INFLOWS OF RESOURCES:				
Deferred amount for pensions	41,442,725	6,428,490	47,871,215	-
Deferred amount for other post-employment benefits	14,910	4,392	19,302	-
Total deferred inflows of resources	41,457,635	6,432,882	47,890,517	-
NET POSITION:				
Net investment in capital assets	80,650,660	52,868,672	133,519,332	372,060
Restricted for:				
Debt covenants	686,034	9,553,549	10,239,583	-
General government	7,436,508	-	7,436,508	-
Physical environment	1,380,835	-	1,380,835	-
Public safety	15,776,977	-	15,776,977	-
Transportation	2,973,349	-	2,973,349	-
Economic environment	16,321,159	-	16,321,159	-
Human services	-	-	-	739,598
Culture and recreation	5,521,294	-	5,521,294	-
Capital projects	-	40,993,814	40,993,814	-
Landfill	-	492,280	492,280	-
Unrestricted (deficit)	(46,244,595)	34,811,571	(11,433,024)	467,509
Total net position	\$ 84,502,221	\$ 138,719,886	\$ 223,222,107	\$ 1,579,167

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

City of Daytona Beach, Florida
Statement of Activities
For the Year Ended September 30, 2021

Year Ended September 30, 2021		PROGRAM REVENUES			Net (Expense) Revenue and Changes in Net Position			
FUNCTIONS/PROGRAMS:	EXPENSES	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business - type Activities	Total	
Primary Government:								
Governmental Activities:								
General government	\$ 18,530,978	\$ 10,292,360	\$ -	\$ -	\$ (8,238,618)	\$ -	\$ (8,238,618)	\$ -
Public safety	49,816,836	3,580,885	2,636,603	26,545	(43,572,803)	-	(43,572,803)	-
Physical environment	-	-	922,690	-	922,690	-	922,690	-
Transportation	8,598,799	743,205	1,109,065	745,714	(6,000,815)	-	(6,000,815)	-
Economic environment	6,656,054	492,691	5,264,832	-	(898,531)	-	(898,531)	-
Human services	661,205	-	400,000	-	(261,205)	-	(261,205)	-
Culture and recreation	12,309,313	6,630,888	197,211	-	(5,481,214)	-	(5,481,214)	-
Interest and fiscal charges	1,708,540	-	-	-	(1,708,540)	-	(1,708,540)	-
Total governmental activities	98,281,725	21,740,029	10,530,401	772,259	(65,239,036)	-	(65,239,036)	-
Business-Type Activities:								
Water and sewer system	44,358,123	58,685,085	-	6,841,468	-	21,168,430	21,168,430	-
Solid waste management	10,675,469	20,350,950	-	-	-	9,675,481	9,675,481	-
Stormwater improvement	5,604,742	14,034,155	-	-	-	8,429,413	8,429,413	-
Halifax Harbor	3,315,451	3,685,374	-	-	-	369,923	369,923	-
Daytona Beach Pier	975,289	785,005	-	-	-	(190,284)	(190,284)	-
Total business-type activities	64,929,074	97,540,569	-	6,841,468	-	39,452,963	39,452,963	-
Total primary government	\$ 163,210,799	\$ 119,280,598	\$ 10,530,401	\$ 7,613,727	(65,239,036)	39,452,963	(25,786,073)	-
Component Unit:								
Downtown Development Authority	\$ 193,046	\$ -	\$ 61,056	\$ -	-	-	-	(131,990)
First Step Shelter, Inc.	1,495,670	-	1,318,323	-	-	-	-	(177,347)
Total component unit	\$ 1,688,716	\$ -	\$ 1,379,379	\$ -	-	-	-	(309,337)
GENERAL REVENUES:								
Taxes:								
Property taxes, levied for general purposes					32,467,888	-	32,467,888	142,130
Local option gas taxes					1,964,513	-	1,964,513	-
Public service taxes					12,061,254	-	12,061,254	-
Sales taxes					4,366,650	-	4,366,650	-
Franchise taxes					6,486,956	-	6,486,956	-
Tax increment taxes					3,721,725	-	3,721,725	-
Other taxes					1,081,810	-	1,081,810	-
Intergovernmental revenues not restricted to specific programs					3,484,479	-	3,484,479	-
Income on investments					63,560	500,292	563,852	520
Miscellaneous					969,525	128,273	1,097,798	12,041
Transfers					25,254,722	(25,254,722)	-	-
Total general revenues and transfers					91,923,082	(24,626,157)	67,296,925	154,691
Change in net position					26,684,046	14,826,806	41,510,852	(154,646)
NET POSITION:								
Beginning of year					57,818,175	123,893,080	181,711,255	1,733,813
End of year					\$ 84,502,221	\$ 138,719,886	\$ 223,222,107	\$ 1,579,167

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

City of Daytona Beach, Florida
Balance Sheet – Governmental Funds
September 30, 2021

	General	Redevelopment Trust	Capital Projects	Nonmajor Governmental	Total Governmental Funds
ASSETS:					
Equity in pooled cash, cash equivalents, and investments	\$ 27,481,519	\$ 10,537,517	\$ 13,241,327	\$ 38,730,444	\$ 89,990,807
Receivables (net):					
Accounts	2,822,760	-	-	239,647	3,062,407
Taxes	189,309	-	-	10,596	199,905
Notes	-	146,396	-	-	146,396
Accrued interest	166,978	-	-	-	166,978
Due from other funds	2,694,000	-	-	-	2,694,000
Intergovernmental receivable	1,307,343	-	-	4,722,208	6,029,551
Deposits	10,150	-	-	-	10,150
Inventory	397,489	-	-	-	397,489
Prepays	32,544	-	-	-	32,544
Restricted equity in pooled cash, cash, cash equivalents, and investments	-	5,155,756	-	675,438	5,831,194
Total assets	\$ 35,102,092	\$ 15,839,669	\$ 13,241,327	\$ 44,378,333	\$ 108,561,421
LIABILITIES:					
Accounts payable and other liabilities	\$ 2,905,615	\$ 22,562	\$ 570,699	\$ 410,979	\$ 3,909,855
Due to other funds	-	-	-	2,694,000	2,694,000
Intergovernmental payable	141,029	986	-	4,512	146,527
Deposits	154,118	-	-	2,172	156,290
Contracts payable	-	-	16,570	38	16,608
Unearned revenue	1,660,793	-	-	6,986,597	8,647,390
Total liabilities	4,861,555	23,548	587,269	10,098,298	15,570,670
FUND BALANCES:					
Non-Spendable:					
Inventory	397,489	-	-	-	397,489
Prepays	32,544	-	-	-	32,544
Restricted:					
Debt covenants	-	-	-	686,034	686,034
General government	-	-	-	7,436,508	7,436,508
Public safety	-	-	-	15,776,977	15,776,977
Physical environment	-	-	-	1,380,835	1,380,835
Transportation	-	-	-	2,973,349	2,973,349
Economic environment	-	15,816,121	-	505,038	16,321,159
Culture and recreation	-	-	-	5,521,294	5,521,294
Assigned:					
Capital projects	2,614,430	-	12,654,058	-	15,268,488
Fiscal year 2020 budget	12,935,205	-	-	-	12,935,205
Other projects	3,120,830	-	-	-	3,120,830
Unassigned	11,140,039	-	-	-	11,140,039
Total fund balances	30,240,537	15,816,121	12,654,058	34,280,035	92,990,751
Total liabilities and fund balances	\$ 35,102,092	\$ 15,839,669	\$ 13,241,327	\$ 44,378,333	\$ 108,561,421

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

City of Daytona Beach, Florida
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
September 30, 2021

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

Fund balance - governmental funds	\$	92,990,751
<p>Certain assets, liabilities, deferred inflow of resources, and deferred outflow of resources reported in governmental activities are not financial resources and therefore are not reported in the funds:</p>		
Land	\$	28,921,471
Construction in progress		2,200,598
Buildings		31,253,979
Improvements and infrastructure		43,267,107
Equipment		<u>8,298,808</u>
Total		113,941,963
<p>Internal service funds are used by management to charge the costs of fleet maintenance, employment services, property maintenance, information systems, and insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.</p>		
		(2,643,068)
<p>Long-term liabilities - liabilities are not due and payable in the current period and are not reported in the funds:</p>		
Deferred amount on refunding (to be amortized as interest revenue)	\$	109,409
Deferred amount for pensions (net)		(25,686,801)
Deferred amount for other post-employment benefits (net)		575,559
Accrued interest payable		(394,190)
Bonds, loans, and notes payable		(39,206,886)
Net pension liability		(44,287,182)
Compensated absences		(6,514,932)
Other post-employment benefits		<u>(4,382,402)</u>
		(119,787,425)
Net position - governmental activities	\$	<u>84,502,221</u>

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

City of Daytona Beach, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances –
Governmental Funds
For the Year Ended September 30, 2021

	General	Redevelopment Trust	Capital Projects	Nonmajor Governmental	Total Governmental Funds
REVENUES:					
Taxes	\$ 46,201,696	\$ -	\$ -	\$ 2,279,380	\$ 48,481,076
Licenses and permits	6,639,553	13,634	-	5,452,948	12,106,135
Intergovernmental	10,793,512	3,782,781	-	7,592,736	22,169,029
Charges for services	7,599,264	-	-	489,875	8,089,139
Fines and forfeitures	782,500	-	-	35,552	818,052
Special assessments/impact fees	47,615	-	-	5,938,828	5,986,443
Income (loss) on investments	(73,338)	27,353	20,588	67,934	42,537
Miscellaneous	773,851	6,015	-	1,137,402	1,917,268
Total revenues	72,764,653	3,829,783	20,588	22,994,655	99,609,679
EXPENDITURES:					
Current operating:					
General government	15,798,700	-	85,078	38,335	15,922,113
Public safety	53,086,614	-	-	3,995,830	57,082,444
Transportation	6,403,178	-	1,157,265	560,886	8,121,329
Economic environment	493,679	3,188,706	-	3,036,018	6,718,403
Human services	400,000	-	4,218	256,987	661,205
Culture and recreation	9,193,771	-	1,314,401	55,328	10,563,500
Capital outlay	1,323,009	276,288	3,221,590	2,170,086	6,990,973
Debt service:					
Principal	-	-	-	6,517,161	6,517,161
Interest and fiscal charges	-	43,864	-	1,461,988	1,505,852
Total expenditures	86,698,951	3,508,858	5,782,552	18,092,619	114,082,980
Excess (deficiency) of revenues over (under) expenditures	(13,934,298)	320,925	(5,761,964)	4,902,036	(14,473,301)
OTHER FINANCING					
SOURCES (USES):					
Payment to refunded note escrow agent	-	-	-	(19,190,000)	(19,190,000)
Issuance of debt	860,198	5,195,000	-	19,190,000	25,245,198
Proceeds from insurance recovery	103,779	-	-	-	103,779
Transfers in	27,723,162	3,022,733	6,106,015	3,365,469	40,217,379
Transfers (out)	(9,641,389)	(2,794,850)	-	(2,526,418)	(14,962,657)
Total other financing sources (uses)	19,045,750	5,422,883	6,106,015	839,051	31,413,699
Net change in fund balances	5,111,452	5,743,808	344,051	5,741,087	16,940,398
FUND BALANCES:					
Beginning of year	25,129,085	10,072,313	12,310,007	28,538,948	76,050,353
End of year	\$ 30,240,537	\$ 15,816,121	\$ 12,654,058	\$ 34,280,035	\$ 92,990,751

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

City of Daytona Beach, Florida
Reconciliation of the Statement of Revenues, Expenditures, and Changes
In Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2021

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

Net change in fund balance - total governmental funds	\$	16,940,398
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. Also, certain capital assets are contributed to the City upon completion, requiring recognition of capital contributions not reported in the funds.</p>		
Capital assets acquired by use of financial resources	\$	6,990,973
Current year depreciation		<u>(7,332,756)</u>
		(341,783)
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.</p>		
		(195,055)
<p>The issuance of long-term debt (i.e., bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of prepaid bond insurance costs and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
Principal paid	\$	25,707,161
Issuance of debt		<u>(25,245,198)</u>
Total		461,963
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Amortization of prepaid bond insurance costs	\$	(46,749)
Amortization of deferred amount on refunding		(344,422)
Amortization of bond premium		89,857
Accrued interest		51,877
Pension expense		654,310
Change in deferred outflows related to pensions		9,249,943
Compensated absences		421,424
Other post-employment benefits		<u>34,621</u>
Total		10,110,861
<p>Internal service funds are used by management to charge the costs of fleet maintenance, employment services, property maintenance, information systems, and insurance to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.</p>		
		<u>(292,338)</u>
Change in net position - governmental activities	\$	<u>26,684,046</u>

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

City of Daytona Beach, Florida
Statement of Revenues, Expenditures, and Changes In Fund Balances –
Budget and Actual
General Fund
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Taxes	\$ 45,980,009	\$ 45,980,009	\$ 46,201,696	\$ 221,687
Licenses and permits	6,954,560	6,954,560	6,639,553	(315,007)
Intergovernmental	6,607,323	9,014,837	10,793,512	1,778,675
Charges for services	9,889,370	9,613,609	7,599,264	(2,014,345)
Fines and forfeitures	592,398	592,398	782,500	190,102
Special assessment/impact fees	45,000	45,000	47,615	2,615
Income (loss) on investments	1,398,243	1,398,243	(73,338)	(1,471,581)
Miscellaneous	540,883	871,650	773,851	(97,799)
Total revenues	72,007,786	74,470,306	72,764,653	(1,705,653)
EXPENDITURES:				
General government:				
Legislative	966,899	1,143,131	871,349	271,782
City Manager	3,682,927	3,726,256	2,455,283	1,270,973
City Attorney	1,479,398	1,479,398	1,517,774	(38,376)
Finance	2,376,966	2,376,966	2,196,451	180,515
Comprehensive Planning	1,651,191	1,651,191	1,264,320	386,871
Other General Government Services	9,062,339	7,936,769	7,493,523	443,246
Public safety:				
Police	38,679,304	38,943,122	37,545,848	1,397,274
Fire	16,057,469	15,518,252	15,540,766	(22,514)
Transportation	6,306,500	6,555,099	6,403,178	151,921
Economic environment	135,921	591,417	493,679	97,738
Human services	500,000	500,992	400,000	100,992
Culture and recreation	10,840,933	10,905,062	9,193,771	1,711,291
Capital outlay	417,077	6,288,554	1,323,009	4,965,545
Total expenditures	92,156,924	97,616,209	86,698,951	10,917,258
Excess (deficiency) of revenues over (under) expenditures	(20,149,138)	(23,145,903)	(13,934,298)	9,211,605
OTHER FINANCING SOURCES (USES):				
Budgetary reserves, net	(2,021,167)	6,855,935	-	(6,855,935)
Issuance of debt	-	860,198	860,198	-
Proceeds from insurance recovery	156,628	180,253	103,779	(76,474)
Transfers in	24,977,230	24,977,230	27,723,162	2,745,932
Transfers (out)	(3,801,600)	(9,727,713)	(9,641,389)	86,324
Total other financing sources (uses)	19,311,091	23,145,903	19,045,750	(4,100,153)
Net change in fund balance	(838,047)	-	5,111,452	5,111,452
FUND BALANCE:				
Beginning of year	25,129,085	25,129,085	25,129,085	-
End of year	\$ 24,291,038	\$ 25,129,085	\$ 30,240,537	\$ 5,111,452

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

City of Daytona Beach, Florida
Statement of Revenues, Expenditures, and Changes In Fund Balances –
Budget and Actual
Redevelopment Trust Special Revenue Fund
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Licenses and permits	\$ 10,121	\$ 10,121	\$ 13,634	\$ 3,513
Intergovernmental	3,772,980	3,776,396	3,782,781	6,385
Income on investments	-	-	27,353	27,353
Miscellaneous	14,332	14,332	6,015	(8,317)
Total revenues	3,797,433	3,800,849	3,829,783	28,934
EXPENDITURES:				
Current operating:				
Economic environment	2,265,341	3,689,120	3,188,706	500,414
Capital outlay	1,868,239	15,209,393	276,288	14,933,105
Debt service:				
Interest and fiscal charges	-	105,387	43,864	61,523
Total expenditures	4,133,580	19,003,900	3,508,858	15,495,042
Excess (deficiency) of revenues over (under) expenditures	(336,147)	(15,203,051)	320,925	15,523,976
OTHER FINANCING				
SOURCES (USES):				
Budgetary reserves, net	197,004	9,878,772	-	(9,878,772)
Issuance of debt	-	5,195,000	5,195,000	-
Transfers in	3,027,228	3,017,364	3,022,733	5,369
Transfers (out)	(2,888,085)	(2,888,085)	(2,794,850)	93,235
Total other financing sources (uses)	336,147	15,203,051	5,422,883	(9,780,168)
Net change in fund balance	-	-	5,743,808	5,743,808
FUND BALANCE:				
Beginning of year	10,072,313	10,072,313	10,072,313	-
End of year	\$ 10,072,313	\$ 10,072,313	\$ 15,816,121	\$ 5,743,808

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

City of Daytona Beach, Florida
Statement of Net Position
Proprietary Funds
September 30, 2021

	Business-Type Activities - Enterprise Funds					Governmental
	Water and Sewer System	Solid Waste Management	Stormwater Improvement	Nonmajor Enterprise	Totals	Internal Service Funds
ASSETS:						
Current assets:						
Equity in pooled cash, cash equivalents, and investments	\$ 36,699,210	\$ 2,706,655	\$ 7,195,605	\$ 1,663,859	\$ 48,265,329	\$ 12,901,879
Accounts receivable (net)	9,719,112	3,070,007	1,809,064	-	14,598,183	-
Inventory	815,985	-	-	44,054	860,039	172,976
Prepays	-	-	-	114,309	114,309	1,290,628
Total current assets	47,234,307	5,776,662	9,004,669	1,822,222	63,837,860	14,365,483
Noncurrent assets:						
Restricted equity in pooled cash, cash equivalents, and investments	45,527,678	492,280	468,804	466,404	46,955,166	-
Prepaid insurance costs - bonds	60,194	-	794	-	60,988	-
Deposits	27,000	-	-	-	27,000	-
Advances to other funds	-	-	-	-	-	-
Capital assets:						
Non-depreciable	13,205,865	284,752	2,879,406	148,773	16,518,796	17,862
Depreciable (net)	137,237,270	45,625	17,692,134	7,808,506	162,783,535	649,164
Net pension asset	-	-	-	22,744	22,744	-
Total noncurrent assets	196,058,007	822,657	21,041,138	8,446,427	226,368,229	667,026
Total assets	243,292,314	6,599,319	30,045,807	10,268,649	290,206,089	15,032,509
DEFERRED OUTFLOWS OF RESOURCES:						
Deferred amount on refunding	800,550	-	8,249	71,018	879,817	-
Deferred amount for other	148,825	2,602	30,462	1,804	183,693	54,536
Deferred amount for pensions	2,419,065	83,255	694,065	127,918	3,324,303	1,286,240
Total deferred outflows of resources	3,368,440	85,857	732,776	200,740	4,387,813	1,340,776
LIABILITIES:						
Current liabilities:						
Accounts payable and other liabilities	2,083,150	795,950	183,848	203,386	3,266,334	2,108,396
Contracts payable	77,872	-	11,954	-	89,826	-
Intergovernmental payable	21,390	488	4,479	19,057	45,414	10,892
Insurance claims payable	-	-	-	-	-	2,195,000
Unearned revenues	-	-	1,612,700	91,893	1,704,593	-
Compensated absences	518,014	15,080	125,480	13,656	672,230	278,876
Bonds payable	2,865,000	-	-	-	2,865,000	-
Notes and loans payable	6,167,937	-	346,201	556,000	7,070,138	-
Payable from restricted assets:						
Accounts payable	855,285	-	-	-	855,285	-
Contracts payable	224,132	-	-	-	224,132	-
Accrued interest	820,240	-	23,460	73,837	917,537	-
Total current liabilities	13,633,020	811,518	2,308,122	957,829	17,710,489	4,593,164
Noncurrent liabilities:						
Insurance claims payable	-	-	-	-	-	7,394,000
Deposits	9,784,722	-	-	79,567	9,864,289	-
Compensated absences	819,854	18,334	196,811	77,924	1,112,923	521,684
Other post-employment benefits	950,248	37,384	237,761	7,112	1,232,505	360,751
Net pension liability	3,576,493	229,955	1,244,689	198,244	5,249,381	2,084,805
Pollution remediation	-	69,605	-	-	69,605	-
Landfill closure and post-closure	-	265,539	-	-	265,539	-
Bonds payable	25,983,398	-	740,058	-	26,723,456	-
Notes and loans payable	83,717,973	-	726,258	4,470,000	88,914,231	-
Advances from other funds	-	-	-	-	-	-
Total noncurrent liabilities	124,832,688	620,817	3,145,577	4,832,847	133,431,929	10,361,240
Total liabilities	138,465,708	1,432,335	5,453,699	5,790,676	151,142,418	14,954,404
DEFERRED INFLOWS OF RESOURCES:						
Deferred amount on other post-employment benefits	3,498	65	780	49	4,392	1,314
Deferred amount for pensions	4,966,516	148,696	1,118,832	194,446	6,428,490	2,359,351
Total deferred inflows of resources	4,970,014	148,761	1,119,612	194,495	6,432,882	2,360,665
NET POSITION:						
Net investment in capital assets	30,840,832	330,377	18,695,166	3,002,297	52,868,672	667,026
Restricted for:						
Debt covenants	8,013,929	-	1,147,053	392,567	9,553,549	-
Capital projects	40,160,386	833,428	-	-	40,993,814	-
Landfill	-	492,280	-	-	492,280	-
Unrestricted	24,209,885	3,447,995	4,363,053	1,089,354	33,110,287	(1,608,810)
Total net position	\$ 103,225,032	\$ 5,104,080	\$ 24,205,272	\$ 4,484,218	\$ 137,018,602	\$ (941,784)
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time					1,701,284	
Net position of business-type activities					\$ 138,719,886	

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

City of Daytona Beach, Florida
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended September 30, 2021

	Business-Type Activities - Enterprise Funds					Governmental
	Water and Sewer System	Solid Waste Management	Stormwater Improvement	Nonmajor Enterprise	Totals	Internal Service Funds
OPERATING REVENUES:						
Charges for services	\$ 58,685,045	\$ 20,350,950	\$ 14,034,155	\$ 4,470,379	\$ 97,540,529	\$ 15,755,065
Other receipts	93,744	929	-	33,640	128,313	13,047
Total operating revenues	58,778,789	20,351,879	14,034,155	4,504,019	97,668,842	15,768,112
OPERATING EXPENSES:						
Personnel services	11,541,401	270,730	2,549,634	228,409	14,590,174	5,206,505
Contractual services	15,627,799	10,364,211	1,680,731	2,720,535	30,393,276	9,477,478
Materials and supplies	4,670,386	12,104	113,282	613,624	5,409,396	1,478,370
Depreciation	9,508,028	9,542	1,157,285	524,918	11,199,773	226,116
Total operating expenses	41,347,614	10,656,587	5,500,932	4,087,486	61,592,619	16,388,469
Operating income (loss)	17,431,175	9,695,292	8,533,223	416,533	36,076,223	(620,357)
NONOPERATING REVENUE (EXPENSE):						
Income on investments	463,398	15,683	16,393	4,818	500,292	21,023
Interest expense	(2,360,108)	-	(64,678)	(189,562)	(2,614,348)	-
Gain (loss) on disposal of capital assets	(431,170)	-	-	-	(431,170)	2,622
Total nonoperating revenue (expense)	(2,327,880)	15,683	(48,285)	(184,744)	(2,545,226)	23,645
Income (loss) before capital grants, contributions and transfers	15,103,295	9,710,975	8,484,938	231,789	33,530,997	(596,712)
Capital grants and contributions	6,841,468	-	-	-	6,841,468	13,437
Transfers in	62,116	-	-	32,559	94,675	-
Transfers (out)	(7,797,283)	(10,134,154)	(7,312,739)	(105,221)	(25,349,397)	-
Change in net position	14,209,596	(423,179)	1,172,199	159,127	15,117,743	(583,275)
NET POSITION (DEFICIT):						
Beginning	89,015,436	5,527,259	23,033,073	4,325,091	121,900,859	(358,509)
Ending	\$ 103,225,032	\$ 5,104,080	\$ 24,205,272	\$ 4,484,218	\$ 137,018,602	\$ (941,784)
Change in net position from above					\$ 15,117,743	
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds					(290,937)	
Change in net position of business-type activities					\$ 14,826,806	

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

City of Daytona Beach, Florida
Statement of Cash Flows – Proprietary Funds
For the Year Ended September 30, 2021

	Business-Type Activities - Enterprise Funds					Governmental
	Water and Sewer System	Solid Waste Management	Stormwater Improvement	Nonmajor Enterprise	Totals	Internal Service Funds
CASH FLOWS FROM						
OPERATING ACTIVITIES:						
Receipts from customers	\$ 57,452,731	\$ 20,042,093	\$ 14,066,911	\$ 4,504,389	\$ 96,066,124	\$ 15,755,065
Other receipts	93,744	929	-	33,640	128,313	13,047
Payments to suppliers	(15,776,554)	(7,934,929)	(434,242)	(3,363,128)	(27,508,853)	(10,960,651)
Payments to employees	(12,046,869)	(281,834)	(2,700,832)	(231,544)	(15,261,079)	(5,337,493)
Payment to other funds for services provided	(6,695,967)	(2,378,185)	(1,508,364)	-	(10,582,516)	-
Net cash provided by operating activities	23,027,085	9,448,074	9,423,473	943,357	42,841,989	(530,032)
CASH FLOWS FROM NONCAPITAL						
FINANCING ACTIVITIES:						
Transfers from other funds	62,116	-	-	32,559	94,675	-
Transfers (to) other funds	(7,797,283)	(10,134,154)	(7,312,739)	(105,221)	(25,349,397)	-
Repayment of advances to other funds	650,416	-	346,702	(997,118)	-	-
Net cash provided by (used for) noncapital financing activities	(7,084,751)	(10,134,154)	(6,966,037)	(1,069,780)	(25,254,722)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Proceeds from sale of capital assets	(431,170)	-	-	-	(431,170)	16,057
Acquisition and construction of capital assets	(13,010,072)	(259,731)	(1,227,538)	(110,170)	(14,607,511)	(271,950)
Issuance of debt	15,140,831	-	-	-	15,140,831	-
Principal payments on bonds, loans, and notes	(6,222,289)	-	(335,555)	(537,000)	(7,094,844)	-
Interest payments on bonds, loans, and notes	(2,643,605)	-	(72,586)	(189,743)	(2,905,934)	-
Capital grants and contributions for purchase of capital assets	6,841,468	-	-	-	6,841,468	-
Net cash used for capital and related financing activities	(324,837)	(259,731)	(1,635,679)	(836,913)	(3,057,160)	(255,893)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Interest received	463,398	15,683	16,393	4,818	500,292	21,023
Net cash provided by investing activities	463,398	15,683	16,393	4,818	500,292	21,023
Net increase (decrease) in cash, cash equivalents, and investments	16,080,895	(930,128)	838,150	(958,518)	15,030,399	(764,902)
EQUITY IN POOLED CASH, CASH EQUIVALENTS, AND INVESTMENTS:						
Beginning	66,145,993	4,129,063	6,826,259	3,088,781	80,190,096	13,666,781
Ending	\$ 82,226,888	\$ 3,198,935	\$ 7,664,409	\$ 2,130,263	\$ 95,220,495	\$ 12,901,879
Classified as:						
Unrestricted	\$ 36,699,210	\$ 2,706,655	\$ 7,195,605	\$ 1,663,859	\$ 48,265,329	\$ 12,901,879
Restricted	45,527,678	492,280	468,804	466,404	46,955,166	-
Total	\$ 82,226,888	\$ 3,198,935	\$ 7,664,409	\$ 2,130,263	\$ 95,220,495	\$ 12,901,879

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

City of Daytona Beach, Florida
Statement of Cash Flows – Proprietary Funds (Continued)
For the Year Ended September 30, 2021

RECONCILIATION OF OPERATING
INCOME (LOSS) TO NET CASH PROVIDED
BY OPERATING ACTIVITIES:

Operating income (loss)	\$	17,431,175	\$	9,695,292	\$	8,533,223	\$	416,533	\$	36,076,223	\$	(620,357)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:												
Depreciation		9,508,028		9,542		1,157,285		524,918		11,199,773		226,116
(Increase) decrease in:												
Accounts receivable (net)		(1,950,344)		(308,857)		(151,891)		-		(2,411,092)		-
Inventory		26,308		-		-		(13,356)		12,952		(41,437)
Prepays		-		-		-		(96,349)		(96,349)		(950,072)
Advance to other funds		650,416		-		-		-		650,416		-
Deferred amount on refunding		156,659		-		-		-		156,659		-
Deferred outflow amount for pensions		361,588		10,725		80,074		13,664		466,051		169,259
Deferred outflow amount for OPEB		24,448		457		5,448		340		30,693		9,176
Increase (decrease) in:												
Accounts payable and other liabilities		(552,206)		(4,033)		(139,975)		63,091		(633,123)		1,091,789
Contracts payable		(1,650,768)		-		(8,987)		-		(1,659,755)		-
Intergovernmental payable		2,330		62		369		1,426		4,187		2,913
Insurance claims payable		-		-		-		-		-		(108,000)
Unearned revenues		-		-		184,647		34,010		218,657		-
Deposits		718,030		-		-		16,219		734,249		-
Pollution remediation obligation		-		(21,391)		-		-		(21,391)		-
Landfill closure and post-closure		-		88,563		-		-		88,563		-
Compensated absences		14,093		4,208		56,298		16,286		90,885		111,394
Other post-employment benefits		(36,850)		(688)		(8,213)		(511)		(46,262)		(13,831)
Net pension liability		(5,671,773)		(168,240)		(1,256,040)		(214,334)		(7,310,387)		(2,654,967)
Deferred inflow amount for pensions		3,992,453		142,369		970,455		181,371		5,286,648		2,246,672
Deferred inflow amount for OPEB		3,498		65		780		49		4,392		1,313
Total adjustments		5,595,910		(247,218)		890,250		526,824		6,765,766		90,325
Net cash provided by operating activities	\$	23,027,085	\$	9,448,074	\$	9,423,473	\$	943,357	\$	42,841,989	\$	(530,032)
Noncash capital and related financing activities:												
Amortization of deferred amount on refunding	\$	19,249	\$	-	\$	-	\$	10,026	\$	29,275	\$	-

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

City of Daytona Beach, Florida
Statement of Fiduciary Net Position – Fiduciary Funds
September 30, 2021

	Police and Fire Pension Trust Fund	Police Asset Custodial Fund
ASSETS:		
Cash and cash equivalents	\$ -	\$ 512,175
Investments, at fair value:		
Equities - stocks	200,878,571	-
Fixed income - bonds and notes	39,474,438	-
Receivables:		
Contributions	130,895	-
Accrued interest and dividends	41,233	-
Total assets	240,525,137	\$ 512,175
LIABILITIES:		
Accounts payable and other liabilities	519,547	512,175
Total liabilities	519,547	\$ 512,175
NET POSITION RESTRICTED FOR PENSIONS:	\$ 240,005,590	

-

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

City of Daytona Beach, Florida
Statement of Changes in Fiduciary Net Position – Fiduciary Funds
For the Year Ended September 30, 2021

	Police and Fire Pension Trust Fund
ADDITIONS:	
Contributions:	
Employer	\$ 8,661,431
Employee	1,943,936
Employer from state	1,081,810
Total contributions	11,687,177
Investment income:	
Net appreciation in fair value of investments plan investments	41,267,856
Interest and dividends	3,363,857
Class action settlement	19,455
Total investment income	44,651,168
Less: Investment expense	(1,016,932)
Net investment income	43,634,236
Total additions	55,321,413
DEDUCTIONS:	
Benefit payments	18,768,033
Refunds on member contributions	369,886
Administrative expenses	295,949
Total deductions	19,433,868
Change in net position	35,887,545
NET POSITION - beginning	204,118,045
NET POSITION - ending	\$ 240,005,590

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

Notes to the Financial Statements



Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

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

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

The City of Daytona Beach Police Officers’ and Firefighters’ Retirement System (the “Police and Fire Pension”) was established in 1959 under Subpart C and Subpart D of the City’s Code of Ordinances. The City Commission only appoints two of the five members of the governing board, but the City is financially responsible for funding the police officers’ and firefighters’ pension benefits. The Police and Fire Pension Trust Fund only exists to provide benefits to the City police officers and firefighters. It is accounted for in the Police and Fire Pension Trust fund. The Police and Fire Pension Board of Trustees issues separate financial statements on the Fund which may be obtained by writing to the City of Daytona Beach Police and Fire Pension Board, PO Box 2451, Daytona Beach, FL 32115-2451.

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2021

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

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

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

Discretely Presented Component Unit – First Step Shelter, Inc.

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

Related Organization – The Daytona Beach Housing Authority

The City Commission is responsible for appointing the members of the board for the Daytona Beach Housing Authority. The City's accountability for this organization does not extend beyond making the appointments. The board members do not serve at the discretion of the City Commission and can only be removed for just cause. The City cannot impose its will on the Daytona Beach Housing Authority and does not derive any financial benefit/burden from the relationship. Financial information related to the Daytona Beach Housing Authority is not included in these financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Description of Government-Wide Financial Statements

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

Basis of Presentation – Government-Wide Financial Statements

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

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

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

Basis of Presentation – Fund Financial Statements

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation – Fund Financial Statements (Continued)

The City reports the following major governmental funds:

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

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

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

The City reports the following major enterprise funds:

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

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

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

Additionally, the City reports the following fund types:

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

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation – Fund Financial Statements (Continued)

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

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

Measurement Focus and Basis of Accounting

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. The agency fund has no measurement focus but utilizes the *accrual basis of accounting* for reporting its assets and liabilities. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues (except entitlements) to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, other post-employment benefits, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources in governmental funds.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

Property taxes, franchise fees, utility taxes, licenses, permits, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

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

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

Budgetary Information

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Cash, Cash Equivalents, and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits, time deposits, and short-term investments with original maturities of three (3) months or less from the date of acquisition. Investments are reported at fair value, with the exception of external investments which comply with criteria set forth in Section 150: *Investment Pools (External)* of the GASB Codification and have elected to measure their investments at amortized cost. All Police and Fire Pension Trust Fund investments are stated at fair value.

Receivables and Payables

A. Interfund Receivables and Payables

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

B. Unbilled Service Receivables

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

C. Allowance for Doubtful Accounts

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

D. Unearned Revenue

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Inventories and Prepaid Items

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

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

Restricted Assets for Debt Covenants

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

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

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

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

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

Capital Assets

Capital assets, which include buildings, improvements, equipment, and infrastructure (e.g. roads, drainage improvements, sidewalks, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or greater and an estimated useful life of two (2) years or more. Infrastructure acquired prior to the implementation of GASB Statement No. 34 has been reported at estimated historical cost.

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2021

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Capital Assets (Continued)

As the City constructs or acquires additional capital assets, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their acquisition value at the date of donation. Interest incurred during the construction phase of capital assets of enterprise funds is included as part of the capitalized value of the assets constructed. As of September 30, 2021, the City had capitalized interest of \$1,058,450.

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

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

Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts and prepaid bond insurance costs are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs (excluding prepaid insurance) are reported as an expense in the period incurred.

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Compensated Absences

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

Other Post-Employment Benefits (OPEB)

Pursuant to Section 112.0801, Florida Statutes, the City is mandated to permit participation in the health insurance program by retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. The rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. The City also provides an explicit subsidy for a portion of the premium charged for dependent coverage. These benefits are provided in accordance with the vesting and retirement requirements for its employees. The City is financing the post-employee benefits on a pay-as-you-go basis. As determined by an actuarial valuation, a total OPEB liability related to the implicit and explicit subsidies is recorded in the proprietary fund and government-wide financial statements in accordance with GASB Codification P52: *Other Postemployment Benefits Other than Pensions*.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for *deferred outflows of resources*. Deferred outflows of resources represent a consumption of net assets that applies to future periods. The City has three (3) items that qualify for reporting as deferred outflows of resources; the *deferred amount on refunding*, the *deferred amount for other post-employment benefits* and the *deferred amount for pensions*. All three are reported in the government-wide and proprietary funds statements of net position. The *deferred amount on refunding* results from debt refinancing, whereby the reacquisition price of the funding debt instruments exceed their net carrying amount. The *deferred amount on refunding* is amortized over the shorter of the life of the refunded or refunding debt. The *deferred outflows on other post-employment benefits* results from classification of certain reporting adjustments per GASB Codification Section P52: *Post-employment Benefits Other than Pensions* and will be amortized for eight years. The *deferred outflows related to pensions* are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria*. The *deferred outflows related to pensions* will be recognized as either pension expense or a reduction in the net pension liability in future reporting years.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Deferred Outflows/Inflows of Resources (Continued)

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

In addition to liabilities, the statement of net position will sometimes report a separate section for *deferred inflows of resources*. Deferred inflows of resources represent an acquisition of net assets that applies to future periods and will *not* be recognized as an inflow of resources (revenue) until that time. The City has two (2) items that qualify for reporting as deferred inflows of resources, which is the *deferred amount for pensions* and the *deferred amount for other post-employment benefits*. The *deferred inflows related to pensions* are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria*. The *deferred inflows related to pensions* will be recognized as a reduction to pension expense in future reporting years. The *deferred inflows on other post-employment benefits* results from classification of certain reporting adjustments per GASB Codification Section P52: *Post-employment Benefits Other than Pensions* and will be recognized as a reduction to benefits expense in future reporting years.

Pensions and Net Pension Liability

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Pensions and Net Pension Liability (continued)

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the net position of each plan and additions to/deductions from each plan's net position have been determined on the same basis as they are reported by each plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund Balance Policies

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

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

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

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

Committed – fund balance amounts that can only be used for specific purposes pursuant to constraints imposed by ordinance of the City Commission. Those committed amounts cannot be used for any other purpose unless the City Commission removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The City has no committed fund balance at September 30, 2021.

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fund Balance Policies (Continued)

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

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

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

Net Position

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

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2021

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Net Position (Continued)

The calculation for net investment in capital assets for the governmental and business-type net position are as follows:

	Government-wide		Water and Sewer System	Solid Waste Management	Stormwater Improvement	Nonmajor Enterprise	Internal Service Funds
	Governmental Activities	Business-type Activities					
Capital assets, net	\$ 114,608,989	\$ 179,302,331	\$ 150,443,135	\$ 330,377	\$ 20,571,540	\$ 7,957,279	\$ 667,026
Capital-related accounts payable	-	(1,487,681)	(1,426,735)	-	(60,946)	-	-
Contracts (retainage) payable	(16,608)	(313,958)	(302,004)	-	(11,954)	-	-
Capital-related debt outstanding	(39,206,886)	(125,572,825)	(118,734,308)	-	(1,812,517)	(5,026,000)	-
Prepaid insurance costs - bonds	-	60,988	60,194	-	794	-	-
Deferred amounts on refunding	109,409	879,817	800,550	-	8,249	71,018	-
Unamortized bond discounts	-	-	-	-	-	-	-
Unspent capital-related debt proceeds	5,155,756	-	-	-	-	-	-
Net investment in capital assets	<u>\$ 80,650,660</u>	<u>\$ 52,868,672</u>	<u>\$ 30,840,832</u>	<u>\$ 330,377</u>	<u>\$ 18,695,166</u>	<u>\$ 3,002,297</u>	<u>\$ 667,026</u>

Net Position Flow Assumption

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

Revenues and Expenditures/Expenses

Property Taxes

Under Florida law, the assessment of all properties and the collection of all county, municipal and school district property taxes are consolidated in the offices of the Volusia County Property Appraiser and Chief Financial Officer. The laws of the state regulating tax assessment are designed to assure a consistent property valuation method statewide. State statutes permit municipalities to levy property taxes at a rate of up to ten (10) mills. The millage rate assessed by the City for operating purpose was 5.5300 mills and for debt service was 0.2543 mills for a total millage rate of 5.7843 mills for the fiscal year ended September 30, 2021.

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2021

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Expenditures/Expenses (Continued)

Property Taxes (continued)

The property tax calendar is as follows:

Valuation date..... January 1, 2020

Each taxing authority is notified of their respective valuations based on the assessment roll prepared by the property appraiser and approved by the StateJuly 1, 2020

City Commission holds two (2) required public hearings, adopts an ad valorem tax millage rate, and adopts the budget for the coming fiscal year.....September 2020

All real and tangible personal property taxes are due and payable (levy date) November 1, 2020

The County mails Notice of Taxes to property owners on the assessment roll November 2020

Taxes are paid from November 2020 through March 2021, with the following applicable discounts:

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

All unpaid taxes on real and tangible personal property become delinquent April 1, 2021

Tax certificates are sold on all parcels with unpaid real property taxes (lien date).....May 31, 2021

A court order is obtained by the County authorizing the seizure and sale of personal property if the taxpayer fails to pay the delinquent personal property taxes August 2021

Program Revenues

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Expenditures/Expenses (Continued)

Proprietary Funds Operating and Nonoperating Revenues and Expenses

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

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

Fair Value Measurement

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

Use of Estimates

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

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 30, 2022. See Note 22 for relevant disclosures. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements

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

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

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

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

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2021

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

The following funds had a deficit net position at fiscal year-end September 30, 2021.

Employment Services Fund - The Employment Services Fund had a deficit net position of \$5,598 at September 30, 2021. This deficit was a result of a restatement to the fund's beginning net position in FY 2014-15, due to the required implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which requires employers participating in cost-sharing multiple-employer defined benefit pension plans to report the employers' proportionate share of the net pension liabilities of the defined benefit pension plans. The requirements of this Statement were implemented prospectively, with the City reporting its proportionate share of the actuarially determined liabilities at October 1, 2014. On an annual basis the City calculates its internal rate structure and includes the amount required for the current pension funding. The deficit caused by implementing GASB Statement No. 68, is a long-term net pension liability and will be reduced over a significant period of time.

Consolidated Insurance Fund - The Consolidated Insurance Fund had a deficit net position of \$1,575,920 at September 30, 2021. This deficit is primarily due to increased workers compensation claims and in particular to an injured police officer who later passed away.

Note 3: DEPOSITS AND INVESTMENTS

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

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

Note 3: DEPOSITS AND INVESTMENTS (Continued)

Interest Rate Risk - Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value. The City's investment policy limits investments to those having a maturity, at the time of purchase, of less than ten (10) years. There were no investments that exceeded this maximum maturity at September 30, 2021. The City utilizes "duration" as a measurement of interest rate risk and as of September 30, 2021, the combined cash and investment portfolios had a weighted average duration of 1.92 years.

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

Custodial Credit Risk - The City's investment policy, pursuant to Section 218.415(18), Florida Statutes, requires securities, with the exception of certificates of deposit, to be held with a third-party custodian and all securities purchased by, and all collateral obtained by the City, should be properly designated as an asset of the City. The securities must be held in an account separate and apart from the assets of the financial institution. Security transactions between a broker/dealer and the custodian involving the purchase or sale of securities by transfer of money or securities must be made on a "delivery versus payment" basis, if applicable, to ensure the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction. As of September 30, 2021, the City's investment portfolios were held with a third-party custodian as required by the investment policy.

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

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

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2021

Note 3: DEPOSITS AND INVESTMENTS (Continued)

The table below shows the cash, cash equivalents, and investments including their respective durations (in years), ratings of investments held at year end, and percent allocations of each investment type in the portfolio at September 30, 2021:

Portfolio	Fair Value	Duration (Years)	Weighted Average Rating Moody's/S&P	Percent Distribution
Cash Deposits	\$ 142,007,745	-		69.62%
PFM Prime Money Market Fund	9,781,574	-		4.80%
First American Treasury Money Market Fund	330,489	-	Aaa/AAAm	0.16%
US Treasury Notes	17,635,440	2.19	Aaa/AA+	8.65%
US Instrumentalities:				
Federal Home Loan Bank	11,732,840	2.07	Aaa/AA+	5.75%
Federal Home Loan Mortgage Corporation	4,365,377	3.04	Aaa/AA+	2.14%
Federal National Mortgage Association	6,941,099	2.72	Aaa/AA+	3.40%
Federal Farm Credit Bank	5,573,459	1.56	Aaa/AA+	2.73%
Municipal Bonds:				
Florida State Board of Education	1,988,860	3.67	Aaa/AAA	0.98%
State of Wisconsin	1,493,970	3.58	Aa1/AA+	0.73%
Corporate Notes:				
Microsoft Corporation	1,006,326	0.37	Aaa/AAA	0.49%
Apple Incorporated	606,683	0.61	Aa1/AA+	0.30%
Chevron Corporation	503,855	0.42	Aa2/AA	0.25%
Total	\$ 203,967,717			100.00%

The City follows Section 150: *Investments* of the GASB Codification which establishes a framework for measuring fair value. This framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2021

Note 3: DEPOSITS AND INVESTMENTS (Continued)

The three levels of the fair value hierarchy under Section 150: *Investments* of the GASB Codification are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2: Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The City had the following fair value measurements as of September 30, 2021. At the end of fiscal year, the City did not have investments classified as Level 1 and Level 3 assets in its portfolio.

Portfolio	Fair Value	Quoted Prices in Active Markets for Identical Assets Level 2
US Treasury Notes	\$ 17,635,440	\$ 17,635,440
US Instrumentalities:		
Federal Home Loan Bank	11,732,840	11,732,840
Federal Home Loan Mortgage Corporation	4,365,377	4,365,377
Federal National Mortgage Association	6,941,099	6,941,099
Federal Farm Credit Bank	5,573,459	5,573,459
Municipal Bonds:		
Florida State Board of Education	1,988,860	1,988,860
State of Wisconsin	1,493,970	1,493,970
Corporate Notes:		
Microsoft Corporation	1,006,326	1,006,326
Apple Incorporated	606,683	606,683
Chevron Corporation	503,855	503,855
Subtotal	51,847,909	51,847,909
First American Treasury Money Market Fund	330,489	N/A
PFM Prime Money Market Fund	9,781,574	N/A
Cash Deposits	142,007,745	N/A
Total	\$ 203,967,717	\$ 51,847,909

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2021

Note 3: DEPOSITS AND INVESTMENTS (Continued)

The City has the following recurring fair value measurements as of September 30, 2021:

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

The above table summarizes the assets of the City for which fair values are determined on a recurring basis as of September 30, 2021. In accordance with GASB Codification 150: *Investments*, money market funds have not been classified in the fair value hierarchy as they are measured at net asset value (NAV). There are no unfunded commitments for money market funds and they can be redeemed daily with no redemption notice period.

Note 4: RECEIVABLES

Below is the detail of receivables, including applicable allowances for uncollectible accounts, at September 30, 2021:

Description	Receivables	(Less) Allowance for Uncollectibles	Receivables (Net)
General Fund	\$ 3,888,486	\$ 709,439	\$ 3,179,047
Redevelopment Trust	146,396	-	146,396
Nonmajor governmental funds	478,925	228,682	250,243
Total - Governmental Funds	4,513,807	938,121	3,575,686
Proprietary Funds:			
Water and Sewer System	11,616,502	1,897,390	9,719,112
Solid Waste Management	3,722,850	652,843	3,070,007
Stormwater Improvement	1,972,370	163,306	1,809,064
Total - Proprietary Funds	17,311,722	2,713,539	14,598,183
Fiduciary Funds:			
Police and Fire Pension Trust	172,128	-	172,128
Total	\$ 21,997,657	\$ 3,651,660	\$ 18,345,997

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

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2021

Note 4: RECEIVABLES (Continued)

An estimated unbilled revenue amount is recorded within the General Fund of \$155,481, Water and Sewer System Fund of \$4,635,029, Solid Waste Management Fund of \$1,698,774, and Stormwater Improvement Fund of \$1,189,212 and represents services rendered but not yet billed as of the end of the fiscal year.

Note 5: NOTES RECEIVABLE

The following is a summary of notes receivable at September 30, 2021:

Redevelopment Trust Fund - On November 19, 2009, the Daytona Beach Community Redevelopment Agency (CRA) entered into an agreement to lend Central Florida Community and Economic Development Corporation, LLC, up to \$551,000 for retail development of property located at 456 South Martin Luther King Boulevard, Daytona Beach, Florida, which is within the Midtown Redevelopment area of the City. The note is secured by a mortgage on the property. The CRA agreed to forgive a repayment of up to \$250,000 for authorized CRA expenditures under Chapter 163, Florida Statutes, and the Midtown Redevelopment Area Plan pursuant to the terms of the loan agreement. During FY 2012-13, the loan agreement was modified and as of September 30, 2013, combined payments on the indebtedness totaled \$20,846, leaving a principal balance owed to the CRA of \$280,153. This remaining principal balance shall be amortized over 57 months and repaid in equal monthly installments of \$2,083 through December 2018, at which time a balloon payment will be due in the amount of \$161,396. The remaining principal balance owed at September 30, 2021 was \$146,396, wherewith the City Manager is in negotiations to get a settlement.

Note 6: OPERATING LEASES - LESSOR

The following is a summary of the City's operating lease agreements in which the City is the lessor at September 30, 2021.

Halifax Harbor Fund - The City owns and operates a commercial plaza of approximately 39,500 square feet at the Halifax Harbor Marina through a management contract with an independent management firm. The Halifax Harbor Plaza has a mixture of retail, office, and restaurant space with a number of tenants and for varying lease periods with no period longer than five (5) years, not including lease-renewal options. Lessees pay a base rent amount plus common area maintenance fees. For the fiscal year September 30, 2021, Halifax Harbor Plaza lease revenues totaled \$251,880.

Halifax Harbor Plaza Assets:	
Building	\$ 4,617,681
Infrastructure	452,974
Equipment	276,744
Less: Accumulated depreciation	(3,236,096)
Total	\$ 2,111,303

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2021

Note 6: OPERATING LEASES – LESSOR (Continued)

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

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

For the fiscal year September 30, 2021, Daytona Beach Pier lease revenues, including percentage rent, totaled \$350,061.

Daytona Beach Pier Assets	
Building	\$ 6,136,161
Less: Accumulated depreciation	<u>(2,212,023)</u>
Total	<u>\$ 3,924,138</u>

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

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

For the fiscal year September 30, 2021, JBRP lease revenues totaled \$30,522.

Jackie Robinson Ballpark Assets	
Building	\$ 3,115,533
Infrastructure	3,804,089
Equipment	37,385
Less: Accumulated depreciation	<u>(5,146,061)</u>
Total	<u>\$ 1,810,946</u>

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2021

Note 7: INTERFUND BALANCES AND TRANSFERS

The following is a summary of interfund receivable and payable balances at September 30, 2021:

Due To/From Other Funds:

Receivable Fund	Payable Fund	Amount
General Fund	Total nonmajor governmental funds	\$ 2,694,000

\$2,694,000 represent amounts payable from the Community Development Fund, Grants Fund and the Emergency Management Grant Fund, which were needed to cover cash deficits caused by timing of receipts and grant reimbursements.

Interfund Transfers:

Description	Transfers In						
	Governmental Funds				Proprietary Funds		
	Total Transfers (Out)	General Fund	Redevelopment Trust	Capital Projects	Nonmajor Governmental Funds	Water and Sewer System	Nonmajor Enterprise Funds
Governmental Funds:							
General Fund	\$ 9,641,389	\$ -	\$ 3,022,733	\$ 6,106,015	\$ 480,082	-	\$ 32,559
Redevelopment Trust	2,794,850	-	-	-	2,794,850	-	-
Nonmajor governmental	3,208,463	2,435,881	-	-	772,582	-	-
Total - governmental funds	15,644,702	2,435,881	3,022,733	6,106,015	4,047,514	-	32,559
Proprietary Funds:							
Water and Sewer System	7,797,283	7,797,283	-	-	-	-	-
Solid Waste Management	10,134,154	10,134,154	-	-	-	-	-
Stormwater Improvement	7,312,739	7,250,623	-	-	-	62,116	-
Nonmajor Enterprise	105,221	105,221	-	-	-	-	-
Total - proprietary funds	25,349,397	25,287,281	-	-	-	62,116	-
Total	\$ 40,994,099	\$ 27,723,162	\$ 3,022,733	\$ 6,106,015	\$ 4,047,514	62,116	\$ 32,559

The transfer from the General Fund to the Redevelopment Trust Fund reflects the City's tax increment payment based on the difference in taxable values for the five (5) community redevelopment areas from the base year to 2021. Transfers from the General Fund to nonmajor Enterprise Funds were made to cover prior year deficits. Transfers were made from the Redevelopment Trust Fund to nonmajor governmental funds to meet debt service requirements. The transfers from General Fund to Capital Projects Fund were made to cover future improvements at various facilities and roadway projects. Transfers from the enterprise funds to the General Fund were primarily for payment in lieu of taxes for governmental services provided. Transfers from the nonmajor governmental funds to the General Fund represents funds from the American Rescue Plan Act (ARPA) used to subsidize eligible public health payroll to Firefighters. The transfers between the nonmajor governmental funds were to move funds to the debt service funds to provide for current year debt service and to reimburse funds for shared costs.

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2021

Note 8: CAPITAL ASSETS

Fiscal Year Activity:

Capital asset activity for the fiscal year ended September 30, 2021 was as follows:

Description	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
(Includes internal service funds)				
Capital assets, not being depreciated:				
Land	\$ 28,821,471	\$ 100,000	\$ -	\$ 28,921,471
Construction in progress	9,416,391	4,016,264	(11,214,195)	2,218,460
Total capital assets, not being depreciated	38,237,862	4,116,264	(11,214,195)	31,139,931
Capital assets, being depreciated:				
Buildings	65,154,874	-	(47,382)	65,107,492
Equipment	40,780,928	1,749,180	(1,834,794)	40,695,314
Improvements and infrastructure	85,392,904	12,592,155	(30,485)	97,954,574
Total capital assets, being depreciated	191,328,706	14,341,335	(1,912,661)	203,757,380
Less accumulated depreciation for:				
Buildings	(32,024,913)	(1,857,849)	47,382	(33,835,380)
Equipment	(30,734,136)	(2,906,160)	1,795,302	(31,844,994)
Improvements and infrastructure	(51,707,523)	(2,930,910)	30,485	(54,607,948)
Total accumulated depreciation	(114,466,572)	(7,694,919)	1,873,169	(120,288,322)
Total capital assets, being depreciated, net	76,862,134	6,646,416	(39,492)	83,469,058
Governmental activities capital assets, net	\$ 115,099,996	\$ 10,762,680	\$ (11,253,687)	\$ 114,608,989
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 6,428,187	\$ -	\$ -	\$ 6,428,187
Construction in progress	50,436,625	13,977,568	(54,323,584)	10,090,609
Total capital assets, not being depreciated	56,864,812	13,977,568	(54,323,584)	16,518,796
Capital assets, being depreciated:				
Buildings	60,734,706	4,067,096	(2,131,136)	62,670,666
Equipment	155,493,543	432,004	(4,420,191)	151,505,356
Improvements and infrastructure	129,428,218	51,079,818	(475,100)	180,032,936
Total capital assets, being depreciated	345,656,467	55,578,918	(7,026,427)	394,208,958
Less accumulated depreciation for:				
Buildings	(47,166,480)	(1,468,429)	1,955,752	(46,679,157)
Equipment	(122,313,457)	(3,527,042)	4,281,409	(121,559,090)
Improvements and infrastructure	(57,239,173)	(6,200,760)	252,757	(63,187,176)
Total accumulated depreciation	(226,719,110)	(11,196,231)	6,489,918	(231,425,423)
Total capital assets, being depreciated, net	118,937,357	44,382,687	(536,509)	162,783,535
Business-type activities capital assets, net	\$ 175,802,169	\$ 58,360,255	\$ (54,860,093)	\$ 179,302,331

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2021

Note 8: CAPITAL ASSETS (Continued)

Construction in Progress:

As of the end of the fiscal year, the City had active construction projects including improvements to utilities, roads and right-of-way, public safety and recreational facilities, and drainage systems. Following is a schedule of construction in progress at September 30, 2021.

Project Description	Project Budget	Cumulative Amount Spent
Governmental activities:		
East International Speedway Boulevard Streetscape	\$ 1,666,308	\$ 18,522
Ballough Road Redevelopment Streetscape	914,301	353,374
Halifax River Greenway Trail	4,293,471	1,052,093
Streets and Sidewalk Improvement Program	1,096,419	257,892
Park Renovations/Improvements	1,766,361	210,990
Beach Street Streetscape Improvements	1,379,516	13,827
Golf Course Equipment Purchase	737,037	294,509
Permits & License Boathouse	232,927	17,250
Total construction in progress – governmental activities	\$ 12,086,340	\$ 2,218,457
Business-type activities:		
Wastewater treatment plant facilities improvements	\$ 5,811,449	\$ 3,905,717
Bethune Point treatment plant generator	1,898,451	1,451,670
Brennan WTP Filters	6,700,000	1,014,454
Lift Station & Fore Main Replacement	2,601,640	635,899
Derbyshire neighborhood sidewalks and stormwater project	140,000	127,497
LPGA Pond #6 Weir Replacement	159,855	8,505
Restrict-Landfill Closure Cost	553,898	259,731
Emergency Reuse Bypass	79,336	51,397
Main Street Pier	120,000	110,171
Beach Street water and stormwater improvements	1,639,998	385,596
Potable water tank and pump station	550,000	517,213
CIPP Lining Rehab	1,369,473	615,945
SCADA Eval, Design & Implementation	3,200,050	287,330
Bethune WRF Process Upgrades	600,000	15,700
Utility Improvements	717,159	703,783
Total construction in progress – business-type activities	\$ 26,141,309	\$ 10,090,608

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2021

Note 8: CAPITAL ASSETS (Continued)

Depreciation Expense:

Depreciation expense was charged to individual functions and programs for the fiscal year ended September 30, 2021 as follows:

Function/Program:	Depreciation Expense
Governmental activities:	
General government	\$ 2,744,825
Public safety	2,169,477
Transportation	609,530
Culture and recreation	1,808,924
Subtotal	7,332,756
Capital assets held by internal service funds are charged to the various functions based on their usage of the assets	226,116
Transfers between funds of prior years' accumulated depreciation	136,047
Total depreciation expense – governmental activities	\$ 7,694,919
 Business-type activities:	
Water and sewer system	\$ 9,508,028
Solid waste management	9,542
Stormwater improvement	1,157,285
Halifax Harbor	278,682
Main Street Pier	246,236
Transfers between funds of prior years' accumulated depreciation	(3,542)
Total depreciation expense – business-type activities	\$ 11,196,231

Note 9: LEASES PAYABLE

Operating Leases:

Cancelable operating leases are utilized by the City for various purposes including equipment. For the year ended September 30, 2021, lease expenditures for governmental and business-type activities totaled \$697,101.

Note 9: LEASES PAYABLE (Continued)

Capital Leases – Governmental Activities:

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

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

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

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

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

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

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2021

Note 9: LEASES PAYABLE (Continued)

Capital Leases – Governmental Activities: (Continued)

Police Vehicles: Commencing May 2021, the City entered into a lease purchase agreement with Truist Bank for twenty police/patrol vehicles for a total value of \$860,198. The lease agreement qualifies as a capital lease and the General Fund is responsible for all lease payments which are due in annual installments, including interest at 1.18%, for a term of three (3) years. The future minimum lease obligation and net present value are shown in the table below.

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

Fiscal Year Ending September 30,	Fire					Total
	Lease Fire Truck	Aerial Apparatus	Pumper & Rescue Unit	E-One Pumper		
2022	\$ 86,585	\$ 91,846	\$ 84,564	\$ 50,887	\$	313,882
2023	86,585	91,846	84,564	50,887		313,882
2024	86,585	91,846	84,564	50,887		313,882
2025	-	91,846	-	50,887		142,733
2026	-	91,846	-	50,887		142,733
2027-2031	-	-	-	101,774		101,774
Total minimum lease payments	\$ 259,755	\$ 459,230	\$ 253,692	\$ 356,209	\$	1,328,886
Less: amount representing interest	(10,253)	(22,522)	(9,630)	(30,633)		(73,038)
NPV of minimum lease payments	\$ 249,502	\$ 436,708	\$ 244,062	\$ 325,576	\$	1,255,848

Fiscal Year Ending September 30,	Police		Police Patrol Vehicles	General Government Computer Equipment
	Police Prison Transports			
2022	\$ 44,121	\$	292,082	\$ 74,675
2023	-		292,082	74,675
2024	-		292,082	74,675
2025	-		-	74,675
2026	-		-	-
2027-2031	-		-	-
Total minimum lease payments	\$ 44,121	\$	876,246	\$ 298,700
Less: amount representing interest	(737)		(16,048)	(12,972)
NPV of minimum lease payments	\$ 43,384	\$	860,198	\$ 285,728

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2021

Note 10: LONG-TERM DEBT AND LIABILITIES

Bonds Payable:

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

Following is a description of bonds payable at September 30, 2021:

Description	Original Issued	Principal Outstanding at September 30, 2021	Interest Rate	Final Maturity
Governmental activities:				
General Obligation Refunding Bonds:				
Series 2012	\$ 18,810,000	\$ 9,920,000	2% - 3.375%	2029
Total - governmental activities	\$ 43,195,000	\$ 32,430,000		
Business-type activities:				
Utility System Refunding revenue Bonds:				
Series 2012	\$ 54,450,000	\$ 27,200,000	0.5% - 5%	2033
Total - business-type activities	\$ 54,450,000	\$ 27,200,000		

Capital Improvement Revenue Bonds, Series A and B – (Governmental activities)

In June 2011, the City issued Capital Improvement Revenue Bonds, Series 2011 A and B in the original amount of \$35,620,000. The Series A portion of the debt, totaling \$19,190,000, was paid off in the current year through a current refunding using new debt issued from the Capital Improvement Revenue Note, Series 2020. The Series B portion of the debt matured and was paid off in the current year.

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

On May 15, 2012, the City issued General Obligation Refunding Bonds, Series 2012 in the amount of \$18,810,000 for the purpose of refunding General Obligation Revenue Bonds, Series 2004 of \$18,560,000. The original bonds were issued to construct a new police complex. The reacquisition price exceeded the net carrying amount of the old debt by \$223,392. This amount is being shown as a deferred outflow of resources and amortized over the term of the new debt issued, which is the same as the term of the old debt. The City reduced its total debt payments over 18 years by \$2,634,350, which resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$2,090,135. The City has pledged the full faith and credit of its taxing power for the payment of principal and interest on the bonds. A liability is recorded in the governmental activities section of the government-wide statement of net position. The remaining principal balance at September 30, 2021 was \$9,920,000.

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2021

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

Bonds Payable: (Continued)

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

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

General Obligation Refunding Bonds, Series 2012				
Governmental activities				
Fiscal Year		Principal	Interest	Total
Ending				
2022	\$	1,110,000	\$ 315,713	\$ 1,425,713
2023		1,145,000	282,413	1,427,413
2024		1,175,000	248,063	1,423,063
2025		1,215,000	212,813	1,427,813
2026		1,255,000	174,844	1,429,844
2027-2031		4,020,000	272,769	4,292,769
		9,920,000	1,506,615	11,426,615
Unamortized				
Premium		110,182	-	110,182
Total	\$	10,030,182	\$ 1,506,615	\$ 11,536,797

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

On September 20, 2012, the City issued Utility Refunding and Improvement Revenue Bonds, Series 2012 in the amount of \$54,450,000. A portion of the debt was issued for the purpose of refinancing: (1) Utility System Refunding Revenue Bonds, Series 2002 A, B, and C in the amount of \$20,790,000, (2) Utility System Refunding Revenue Bonds, Series 2002 D in the amount of \$19,315,000, (3) 1997 State Revolving Fund Loan in the amount of \$10,443,543, and (4) 1999 State Revolving Fund Loan in the amount of \$3,077,285. The remaining portion of the debt of \$9,000,000 was issued to finance the cost of an automated meter reading system and software. The original bond proceeds financed the following: water, sewer, re-use and stormwater system improvements, expansion/upgrade of Westside Regional and Bethune Point wastewater treatment plants, replacement of Ridgewood Avenue sewer line, and installation of a reclaimed water main at Lincoln Avenue. The reacquisition price exceeded the net carrying amount of the old debt by \$2,084,796. This amount is being shown as a deferred outflow of resources and amortized over the term of the new debt issued, which is the same as the term of the old debt. The City reduced its total debt payments over 20 years by \$4,228,364 which resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$4,468,427. A liability is recorded in the business-type activities section of the government-wide statement of net position. The remaining principal balance at September 30, 2021 was \$27,200,000.

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2021

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

Bonds Payable: (Continued)

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

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

Utility System Refunding and Improvement Revenue Bonds, Series 2012						
Business-type activities						
Fiscal Year		Principal		Interest		Total
Ending						
2022	\$	2,865,000	\$	1,225,275	\$	4,090,275
2023		3,055,000		1,077,275		4,132,275
2024		745,000		986,000		1,731,000
2025		775,000		955,600		1,730,600
2026		2,350,000		893,100		3,243,100
2027-2031		12,070,000		2,827,300		14,897,300
2032-2036		5,340,000		270,250		5,610,250
		27,200,000		8,234,800		35,434,800
Unamortized						
Premium		2,388,456		-		2,388,456
Total	\$	29,588,456	\$	8,234,800	\$	37,823,256

Notes and Loans Payable:

Capital Improvement Refunding and Revenue Note, Series 2020 – (Governmental Activities)

On November 4, 2020, the City issued Capital Improvement Refunding and Revenue Note, Series 2020 in the amount of \$24,385,000, for the purpose of refunding the Capital Improvement Revenues Bonds, Series 2011A. The Series A portion of the refunded debt was issued for the purpose of refinancing FIFC Capital Revenue Bonds, Series 2001 C-1 of \$33,285,000, which was originally issued to finance certain public improvements benefitting the HBE and Ocean Walk prime areas. \$19,190,000 of the new Series 2020 was used to pay off Series 2011A, and the remaining \$5,195,000 is new debt to be spent on new projects. Certain tax increment revenues are pledged as security, with the City further obligating itself to budget and appropriate from non-ad valorem revenues any additional amounts necessary to make such repayment. The new note has an interest rate of 2.2%, a term of 11 years, and the refunding will provide an estimated savings of \$2,478,699. A liability is recorded in the governmental activities section of the government-wide statement of net position. The remaining principal balance at September 30, 2021 was \$22,510,000.

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2021

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

Notes and Loans Payable: (Continued)

Capital Improvement Refunding and Revenue Note, Series 2020 – (Governmental Activities) (Continued)

Annual debt service requirements to maturity for the note payable is as follows:

Capital Improvement Revenue Note, Series 2020				
Governmental activities				
Fiscal Year				
Ending	Principal	Interest	Total	
2022	\$ 2,035,000	\$ 472,835	\$ 2,509,857	
2023	2,080,000	427,570	2,509,593	
2024	2,130,000	381,260	2,513,284	
2025	2,175,000	333,905	2,510,930	
2026	2,225,000	285,505	2,512,531	
2027-2031	11,865,000	664,125	12,529,125	
	22,510,000	2,565,200	25,085,320	
Unamortized				
Premium	110,182	-	110,182	
Total	\$ 22,620,182	\$ 2,565,200	\$ 25,195,502	

Capital Improvement Revenue Note, Series 2017

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

Governmental Activities – Downtown Redevelopment Trust Fund

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

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

Notes and Loans Payable: (Continued)

Capital Improvement Revenue Note, Series 2017 (Continued)

debt payments over 11 years by \$159,385 which resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$135,129. The original proceeds were used for the Magnolia Street streetscape. Principal and interest are payable from the Downtown Redevelopment Trust Fund tax increment revenues. The City has covenanted and agreed to budget and appropriate sufficient amounts of non-ad valorem revenues to satisfy any loan payments required. This portion of the note's final maturity is November 1, 2028. A liability is recorded in the governmental activities section of the government-wide statement of net position. The remaining principal balance at September 30, 2021 was \$1,197,000.

Business-Type Activities – Water and Sewer System Fund

The City refinanced the Capital Improvement Revenue Note with a 3.54% fixed rate loan from Branch Banking & Trust Company in the amount of \$15,504,000. The reacquisition price exceeded the net carrying amount of the old debt by \$156,473. This amount is being shown as a deferred outflow of resources and amortized over the term of the new debt issued, which is the same as the term of old debt. The City reduced its total debt payments over 7 years by \$1,003,574 which resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$929,853. The original proceeds were used to finance certain water and sewer system improvements. Principal and interest are payable from water and sewer net operating revenues; additionally, the City has covenanted and agreed to budget and appropriate sufficient amounts of non-ad valorem revenues to satisfy any loan payments required. This portion of the note's final maturity is November 1, 2024. A liability is recorded in the business-type activities section of the government-wide statement of net position. The remaining principal balance at September 30, 2021 was \$9,256,000.

Business-Type Activities – Halifax Harbor Fund

The City refinanced the Capital Improvement Revenue Note with a 3.54% fixed rate loan from Branch Banking & Trust Company in the amount of \$6,583,000. The reacquisition price exceeded the net carrying amount of the old debt by \$75,936. This amount is being shown as a deferred outflow of resources and amortized over the term of the new debt issued, which is the same as the term of old debt. The City reduced its total debt payments over 11 years by \$672,873, which resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$570,700. The principal and interest on this loan are payable from marina operating revenues; additionally, the City has covenanted and agreed to budget and appropriate sufficient amounts of non-ad valorem revenues to satisfy any loan payments required. This portion of the note's final maturity is November 1, 2028. A liability is recorded in the business-type activities section of the government-wide statement of net position. The remaining principal balance at September 30, 2021 was \$5,026,000.

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

Notes and Loans Payable: (Continued)

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

On June 10, 2010, the City entered into a loan agreement with SunTrust Bank for \$9,345,000 at a fixed interest rate of 3.38% for the purpose of financing the costs of the Midtown Cultural and Educational Center, street and sidewalk enhancements located within the Midtown Redevelopment area, and street and sidewalk enhancements located outside the Midtown Redevelopment area. On October 20, 2016, an allonge to the loan agreement between the City and SunTrust Bank was executed which amended the interest rate of the series 2010 note from 3.38 percent to 2.40 percent for the remaining term. An economic gain (difference between the present values of the debt service payments on the old and new debt) of \$271,148 was realized on the transaction. Tax Cuts and Jobs Act that took effect on January 1, 2018 reduced the corporate tax rate to 21 percent from a maximum rate of 35 percent. As a result, the interest rate on the loan has changed from 2.40 percent to 2.92 percent for the remaining term. Principal and interest are payable from the Recreation/Parks/Culture Impact Fee Fund, the Midtown Redevelopment Trust Fund, and the Transportation 5-Cent Gas Tax Fund. The note's final maturity is November 1, 2024. A liability is recorded in the governmental activities section of the government-wide statement of net position. The remaining principal balance at September 30, 2021 was \$3,134,726.

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

On April 6, 2016, the City entered into loan agreement with Ameris Bank and issued Subordinate Utility System Revenue Note, Series 2016 in an amount not to exceed \$6,550,000. Interest accrued on principal amounts drawn down by the City over the initial eighteen months of the loan. Of the amount financed, the City has drawn down \$6,550,000, to be repaid over fifteen years with the first semi-annual payment due November 1, 2017 with a final maturity date of November 1, 2031. The Note has a fixed interest rate of 2.44% per annum. A final draw for \$3,730,000 was received on October 4, 2017. The debt was issued to finance the acquisition of emergency generators and plant process equipment for the City's Water and Wastewater Plants. Debt service payments are payable solely from net revenues of the City's Water and Sewer revenues. The remaining principal balance at September 30, 2021 was \$6,010,000.

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

Stormwater Improvement Fund

On October 30, 2000, the City was notified by the State of Florida, Department of Environmental Protection that the City was awarded a State Revolving Fund Clean Water loan of \$8,625,000 to be used for the construction of stormwater retention ponds and South Street storm sewer replacement. The interest rate for the authorized loan is 1.665%. Of the amount awarded, the City has drawn down \$7,167,206, to be paid semi-annually over a 20-year period ending October 15, 2022. Principal and interest are payable from stormwater operating revenues. A liability is recorded in the business-type activities section of the government-wide statement of net position. The remaining principal balance at September 30, 2021 was \$465,069 which includes capitalized interest of \$132,942.

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

Stormwater Improvement Fund (Continued)

On December 18, 2012, the City was notified by the State of Florida, Department of Environmental Protection that the City was awarded a State Revolving Fund Clean Water loan of \$1,352,754 to be used for designing Midtown redevelopment area stormwater remediation. The interest rate for the authorized loan is 1.72%. Of the amount awarded, the City has drawn down \$876,928, to be paid semi-annually over a 20-year period beginning January 15, 2016 and ending July 15, 2035. Principal and interest are payable from stormwater operating revenues. A liability is recorded in the business-type activities section of the government-wide statement of net position. The remaining principal balance at September 30, 2021 was \$607,390, which includes capitalized interest of \$33,578.

Water and Sewer System Fund

On December 18, 2012, the City was notified by the State of Florida, Department of Environmental Protection that the City was awarded a State Revolving Fund Clean Water loan of \$1,307,607 to be used for improvements to Orange Avenue and Lift Station 10 and related force main improvements. The interest rate for the authorized loan is 1.72%. During fiscal year 2013-14 the loan was amended and the City was awarded an additional \$20,555,192 at an interest rate of 2.25% to begin the construction phase. On August 30, 2018 a final amendment reduced the total amount awarded to \$20,058,061 and adjusted the semi-annual debt service payment amount. Of the amount awarded, the City has drawn down \$18,989,740, accrued \$688,526 of capitalized interest and \$379,795 in service fees. The loan will be paid semi-annually over a 20 year period beginning July 15, 2017 and ending January 15, 2037. Principal and interest are payable from water and sewer operating revenues. A liability is recorded in the business-type activities section of the government-wide statement of net position. The remaining principal balance at September 30, 2021 was \$16,009,846, which includes capitalized interest of \$688,526.

On December 11, 2013, the City was notified by the State of Florida, Department of Environmental Protection that the City was awarded a State Revolving Fund Drinking Water loan of \$2,919,239, to be used for design and construction improvements to Orange Avenue water main infrastructure. The interest rate for the authorized loan is 2.59%. During fiscal year 2013-14 the loan was amended and the City was awarded an additional \$1,621,537 at an interest rate of 2.44%. Of the amount awarded totaling \$4,540,776, the City has drawn down \$3,002,833 to be paid beginning July 15, 2017 and semiannually thereafter until all amounts due have been fully paid. Principal and interest are payable from water and sewer operating revenues. A liability is recorded in the business-type activities section of the government-wide statement of net position. The remaining principal balance at September 30, 2021 was \$2,411,820 which includes capitalized interest of \$90,661.

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

Water and Sewer System Fund (Continued)

On December 24, 2014, the City was notified by the State of Florida, Department of Environmental Protection that the City was awarded a State Revolving Fund Clean Water loan of \$1,337,266, to be used for Beach Street force main and Regional Wastewater Treatment plant improvements. The interest rate for the authorized loan is 1.99%. During fiscal year 2016-17 and fiscal year 2017-18 the loan was amended with additional awards of \$29,782,429 and \$10,173,129, respectively, authorized for disbursement at an interest rate of 0.00% percent. During 2021 and 2019 the loan was amended with an additional award of \$12,475,190 at an interest rate of 0.00% percent. Of the total amount awarded for disbursements totaling \$43,594,885, the City has drawn down \$35,926,751 to be paid beginning August 15, 2021 and semiannually thereafter until all amounts due have been fully paid. Principal and interest are payable from water and sewer operating revenues. A liability is recorded in the business-type activities section of the government-wide statement of net position. The remaining principal balance at September 30, 2021 was \$43,673,667, which includes capitalized interest of \$112,743.

On March 17, 2017, the City was notified by the State of Florida, Department of Environmental Protection that the City was awarded a State Revolving Fund Clean Water loan of \$4,253,714, to be used for the design and construction of the Halifax River Force Main. The interest rate for the authorized loan is 0.00%. Of the amount awarded totaling \$4,253,714, the City has drawn down \$3,489,307 with the first payment to be paid beginning January 15, 2019 and semiannually thereafter until all amounts due have been fully paid. Principal and interest are payable from water and sewer operating revenues. A liability is recorded in the business-type activities section of the government-wide statement of net position. The remaining principal balance at September 30, 2021 was \$3,025,229, and no capitalized interest has been incurred.

On November 25, 2019, the City was notified by the State of Florida, Department of Environmental Protection that the City was awarded a State Revolving Fund Clean Water loan of \$7,494,002, to be used for the design and construction of the Beach Street Force Main. The interest rate for the authorized loan is 0.00%. Of the amount awarded totaling \$7,494,002, the City has drawn down \$2,012,707 with the first payment to be paid beginning February 15, 2022 and semiannually thereafter until all amounts due have been fully paid. Principal and interest are payable from water and sewer operating revenues. A liability is recorded in the business-type activities section of the government-wide statement of net position. The remaining principal balance at September 30, 2021 was \$6,547,651, and no capitalized interest has been incurred.

On December 2019, the City was notified by the State of Florida, Department of Environmental Protection that the City was awarded a State Revolving Fund Clean Water loan of \$3,861,200 for the construction of the Biosolids sludge dewatering project at the Westside Regional Water Reclamation Facility. The interest rate for the authorized loan is 0.00%. Of the amount awarded totaling \$3,861,200, the City has drawn down \$2,951,697 with the first payment to be paid beginning June 15, 2022 and semiannually thereafter until all amounts due have been fully paid. Principal and interest are payable from water and sewer operating revenues. A liability is recorded in the business-type activities section of the government-wide statement of net position. The remaining principal balance at September 30, 2021 was \$2,951,697, and no capitalized interest has been incurred.

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2021

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

Annual debt service requirements to maturity for notes (excluding Series 2020 shown in a separate schedule previously) and loans payable through direct borrowings are as follows:

Fiscal Year	Notes and Loans Payable							Total
	Governmental Activities		Business-Type Activities					
	Bank Notes		Bank Notes		State Revolving Fund Loans			
Ending	Principal	Interest	Principal	Interest	Principal	Interest		
2022	\$ 876,404	\$ 133,410	\$ 2,968,000	\$ 600,518	\$ 4,175,931	\$ 689,045	\$ 9,443,308	
2023	906,997	103,055	3,029,000	496,049	4,050,714	426,944	9,012,759	
2024	938,471	71,644	3,325,000	386,609	3,917,156	399,091	9,037,971	
2025	970,854	39,146	3,391,000	272,190	3,941,735	373,292	8,988,217	
2026	152,000	19,930	1,257,000	195,613	3,966,872	346,909	5,938,324	
2027-2031	487,000	26,249	5,537,000	416,153	20,269,751	1,317,471	28,053,624	
2032-2036	-	-	785,000	19,154	20,975,502	562,715	22,342,371	
2037-2041	-	-	-	-	14,394,708	28,603	14,423,311	
Total	\$ 4,331,726	\$ 393,434	\$ 20,292,000	\$ 2,386,286	\$ 75,692,369	\$ 4,144,070	\$ 107,239,885	

Pledged Revenues:

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

Pledged Revenue	Debt Issue	Future Principal and Interest	Current Pledged Revenue	Current Principal and Interest	Current Percentage of Revenue
Impact Fees, Tax increment and 5-cent Gas Tax	Note Series 2010	\$ 3,321,462	\$ 2,956,936	\$ 821,594	28%
Tax Increment	Note Series 2020	25,075,200	-	2,252,257	0%
	Note Series 2017	1,374,053	752,622	172,639	23%
		26,449,253	752,622	2,424,896	322%
Utility System Operating Revenues	Bond Series 2012	35,434,800		4,059,275	
	Note Series 2016	6,991,612		293,423	
	Note Series 2017	10,453,000		2,350,000	
	State Revolving Fund Loans	78,669,751		1,593,660	
		131,549,163	27,166,697	8,296,358	31%
Marina Operating Revenues	Note Series 2017	5,769,506	883,788	724,425	82%
Stormwater Operating Revenues	State Revolving Fund Loans	1,166,688	11,231,171	369,430	3%
Totals		\$ 168,256,072	\$ 42,991,214	\$ 12,636,703	

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2021

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

Changes in Long-Term Debt and Liabilities:

Following is a summary of the changes in long-term debt and liabilities for the fiscal year ended September 30, 2021:

Description	Beginning Balance	Additions	Reductions	Ending Balance	Due in One Year
Governmental activities					
(Includes internal service funds):					
Bonds, loans and notes:					
Revenue bonds payable (net)	\$ 21,598,709	\$ -	\$ (21,598,709)	\$ -	\$ -
General obligation bonds	11,111,331	-	(1,081,149)	10,030,182	1,110,000
Total bonds payable (net)	32,710,040	-	(22,679,858)	10,030,182	1,110,000
Direct borrowings:					
Notes	5,179,387	24,385,000	(2,722,661)	26,841,726	2,911,404
Leases	1,979,462	860,198	(394,500)	2,445,160	686,092
Total bonds, loans and notes	39,868,889	25,245,198	(25,797,019)	39,317,068	4,707,496
Net pension liability	89,178,773	-	(42,806,786)	46,371,987	-
Insurance claims payable	9,697,000	3,032,094	(3,140,094)	9,589,000	2,195,000
Other liabilities:					
Compensated absences	7,625,523	4,349,258	(4,659,289)	7,315,492	2,350,133
Other post-employment benefits	4,900,250	151,034	(308,131)	4,743,153	-
Total other liabilities	12,525,773	4,500,292	(4,967,420)	12,058,645	2,350,133
Total - governmental activities	\$ 151,270,435	\$ 32,777,584	\$ (76,711,319)	\$ 107,336,700	\$ 9,252,629
Business-type activities					
Bonds, loans and notes:					
Revenue bonds payable (net)	\$ 32,652,409	\$ -	\$ (3,063,953)	\$ 29,588,456	\$ 2,865,000
Notes	23,196,000	-	(2,904,000)	20,292,000	2,968,000
State Revolving Fund loans	62,047,382	15,140,831	(1,495,844)	75,692,369	4,102,138
Total bonds, loans and notes	117,895,791	15,140,831	(7,463,797)	125,572,825	9,935,138
Net pension liability	12,537,024	-	(7,310,387)	5,226,637	-
Other liabilities:					
Landfill closure and post-closure	176,976	3,836	-	180,812	-
Pollution remediation	90,996	6,416	-	97,412	-
Compensated absences	1,694,268	1,148,739	(1,057,854)	1,785,153	672,230
Other post-employment benefits	1,278,768	44,477	(90,740)	1,232,505	-
Total other liabilities	3,241,008	1,203,468	(1,148,594)	3,295,882	672,230
Total - business type activities	\$ 133,673,823	\$ 16,344,299	\$ (15,922,778)	\$ 134,095,344	\$ 10,607,368

At September 30, 2021, the following long-term liabilities for internal service funds are included as part of the above totals for governmental activities: net pension liability of \$2,084,805, insurance claims payable of \$9,589,000, compensated absences of \$800,560, and other post-employment benefits of \$360,751. For governmental activities, long-term liabilities other than debt related liabilities are liquidated primarily by the General Fund and Internal Service Funds. Landfill closure, post-closure and pollution remediation costs are liquidated by the Solid Waste Fund.

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2021

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

At September 30, 2021, the balance of unamortized bond discount/premium, prepaid bond insurance costs, and deferred amount on refunding consisted of the following:

Description	Original Amount	Accumulated Amortization	Unamortized Amount
Governmental activities:			
Bond (premium)	\$ (397,534)	\$ 287,352	\$ (110,182)
Prepaid insurance costs - bonds	150,082	(150,082)	-
Deferred amount on refunding	1,237,489	(1,128,080)	109,409
Total governmental activities	\$ 990,037	\$ (990,810)	\$ (773)
Business-type activities:			
Bond (premium)	\$ (6,311,785)	\$ 3,923,329	\$ (2,388,456)
Prepaid insurance costs - bonds	209,183	(148,195)	60,988
Deferred amount on refunding	2,458,687	(1,578,870)	879,817
Total business-type activities	\$ (3,643,915)	\$ 2,196,264	\$ (1,447,651)

Note 12: RISK MANAGEMENT

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

Self-Insurance Program

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

This liability is the City's best estimate based on annual actuarial studies and does not result in an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends, and other economic and social factors. The estimated claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. At September 30, 2021, the amount of these liabilities discounted at 2.5 percent was \$9,589,000; the current portion of this amount was \$2,195,000.

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2021

Note 12: RISK MANAGEMENT (Continued)

Self-Insurance Program (Continued)

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

Fiscal Year Ending	Balance at October 1,	Current Year		Balance at September 30,
		Claims and Changes in Estimates	Claims Paid	
2021	\$ 9,697,000	\$ 3,032,094	\$ (3,140,094)	\$ 9,589,000
2020	9,720,000	2,810,409	(2,833,409)	9,697,000
2019	9,740,000	3,240,663	(3,260,663)	9,720,000

At September 30, 2021, the Consolidated Insurance Fund held cash and investments of \$9,243,374 for the purpose of funding future claims liabilities. This balance would fund 100 percent of the short term portion of claims payable and 100 percent of the total claims liability. Settled claims have not exceeded the excess insurance limits or commercial coverage in the past three fiscal years.

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

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

Note 12: RISK MANAGEMENT (Continued)

Self-Insurance Program (Continued)

Insurable real and personal properties are covered under three (3) separate insurance policies. The Landmark American Insurance Company policy covers City properties valued at \$214,381,936 for all perils other than named windstorm and earthquake with a \$49,000,000 limit of coverage. The deductible for the covered perils is \$25,000. The Preferred Governmental Insurance Trust (PGIT) policy covers selected City properties valued at \$90,803,184 for all perils including named windstorm, earthquake, and flood. Named windstorm has a 3% total insured value with a minimum \$35,000 deductible (whichever is greater) and flood has a 5% of total insured value of affected properties with a minimum \$25,000 deductible (whichever is greater). All other perils have a \$25,000 deductible. Named windstorm covers the buildings at their reported value, while flood coverage is limited to \$2,000,000 and earthquake has a limit of \$1,000,000. A third policy with Endurance American Insurance Company provides a layer of protection for the buildings insured under the Landmark policy for \$1,000,000 in named storm and additional flood coverage with a 5% deductible at each location subject to a minimum of \$250,000 per occurrence.

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

Other Insurance

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

Note 13: SOLID WASTE CLOSURE AND POST-CLOSURE CARE

The City is required by state and federal laws and regulations to place a final cover on its construction and demolition debris landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and post-closure care costs will be paid near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The landfill closure and post-closure care noncurrent liability was \$265,539 at September 30, 2021, and represents the cumulative amount reported to date based on the use of 100% of the estimated capacity of the landfill. These amounts are based on what it would cost to perform all post-closure care. The landfill accepted the last load on October 8, 2019 and is now closed. Actual cost of post-closure care may be higher due to inflation, changes in technology, or changes in laws or regulations.

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

The City is required by state and federal laws and regulations to make annual contributions to an escrow account to finance closure and post-closure care. The City is in compliance with these requirements and at September 30, 2021, investments of \$211,203 (fair value) were held for these purposes. These investments are reported as restricted assets in the Solid Waste Management Fund. Additionally, the City's solid waste contractor pays the City a host fee of a \$1 per cubic yard received into the landfill or \$60,000 per fiscal year, whichever is greater. Those amounts received are also reported as a restricted asset to be used for landfill closure and post-closure care. Cash restricted for landfill host fee revenue totaled \$281,077 at September 30, 2021.

Note 14: POLLUTION REMEDIATION

In accordance with State law, the City is currently responsible for site assessments of four (4) properties to determine if contamination exists. The properties include: 1) the former Clyde Morris landfill site, 2) the City's former police station, 3) Riverfront Park, and 4) a certain portion of Orange Avenue. The estimated cost of these assessments is \$69,605, and a noncurrent liability for pollution remediation has been recorded in the Solid Waste Management Fund. The estimated liability was based on the costs of the contractual services to be performed for remediation and assumes no unexpected change orders. Re-measurement of the liabilities is required when new information indicates changes in estimated outlays.

Note 15: COMMITMENTS AND CONTINGENCIES

A. Litigation

Various suits and claims arising in the ordinary course of the City's operations are pending against the City. The ultimate effect of such litigation cannot be ascertained at this time. Management has estimated these suits and claims to have an immaterial effect on the City's financial statements at September 30, 2021.

B. Asset Retirement Obligation

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

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2021

Note 16: TAX ABATEMENTS

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

For the fiscal year ending September 30, 2021, the City abated 2020 property taxes to eleven businesses at six locations totaling \$483,256.

Note 17: RETIREMENT PLANS

Pension Plans

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

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

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

Note 17: RETIREMENT PLANS (Continued)

Defined Benefit Pension Plans

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

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

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

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided

Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

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

Note 17: RETIREMENT PLANS (Continued)

Defined Benefit Pension Plans (Continued)

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

Contributions

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS exclusive of the DROP plan which has 0.00%. Also, there are no employee contributions to the HIS program. The employer's contribution rates are updated as of July 1 of each year. The employer contribution rates, which include the HIS rate of 1.66%, by job class for the periods from October 1, 2020 through June 30, 2021 and from July 1, 2021 through September 30, 2021, respectively, were as follows: Regular 10.00% and 10.82%; Special Risk 24.45% and 25.89%; Senior Management Service 27.29% and 29.01%; Elected Officials 49.18% and 51.42%; DROP participants 16.98% and 18.34%.

The employer's contributions for the year ended September 30, 2021, were \$2,952,974 to the FRS and \$510,619 to the HIS. Employees contributed \$782,216 to the FRS for the year ended September 30, 2021.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2021, the City reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2021, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2021. The City's proportions of the net pension liabilities were based on the City's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS		HIS	
Net Pension Liability	\$	5,660,994	\$	10,581,651
Proportionate share:				
At current measurement date		0.0749%		0.0863%
At prior measurement date		0.0672%		0.0834%
Pension expense (benefit)	\$	470,922	\$	917,679

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2021

Note 17: RETIREMENT PLANS (Continued)

Defined Benefit Pension Plans (Continued)

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

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 970,303	\$ -	\$ 354,089	\$ (4,432)
Changes of assumptions	3,873,532	-	831,481	(435,991)
Net difference between projected and actual earnings on pension plan investments	-	(19,749,784)	11,031	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,455,187	(104,095)	670,037	(11,109)
Employer contributions subsequent to the measurement date	794,059	-	128,167	-
Total	\$ 8,093,081	\$ (19,853,879)	\$ 1,994,805	\$ (451,532)

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the future reporting period ending September 30, 2022. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending September 30	FRS	HIS
2022	\$ (2,259,875)	\$ 382,079
2023	(2,636,520)	127,360
2024	(3,389,812)	254,719
2025	(4,394,200)	339,626
2026	125,550	254,719
Thereafter	-	56,603
Total	\$ (12,554,857)	\$ 1,415,106

Actuarial Assumptions

The total pension liability for both FRS and HIS plans were measured as of June 30, 2021. The FRS liability was determined by an actuarial valuation dated July 1, 2021, and the HIS liability was determined by an actuarial valuation dated July 1, 2020 rolled forward to July 1, 2021. Both valuations use the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

Note 17: RETIREMENT PLANS (Continued)

Defined Benefit Pension Plans (Continued)

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

Actuarial Assumptions (Continued)

	FRS	HIS
Inflation	2.40%	2.40%
Salary increases	3.25%	3.25%
Investment rate of return	6.80%	N/A
Municipal bond index note	N/A	2.16%
Discount rate	6.80%	2.16%

Mortality assumptions for both plans were based on the PUB-2010 base tables projected generationally with Scale MP-2018.

For both plans, the actuarial assumptions that determined the total pension liability as of June 30, 2021 were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

The following changes in key actuarial assumptions occurred in 2021:

FRS: Decrease the maximum amortization period to 20 years for all current and future amortization bases.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability decreased from 2.21% to 2.16%.

The long-term expected investment rate of return for the FRS Pension Plan was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption of 2.40%. For the FRS Pension Plan, the table below summarizes the consulting actuary's assumptions based on the long-term target asset allocation.

Note 17: RETIREMENT PLANS (Continued)

Defined Benefit Pension Plans (Continued)

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

Actuarial Assumptions (Continued)

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric)
Cash	1.0%	2.1%	2.1%
Fixed income	20.0%	3.8%	3.7%
Global equity	54.2%	8.2%	6.7%
Real estate	10.3%	7.1%	6.2%
Private equity	10.8%	11.7%	8.5%
Strategic investments	3.7%	5.7%	5.4%
	100.0%		

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.80 percent. FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Health Insurance Subsidy (HIS)

The HIS Plan is essentially funded on a pay-as-you go basis, the depletion date is considered to be immediate, and a municipal bond rate of 2.16% was used to determine the total pension liability for the program. The Bond Buyer General Obligation 20-Year Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

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

	FRS			HIS		
	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
Employer's proportionate share of the net pension liability	\$ 25,316,343	\$ 5,660,994	\$ (10,768,674)	\$ 12,233,414	\$ 10,581,651	\$ 89,221,383

Note 17: RETIREMENT PLANS (Continued)

Defined Benefit Pension Plans (Continued)

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

Pension Plans' Fiduciary Net Position

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

Police Officers and Firefighters Defined Benefit Pension Plan

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

Plan Membership: Membership in the Plan consisted of the following at October 1, 2020, the most recent actuarial valuation date:

	Plan Membership
Actives	323
Service Retirees	305
DROP Retirees	15
Beneficiaries	42
Disability Retirees	60
Terminated Vested	79
Total members	824

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

Note 17: RETIREMENT PLANS (Continued)

Defined Benefit Pension Plans (Continued)

Police Officers and Firefighters Defined Benefit Pension Plan (Continued)

Benefits Provided (Continued)

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

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

Contributions: The City Charter provides, in general, that funds are to be accumulated from employee contributions, City contributions, state appropriations and income from investments of accumulated funds. Police officers are required to contribute 10.0% of compensation and firefighters are required to contribute 9.7% of compensation. The City is required to contribute amounts necessary, on an actuarial basis, to fund the Plan's expenses. Contribution requirements to the Plan are established during the adoption of the City's annual budget. They are predicated on maintaining a level contribution to the Plan as long as the annual pension cost obligation is met or exceeded. Authority to establish and amend contribution requirements rests with the City Commission.

For the fiscal year ended September 30, 2021, total pension expense was \$1,016,748, and the City recognized as revenue, total contributions to the Plan of \$11,684,216 which consisted of the following:

	Plan Contributions	
Employer	\$	8,658,470
Member		1,913,053
State		1,081,810
Buy-Back		30,883
Total contributions	\$	11,684,216

Note 17: RETIREMENT PLANS (Continued)

Defined Benefit Pension Plans (Continued)

Police Officers and Firefighters Defined Benefit Pension Plan (Continued)

Contributions (Continued)

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

Plan Investment Policies and Allocation of Plan Investments: The Plan's investments are managed under the direction of the Police and Fire Pension Board. All investments are reported at fair value. As of September 30, 2021, the investments of the Plan were allocated as follows:

Investment	Percent of Pension Portfolio
Domestic equities	28.0%
Fixed income	24.0%
Real estate	10.0%
Alternative investments	13.0%
International equities	25.0%
Total investments	100.0%

Money-Weighted Rate of Return: The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the year ended September 30, 2021, the annual money-weighted rate of return on pension plan investments was 21.50%.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The City's net pension liability for the Plan was measured as of September 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The components of the Plan's net pension liability at September 30, 2021, along with the changes from the prior year were as follows:

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2021

Note 17: RETIREMENT PLANS (Continued)

Defined Benefit Pension Plans (Continued)

Police Officers and Firefighters Defined Benefit Pension Plan (Continued)

	Total Pension Liability (a)	Pension Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at September 30, 2020	266,098,596	203,672,067	62,426,529
Changes for the fiscal year:			
Service cost	3,349,165	-	3,349,165
Interest	19,483,277	-	19,483,277
Difference between expected and actual experience	5,353,133	-	5,353,133
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Contributions - employer	-	8,661,431	(8,661,431)
Contributions - member	-	1,913,053	(1,913,053)
Contributions - State	-	1,081,810	(1,081,810)
Contributions - Buy Back	30,883	30,883	-
Net investment income	-	43,882,251	(43,882,251)
Benefit payments, including refunds of member contributions	(19,341,470)	(19,341,470)	-
Administrative Expenses	-	(282,420)	282,420
Net change	<u>8,874,988</u>	<u>35,945,538</u>	<u>(27,070,550)</u>
Balance at September 30, 2021	<u><u>274,973,584</u></u>	<u><u>239,617,605</u></u>	<u><u>35,355,979</u></u>

Plan fiduciary net position as a percentage of the total pension liability: 87.14%

For the fiscal year ended September 30, 2021, the City recognized pension expense of \$1,016,748.

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2021

Note 17: RETIREMENT PLANS (Continued)

Defined Benefit Pension Plans (Continued)

Police Officers and Firefighters Defined Benefit Pension Plan (Continued)

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

At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions for the Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,430,708	\$ -
Changes of Assumptions	1,488,522	-
Net difference between projected and actual earnings on pension plan investments	-	27,565,804
Total	\$ 7,919,230	\$ 27,565,804

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

Fiscal Year		Deferred Outflow/Deferred (Inflow)
2022	\$	(4,089,125)
2023		(4,282,364)
2024		(5,494,190)
2025		(5,780,895)
Total	\$	(19,646,574)

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2021

Note 17: RETIREMENT PLANS (Continued)

Defined Benefit Pension Plans (Continued)

Police Officers and Firefighters Defined Benefit Pension Plan (Continued)

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

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

Valuation date	October 1, 2020
Measurement date	September 30, 2021
Actuarial cost method	Individual Entry Age Normal
Expected long-term rate of return	7.50%
Discount rate	7.50%
Municipal bond rate	N/A
Inflation	2.75%
Salary Increases	Service based
Ad-hoc cost-of-living increase	N/A
Mortality rates:	
Healthy Active Lives	Female: PubS.H-2010 (Below Median) for Employees, set forward one year. Male: PubS.H-2010 (Below Median) for Employees, set forward one year.
Healthy Retiree Lives	Female: PubS.H-2010 (Above Median) for Healthy Retirees, set forward one year. Male: PubS.H-2010 for Healthy Retirees, set forward one year.
Beneficiary Lives	Female: PubG.H-2010 for Healthy Retirees. Male: PubG.H-2010 (Above Median) for Healthy Retirees, set back one year.
Disabled	80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees
Experience study	July 30, 2020

Note 17: RETIREMENT PLANS (Continued)

Defined Benefit Pension Plans (Continued)

Police Officers and Firefighters Defined Benefit Pension Plan (Continued)

Expected Long-Term Rate of Return: The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These expected future real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2021 are summarized as follows:

Asset Class	Target Allocation	Expected Long- Term Rate of Return
Domestic equities	28.0%	4.82%
Fixed income	24.0%	2.20%
Real estate	10.0%	5.43%
Alternative investments	13.0%	7.25%
International equities	25.0%	6.49%
Total	100.0%	

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

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

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Plan net pension liability	\$ 65,943,177	\$ 35,355,979	\$ 9,816,742

Note 17: RETIREMENT PLANS (Continued)

Defined Contribution Plan:

Florida Retirement System Defined Contribution Investment Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Employees are required to contribute 3.00% of their salary. Required employer contributions made to the plan during the year ended September 30, 2021 totaled \$999,453. Employee contributions totaled \$63,095 during the same period.

ICMA-RC Deferred Compensation Defined Contribution Investment Plan

Beginning January 1, 1996 and ending April 30, 2005, the City provided pension benefits to new general employees through a defined contribution plan administered by the International City Managers Association Retirement Corporation (ICMA-RC). In a defined contribution plan, benefits depend solely on amounts contributed plus investment earnings. The authority for establishing and amending the funding policy by resolution resides with the City Commission. The City's contribution for each employee vests starting in the third year with full vesting after seven (7) years. For the fiscal year ending September 30, 2021, there were a total of 15 employees participating in the plan with a covered payroll of \$1,115,781. Employees do not contribute into this plan. The City contributed 10.82% effective July 1, 2021 of covered employees' gross wages for general employees. City contributions for the fiscal year ending September 30, 2021 totaled \$107,655.

Pension Expense Summary:

The total of the City's pension expense for the fiscal year ended September 30, 2021 is as follows:

Plan Description	Pension Expense
Defined Benefit Plans:	
FRS Pension Plan	\$ 470,922
Retiree Health Insurance Subsidy Program (HIS)	917,679
Police Officers' and Firefighters' Pension Plan	1,016,748
Total defined benefit pension expense	2,405,349
Defined Contribution Plan:	
FRS Investment Plan	999,943
ICMA Deferred Compensation Plan	107,655
Total defined contribution pension expense	1,107,598
Total Pension Expense	\$ 3,512,947

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2021

Note 18: OTHER POST-EMPLOYMENT BENEFITS (OPEB)

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

Plan Description – Pursuant to Section 112.0801, Florida Statutes, the City is required to permit participation in the single-employer benefit health insurance program (the Plan) for retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. Optional post-employment benefits are provided to all eligible individuals including lifetime medical, prescription, dental, and certain life insurance coverage. Eligible individuals include all regular employees of the City who retire from active service under a pension plan sponsored by the City. Under certain conditions eligible individuals also include spouses and dependent children. The Plan does not issue a publicly available financial report.

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

The City selected an interest discount rate of 2.29% per annum and is based on the prescribed discount interest rate methodology under GASB No. 75 based on an average of three 20-year bond indices (e.g., Bond Buyer-20 Bond GO, S&P Municipal Bond 20 Year High Grade Rate Index, Fidelity GA AA 20 Years) as of September 30, 2021. There are no separate trust funds or equivalent arrangements into which the City makes contributions to fund the OPEB obligations in advance as it does for its retiree pension plans.

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

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

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2021

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

Actuarial Assumptions and Other Inputs – The total OPEB liability in the September 30, 2021 actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

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

The actuarial assumptions for fiscal year October 1, 2019 to September 30, 2021 were based on a valuation as of October 1, 2019 and projected to year end September 30, 2021. This valuation was based on census information provided in September 2020, reflected plan costs (rates) and decrement tables (assumptions) for turnover, disability and retirement based on the prior valuation report with issue date of November 4, 2020. All assumptions are the same except for the discount rate.

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

Valuation date	October 1, 2019
Actuarial cost method	Entry Age Normal as a Level Percentage of Payroll
Discount rate	2.29%

Assumed healthcare cost trend rates:

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

At September 30, 2021 the City of Daytona Beach reported a Total OPEB liability of \$5,975,657. The GASB 75 information has been provided as of the year ended September 30, 2021.

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2021

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

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
<i>Change in Net OPEB Liability</i>			
Balance Recognized as of Beginning of Year (End of Prior Year)	\$ 6,179,017	\$ -	\$ 5,587,671
Changes Recognized for Fiscal Year			
Service Cost	58,333	-	56,359
Interest	137,178	-	139,543
Changes in Assumptions	(21,485)	-	778,161
Benefit Payments	(377,386)	-	(382,717)
Net Changes	(203,360)	-	591,346
Balance Recognized as of End Year - September 30, 2021	\$ 5,975,657	\$ -	\$ 6,179,017

The liability decrease is due to changes in the discount rate from 2.26% to 2.29% as prescribed under GASB 75, as well as changes in employee demographics (e.g., higher percentage of dependents, increase in number of actives, etc.) since the prior valuation.

Sensitivity of the Total OPEB Liability – The following table represents the City’s total OPEB liability calculated using the discount rate of 2.29%, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower and one percentage point higher than the current rate.

	1% Decrease (1.29%)	Current Discount Rate (2.29%)	1% Increase (3.29%)
Total OPEB Liability	\$ 6,707,690	\$ 5,975,657	\$ 5,391,995

The following table represents the City’s total OPEB liability calculated using the health care cost trend rate of 7.00%, as well as what the City’s total OPEB liability would be if it were calculated using a health care cost trend rate that is one percentage point lower, 6.00%, or one percentage point higher, 8.00%, than the current rate.

	1% Decrease (6.00%)	Trend Rate (7.00%)	1% Increase (8.00%)
Total OPEB Liability	\$ 5,325,764	\$ 5,975,657	\$ 6,748,797

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2021

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

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

For the fiscal year ended September 30, 2021, the City of Daytona Beach recognized an OPEB expense of \$327,885. Deferred Inflows/Outflows of Resources reflects amounts resulting from experience gains/losses that have not been recognized in the current OPEB expense calculations, but will be potentially reflected in future years.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ -	\$ 21,485
Total	\$ -	\$ 21,485

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

Fiscal Year	Deferred Outflow
2022	\$ 132,374
2023	132,374
2024	132,374
2025	132,374
2026	132,374
Thereafter	146,573
Total	\$ 808,443

Note 19: UNION AGREEMENTS

On December 5, 1991, the Florida Public Employees Relations Commission certified the International Association of Firefighters Union Local 1162 (IAFF) as the bargaining agent to represent firefighters, driver engineers, fire lieutenants and fire mechanics. On September 22, 2021, the parties ratified a two-year successor collective bargaining agreement that will expire September 30, 2023.

On November 6, 2015, the Florida Public Employees Relations Commission certified the Coastal Florida PBA as the bargaining agent to represent full-time police officers and police sergeants. On September 22, 2021, the parties ratified a two-year successor collective bargaining agreement that will expire September 30, 2023.

Note 19: UNION AGREEMENTS (Continued)

On November 23, 2010, the Florida Public Employees Relations Commission certified the Florida State Lodge, Fraternal Order of Police, Inc. as the bargaining agent to represent full-time police lieutenants. On September 22, 2021, the parties ratified a two-year successor collective bargaining agreement that will expire September 30, 2023.

On April 27, 1995, the Florida Public Employees Relations Commission certified the American Federation of State, County and Municipal Employees (AFSCME) Council 79 as the bargaining agent to represent most general employees not represented by the other unions or classified as managerial, confidential, supervisory, professional, or temporary/seasonal. On September 22, 2021, the parties ratified a two-year successor collective bargaining agreement that will expire September 30, 2023.

Note 20: ASSET RETIREMENT OBLIGATIONS

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

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

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

The City has determined the fair value of the liability for disposal of these items is immaterial at September 30, 2021 and, accordingly, has not recorded an asset retirement obligation for this matter.

Note 21: UNCERTAINTIES

In March 2020, the World Health Organization made the assessment that the outbreak of the novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the ongoing operating activities and the future results of the City. The occurrence and extent of such an impact will depend on future developments, including (i) the and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain as of the date of this report.

Note 22: SUBSEQUENT EVENTS

Land Acquisition

On May 26, 2022, the City purchased the property commonly known as the Corbin Building at 777 Main Street for \$3,100,000. The property was purchased using Main Street Community Redevelopment Agency funds and is located adjacent to the city-owned Peabody Theater and across the street from the county-owned Ocean Center Convention Complex.

Capital Lease

On April 29, 2022, the City executed a capital lease for public safety radio equipment and vehicles in the amount of \$1,400,500. The payments are payable annually through April 29, 2027 with an annual rate of interest equal to 2.050 percent. The lease agreement qualifies as a capital lease and the General Fund is responsible for all lease payments.

Required Supplementary Information



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

		Florida Retirement System Pension Plan						
		Plan Sponsor Measurement Date June 30						
		2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability		0.0749%	0.0672%	0.0657%	0.0639%	0.0652%	0.0650%	0.0669%
Proportionate share of the net pension liability	\$	5,661	\$ 29,106	\$ 22,617	\$ 19,239	\$ 19,280	\$ 16,413	\$ 8,639
* Covered payroll	\$	30,905	\$ 29,703	\$ 27,296	\$ 26,370	\$ 24,762	\$ 23,934	\$ 22,672
Proportionate share of the net pension liability as a percentage of covered payroll		18%	98%	83%	73%	78%	69%	38%
Plan fiduciary net position as a percentage of the total pension liability		96%	79%	83%	84%	84%	85%	92%
		Health Insurance Subsidy Program						
		Plan Sponsor Measurement Date June 30						
		2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability		0.0863%	0.0834%	0.0811%	0.0792%	0.0794%	0.0771%	0.0746%
Proportionate share of the net pension liability	\$	10,582	\$ 10,183	\$ 9,075	\$ 8,379	\$ 8,489	\$ 8,989	\$ 7,612
* Covered payroll	\$	30,905	\$ 29,703	\$ 27,296	\$ 26,370	\$ 24,762	\$ 23,934	\$ 22,672
Proportionate share of the net pension liability as a percentage of covered payroll		34%	34%	33%	32%	34%	38%	34%
Plan fiduciary net position as a percentage of the total pension liability		3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

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

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

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

Florida Retirement System Pension Plan

City Year Ended September 30

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 2,953	\$ 2,396	\$ 2,061	\$ 1,820	\$ 1,697	\$ 1,662	\$ 1,609
Contributions in relation to the contractually required contribution	(2,953)	(2,396)	(2,061)	(1,820)	(1,697)	(1,662)	(1,609)
Contribution deficiency (excess)	-	-	-	\$ -	\$ -	\$ -	\$ -
* Covered payroll	\$ 31,003	\$ 29,868	\$ 27,271	\$ 26,319	\$ 25,673	\$ 24,608	\$ 22,845
Contributions as a percentage of covered payroll	9.52%	8.02%	7.56%	6.92%	6.61%	6.76%	7.04%

Health Insurance Subsidy Program

City Year Ended September 30

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 511	\$ 491	\$ 452	\$ 429	\$ 420	\$ 405	\$ 310
Contributions in relation to the contractually required contribution	(511)	(491)	(452)	(429)	(420)	(405)	(310)
Contribution deficiency (excess)	-	-	-	\$ -	\$ -	\$ -	\$ -
* Covered payroll	\$ 31,003	\$ 29,868	\$ 27,271	\$ 26,319	\$ 25,673	\$ 24,608	\$ 22,845
Contributions as a percentage of covered payroll	1.65%	1.64%	1.66%	1.63%	1.64%	1.65%	1.36%

Note: The City implemented GASB No. 68 for the fiscal year ended September 30, 2015, including a restatement as of September 30, 2014. Information for prior years available.

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

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

	2021	2020	2019	2018	2017	2016	2015
Total pension liability							
Service cost	\$ 3,349	\$ 3,513	\$ 3,381	\$ 3,316	\$ 3,105	\$ 3,060	\$ 3,107
Interest	19,483	18,768	18,337	18,050	16,816	16,282	15,930
Changes of benefit terms	-	-	(30)	-	-	-	-
Differences between expected and actual experience	5,353	3,488	1,292	(1,580)	4,300	2,424	(208)
Changes of assumptions	-	2,481	-	-	6,834	-	-
Contributions - Buy Back	31	28	33	39	-	-	-
Benefit payments, including refunds of employee contributions	(19,341)	(17,819)	(17,026)	(15,054)	(14,573)	(14,783)	(13,418)
Net change in total pension liability	8,875	10,459	5,987	4,771	16,482	6,983	5,411
Total pension liability-beginning	266,099	255,640	249,653	244,882	228,400	221,417	216,006
Total pension liability-ending (a)	\$ 274,974	\$ 266,099	\$ 255,640	\$ 249,653	\$ 244,882	\$ 228,400	\$ 221,417
Plan fiduciary net position							
Contributions-employer	\$ 8,661	\$ 8,110	\$ 8,021	\$ 7,794	\$ 6,709	\$ 6,102	\$ 6,524
Contributions-member	1,913	1,860	1,757	1,677	1,643	1,612	1,601
Contributions-state	1,082	1,059	984	937	813	904	706
Contributions - Buy Back	31	28	33	39	-	-	-
Net investment income	43,882	24,899	7,557	13,601	15,868	11,893	(4,438)
Benefit payments, including refunds of employee contributions	(19,341)	(17,819)	(17,026)	(15,054)	(14,572)	(14,783)	(13,418)
Administrative expense	(282)	(293)	(315)	(382)	(213)	(229)	(224)
Other	-	-	-	1,010	(85)	47	(821)
Net change in plan fiduciary net position	35,946	17,844	1,011	9,622	10,163	5,546	(10,070)
Plan fiduciary net position-beginning	203,672	185,828	184,817	175,195	165,032	159,486	169,556
Plan fiduciary net position-ending (b)	\$ 239,618	\$ 203,672	\$ 185,828	\$ 184,817	\$ 175,195	\$ 165,032	\$ 159,486
Net pension liability-ending (a) - (b)	\$ 35,356	\$ 62,427	\$ 69,812	\$ 64,836	\$ 69,687	\$ 63,368	\$ 61,931
Plan fiduciary net position as a percentage of the total pension liability	87%	77%	73%	74%	72%	72%	72%
* Covered payroll	\$ 19,451	\$ 18,764	\$ 16,843	\$ 16,917	\$ 16,114	\$ 15,578	\$ 15,553
City's net pension liability as a percentage of covered payroll	182%	333%	414%	383%	432%	407%	398%

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 9,740	\$ 9,322	\$ 8,869	\$ 8,685	\$ 7,522	\$ 7,005	\$ 7,230	\$ 8,115	\$ 8,005	\$ 7,907
Contributions in relation to the actuarially determined contribution	9,743	9,169	9,005	8,732	7,522	7,005	7,230	8,115	8,005	7,907
Contribution deficiency (excess)	\$ (3)	\$ 153	\$ (136)	\$ (47)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
* Covered payroll	\$ 19,451	\$ 18,764	\$ 16,843	\$ 16,917	\$ 16,114	\$ 15,578	\$ 15,553	\$ 15,027	\$ 15,139	\$ 15,425
Contributions as a percentage of covered payroll	50%	49%	53%	52%	47%	45%	46%	54%	53%	51%

Notes to Schedule

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal cost method.
Amortization method	New UAAL amortization bases are amortized over 15 years
Remaining amortization period	Bases previously established after October 1, 2004 and prior to October 1, 2013 are re-amortized over the remainder of a 30-year period from establishment (as approved by the State).
Asset valuation method	All assets are valued at market value with an adjustment to uniformly spread actuarial investment gains and losses
Inflation	#
Investment rate of return	7.50% net of pension plan investment expense, including inflation.
Salary increases	Seniority/merit scale using the following representative rates:

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

Retirement rates Annual retirement rates are as follows:

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

At age 60, retirement rate is 100%

Mortality:

Healthy Female-PubS.H-2010 (Below Median) for employees, set forward one year.
Male-PubS.H-2010 (Below Median) for employees, set forward one year.

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

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

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

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

	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Total OPEB liability				
Service cost	\$ 58,333	\$ 56,359	\$ 29,453	\$ 26,485
Interest cost	137,178	139,543	174,342	215,674
Changes in benefit terms	-	-	-	-
Difference between expected and actual experience	-	-	-	-
Changes in assumptions	(21,485)	778,161	361,885	-
Benefit payments	(377,386)	(382,717)	(480,122)	(540,288)
Net change in total OPEB liability	(203,360)	591,346	85,558	(298,129)
Total OPEB liability - beginning	6,179,017	5,587,671	5,502,113	5,800,242
Total OPEB liability - ending (a)	\$ 5,975,657	\$ 6,179,017	\$ 5,587,671	\$ 5,502,113
Plan fiduciary net position				
Contributions - employer	\$ 377,386	\$ 382,717	\$ 480,122	\$ 540,288
Contributions - employee	-	-	-	-
Net investment income	-	-	-	-
Benefit payments	(377,386)	(382,717)	(480,122)	(540,288)
Administrative expense	-	-	-	-
Net change in plan fiduciary net position	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-
Plan fiduciary net position - ending (b)	\$ -	\$ -	\$ -	\$ -
Total OPEB liability - ending (a) - (b)	\$ 5,975,657	\$ 6,179,017	\$ 5,587,671	\$ 5,502,113
Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%	0.00%	0.00%
Covered employee payroll	\$ 46,129,977	\$ 46,129,977	\$ 41,723,453	\$ 41,723,453
Total OPEB liability as a percentage of covered employee payroll	12.95%	13.39%	13.39%	13.19%

Changes in benefit terms: None

Changes in assumptions: Discount interest rate based on an average of three 20-year bond indices (e.g., Bond Buyer-20 Bond GO, S&P Municipal Bond 20 Year High Grade Rate Index, Fidelity GA AA 20 years) as of September 30, 2021.

The following are the discount rates used in each period:

10/1/2017	3.50%
10/1/2018	3.90%
10/1/2019	3.10%
10/1/2020	2.26%
10/1/2021	2.29%

Note: There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.



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Combining and Individual Fund Statements & Schedules



City of Daytona Beach, Florida Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

Special Revenue Funds (Continued)

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

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

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

Coronavirus Relief Fund – This fund was established to track funds received from the American Rescue Plan Act (ARPA).

Debt Service Funds

Capital Improvement Revenue Bonds – This fund accounts for the debt service activity related to the Capital Improvement Revenue Bond, Series 2011A, which was refunded in the current year by the Capital Improvement Refunding and Revenue Note, Series 2020. It also accounts for the Series 2011B bond that matured and was paid off in the current year.

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

Capital Improvement Revenue Notes – This fund accounts for the debt service activity related to the Capital Improvement Revenue Note, Series 2017 for the Downtown Redevelopment Trust Fund that was used to pay off the Capital Improvement Revenue Note, Series 2009. It also accounts for the activity related to the Capital Improvement Revenue Note, Series 2010. Additionally, it accounts for the activity related to the Capital Improvement Refunding and Revenue Note, Series 2020 for the Main Street Redevelopment Trust Fund that was used to pay off the Capital Improvement Revenue Bond, Series 2011A.

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

City of Daytona Beach, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2021

	Special Revenue Funds				
	Community Development	Local Housing Assistance	Law Enforcement Trust	Federal Shared Property Forfeitures	Transportation 5-Cent Gas Tax
ASSETS:					
Equity in pooled cash, cash equivalents, and investments	\$ 258,560	\$ 406,736	\$ 304,741	\$ 85,254	\$ 474,231
Receivables(net):					
Accounts	-	-	-	-	-
Taxes	-	-	-	-	-
Intergovernmental receivable	1,610,367	-	-	-	130,306
Restricted equity in pooled cash, cash equivalents, and investments	-	-	-	-	-
Total assets	\$ 1,868,927	\$ 406,736	\$ 304,741	\$ 85,254	\$ 604,537
LIABILITIES:					
Accounts payable and other liabilities	\$ 13,295	\$ -	\$ -	\$ -	\$ -
Contracts payable	-	-	-	-	-
Due to other funds	1,395,000	-	-	-	-
Intergovernmental payable	404	-	-	-	-
Deposits	2,172	-	-	-	-
Unearned revenue	-	359,754	-	-	-
Total liabilities	1,410,871	359,754	-	-	-
FUND BALANCES:					
Restricted:					
Debt covenants	-	-	-	-	-
General government	-	-	-	-	-
Public safety	-	-	304,741	85,254	-
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	604,537
Economic environment	458,056	46,982	-	-	-
Human services	-	-	-	-	-
Cultural and recreation	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	458,056	46,982	304,741	85,254	604,537
Total liabilities and fund balances	\$ 1,868,927	\$ 406,736	\$ 304,741	\$ 85,254	\$ 604,537

City of Daytona Beach, Florida
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
September 30, 2021

Special Revenue Funds

	Permit and License	Road Impact Fees	Recreation/ Parks/Culture Impact Fees	Fire/EMS Impact Fees	Police Impact Fees
ASSETS:					
Equity in pooled cash, cash equivalents, and investments	\$ 12,880,051	\$ 2,368,812	\$ 5,625,757	\$ 842,461	\$ 2,101,368
Receivables(net):					
Accounts	217,885	-	-	-	-
Taxes	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-
Restricted equity in pooled cash, cash equivalents, and investments	-	-	-	-	-
Total assets	\$ 13,097,936	\$ 2,368,812	\$ 5,625,757	\$ 842,461	\$ 2,101,368
LIABILITIES:					
Accounts payable and other liabilities	\$ 80,541	\$ -	\$ 104,463	\$ -	\$ -
Contracts payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Intergovernmental payable	4,108	-	-	-	-
Deposits	-	-	-	-	-
Unearned revenue	570,134	-	-	-	-
Total liabilities	654,783	-	104,463	-	-
FUND BALANCES:					
Restricted:					
Debt covenants	-	-	-	-	-
General government	-	-	-	-	-
Public safety	12,443,153	-	-	842,461	2,101,368
Physical environment	-	-	-	-	-
Transportation	-	2,368,812	-	-	-
Economic environment	-	-	-	-	-
Human services	-	-	-	-	-
Cultural and recreation	-	-	5,521,294	-	-
Unassigned	-	-	-	-	-
Total fund balances	12,443,153	2,368,812	5,521,294	842,461	2,101,368
Total liabilities and fund balances	\$ 13,097,936	\$ 2,368,812	\$ 5,625,757	\$ 842,461	\$ 2,101,368

City of Daytona Beach, Florida
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
September 30, 2021

	Special Revenue Funds					Total Special Revenue Funds
	General Government Impact Fees	Grants	Public Assistance Services	Emergency Management Grants	COVID Local Fiscal Recovery	
ASSETS:						
Equity in pooled cash, cash equivalents, and investments	\$ 7,436,508	\$ 927,831	\$ -	\$ 232	\$ 5,017,902	\$ 38,730,444
Receivables(net):						
Accounts	-	21,762	-	-	-	239,647
Taxes	-	-	-	-	-	-
Intergovernmental receivable	-	578,932	-	2,402,603	-	4,722,208
Restricted equity in pooled cash, cash equivalents, and investments	-	-	-	-	-	-
Total assets	\$ 7,436,508	\$ 1,528,525	\$ -	\$ 2,402,835	\$ 5,017,902	\$ 43,692,299
LIABILITIES:						
Accounts payable and other liabilities	\$ -	\$ 212,680	\$ -	\$ -	\$ -	410,979
Contracts payable	-	38	-	-	-	38
Due to other funds	-	277,000	-	1,022,000	-	2,694,000
Intergovernmental payable	-	-	-	-	-	4,512
Deposits	-	-	-	-	-	2,172
Unearned revenue	-	1,038,807	-	-	5,017,902	6,986,597
Total liabilities	-	1,528,525	-	1,022,000	5,017,902	10,098,298
FUND BALANCES:						
Restricted:						
Debt covenants	-	-	-	-	-	-
General government	7,436,508	-	-	-	-	7,436,508
Public safety	-	-	-	-	-	15,776,977
Physical environment	-	-	-	1,380,835	-	1,380,835
Transportation	-	-	-	-	-	2,973,349
Economic environment	-	-	-	-	-	505,038
Human services	-	-	-	-	-	-
Cultural and recreation	-	-	-	-	-	5,521,294
Unassigned	-	-	-	-	-	-
Total fund balances	7,436,508	-	-	1,380,835	-	33,594,001
Total liabilities and fund balances	\$ 7,436,508	\$ 1,528,525	\$ -	\$ 2,402,835	\$ 5,017,902	\$ 43,692,299

City of Daytona Beach, Florida
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
September 30, 2021

	Debt Service Funds									
	Capital		General		Capital		Capital		Total	
	Improvement	Revenue Bonds	Obligation	Refunding Bonds	Improvement	Revenue Notes	Capital	Financing	Debt	
									Service	
									Funds	
ASSETS:										
Equity in pooled cash, cash equivalents, and investments	\$	-	\$	-	\$	-	\$	-	\$	-
Receivables(net):										
Accounts		-		-		-		-		-
Taxes		-		10,596		-		-		10,596
Intergovernmental receivable		-		-		-		-		-
Restricted equity in pooled cash, cash equivalents, and investments		-		491,916		111,981		71,541		675,438
Total assets	\$	-	\$	502,512	\$	111,981	\$	71,541	\$	686,034
LIABILITIES:										
Accounts payable and other liabilities	\$	-	\$	-	\$	-	\$	-	\$	-
Contracts payable		-		-		-		-		-
Due to other funds		-		-		-		-		-
Intergovernmental payable		-		-		-		-		-
Deposits		-		-		-		-		-
Unearned revenue		-		-		-		-		-
Total liabilities		-		-		-		-		-
FUND BALANCES:										
Restricted:										
Debt covenants		-		502,512		111,981		71,541		686,034
General government		-		-		-		-		-
Public safety		-		-		-		-		-
Physical environment		-		-		-		-		-
Transportation		-		-		-		-		-
Economic environment		-		-		-		-		-
Human services		-		-		-		-		-
Cultural and recreation		-		-		-		-		-
Unassigned		-		-		-		-		-
Total fund balances		-		502,512		111,981		71,541		686,034
Total liabilities and fund balances	\$	-	\$	502,512	\$	111,981	\$	71,541	\$	686,034

City of Daytona Beach, Florida
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
September 30, 2021

		Total Nonmajor Governmental Funds
ASSETS:		
Equity in pooled cash, cash equivalents, and investments	\$	38,730,444
Receivables(net):		
Accounts		239,647
Taxes		10,596
Intergovernmental receivable		4,722,208
Restricted equity in pooled cash, cash equivalents, and investments		675,438
Total assets	\$	44,378,333
LIABILITIES:		
Accounts payable and other liabilities	\$	410,979
Contracts payable		38
Due to other funds		2,694,000
Intergovernmental payable		4,512
Deposits		2,172
Unearned revenue		6,986,597
Total liabilities		10,098,298
FUND BALANCES:		
Restricted:		
Debt covenants		686,034
General government		7,436,508
Public safety		15,776,977
Physical environment		1,380,835
Transportation		2,973,349
Economic environment		505,038
Human services		-
Cultural and recreation		5,521,294
Unassigned		-
Total fund balances		34,280,035
Total liabilities and fund balances	\$	44,378,333

City of Daytona Beach, Florida
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2021

	Special Revenue Funds				
	Community	Local	Law	Federal	Transportation
	Development	Housing Assistance	Enforcement Trust	Shared Property Forfeitures	5-Cent Gas Tax
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 831,579
Licenses and permits	-	-	-	-	-
Intergovernmental	2,770,600	6,862	-	38,249	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	35,552	-	-
Special assessments/impact fees	-	-	-	-	-
Income on investments	807	486	517	119	860
Miscellaneous	-	27,059	-	-	-
Total revenues	2,771,407	34,407	36,069	38,368	832,439
EXPENDITURES:					
Current operating:					
General government	-	-	-	-	-
Public safety	-	-	39,741	21,303	-
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	560,886
Economic environment	2,947,170	31,966	-	-	-
Human services	-	-	-	-	-
Cultural and recreation	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	2,947,170	31,966	39,741	21,303	560,886
Excess (deficiency) of revenues over (under) expenditures	(175,763)	2,441	(3,672)	17,065	271,553
OTHER FINANCING					
SOURCES (USES):					
Payment to refunded note escrow age	-	-	-	-	-
Issuance of debt	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers (out)	-	-	-	-	(344,872)
Total other financing sources (uses)	-	-	-	-	(344,872)
Net change in fund balances	(175,763)	2,441	(3,672)	17,065	(73,319)
FUND BALANCES:					
Beginning	633,819	44,541	308,413	68,189	677,856
Ending	\$ 458,056	\$ 46,982	\$ 304,741	\$ 85,254	\$ 604,537

City of Daytona Beach, Florida
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
(Continued)
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2021

Special Revenue Funds					
	Permit and License	Road Impact Fees	Recreation/ Parks/Culture Impact Fees	Fire/EMS Impact Fees	Police Impact Fees
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	5,452,948	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	489,875	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Special assessments/impact fees	-	714,278	2,592,332	459,195	769,798
Income on investments	31,379	3,268	7,759	1,040	2,884
Miscellaneous	275,138	-	-	-	-
Total revenues	6,249,340	717,546	2,600,091	460,235	772,682
EXPENDITURES:					
Current operating:					
General government	38,335	-	-	-	-
Public safety	3,627,430	-	-	-	8,180
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	-	-	-
Human services	-	-	-	-	-
Cultural and recreation	-	-	-	-	-
Capital outlay	103,027	18,928	809,961	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	3,768,792	18,928	809,961	-	8,180
Excess (deficiency) of revenues over (under) expenditures	2,480,548	698,618	1,790,130	460,235	764,502
OTHER FINANCING SOURCES (USES):					
Payment to refunded note escrow agent	-	-	-	-	-
Issuance of debt	-	-	-	-	-
Transfers in	-	72,476	-	-	-
Transfers (out)	-	-	(264,697)	-	-
Total other financing sources (uses)	-	72,476	(264,697)	-	-
Net change in fund balances	2,480,548	771,094	1,525,433	460,235	764,502
FUND BALANCES:					
Beginning	9,962,605	1,597,718	3,995,861	382,226	1,336,866
Ending	\$ 12,443,153	\$ 2,368,812	\$ 5,521,294	\$ 842,461	\$ 2,101,368

City of Daytona Beach, Florida
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
(Continued)
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2021

	Special Revenue Funds					Total Special Revenue Funds
	General Government		Public Assistance Services	Emergency Management Grants	COVID Local Fiscal Recovery	
	Impact Fees	Grants				
REVENUES:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 831,579
Licenses and permits	-	-	-	-	-	5,452,948
Intergovernmental	-	1,186,625	-	1,103,030	2,487,370	7,592,736
Charges for services	-	-	-	-	-	489,875
Fines and forfeitures	-	-	-	-	-	35,552
Special assessments/impact fees	1,403,225	-	-	-	-	5,938,828
Income on investments	11,190	-	-	-	-	60,309
Miscellaneous	-	835,205	-	-	-	1,137,402
Total revenues	1,414,415	2,021,830	-	1,103,030	2,487,370	21,539,229
EXPENDITURES:						
Current operating:						
General government	-	-	-	-	-	38,335
Public safety	-	299,176	-	-	-	3,995,830
Physical environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	560,886
Economic environment	-	-	-	-	56,882	3,036,018
Human services	-	256,830	157	-	-	256,987
Cultural and recreation	-	55,328	-	-	-	55,328
Capital outlay	-	1,232,342	-	5,828	-	2,170,086
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	-	1,843,676	157	5,828	56,882	10,113,470
Excess (deficiency) of revenues over						
(under) expenditures	1,414,415	178,154	(157)	1,097,202	2,430,488	11,425,759
OTHER FINANCING						
SOURCES (USES):						
Payment to refunded note escrow agent	-	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-
Transfers in	-	-	-	46,903	-	119,379
Transfers (out)	-	(77,869)	-	-	(2,430,488)	(3,117,926)
Total other financing sources (uses)	-	(77,869)	-	46,903	(2,430,488)	(2,998,547)
Net change in fund balances	1,414,415	100,285	(157)	1,144,105	-	8,427,212
FUND BALANCES:						
Beginning	6,022,093	(100,285)	157	236,730	-	25,166,789
Ending	\$ 7,436,508	\$ -	\$ -	\$ 1,380,835	\$ -	\$ 33,594,001

City of Daytona Beach, Florida
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
(Continued)
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2021

	Debt Service Funds					Total Debt Service Funds
	Capital Improvement Revenue Bonds	General Obligation Refunding Bonds	Capital Improvement Revenue Notes	Capital Financing		
REVENUES:						
Taxes	\$ -	\$ 1,447,801	\$ -	\$ -	\$ -	\$ 1,447,801
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Special assessments/impact fees	-	-	-	-	-	-
Income on investments	379	1,960	5,052	234	-	7,625
Miscellaneous	-	-	-	-	-	-
Total revenues	379	1,449,761	5,052	234	-	1,455,426
EXPENDITURES:						
Current operating:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Physical environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Human services	-	-	-	-	-	-
Cultural and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	2,325,000	1,075,000	2,722,661	394,500	-	6,517,161
Interest and fiscal charges	551,190	348,291	523,827	38,680	-	1,461,988
Total expenditures	2,876,190	1,423,291	3,246,488	433,180	-	7,979,149
Excess (deficiency) of revenues over						
(under) expenditures	(2,875,811)	26,470	(3,241,436)	(432,946)	-	(6,523,723)
OTHER FINANCING						
SOURCES (USES):						
Payment to refunded note escrow agent	(19,190,000)	-	-	-	-	(19,190,000)
Issuance of debt	19,190,000	-	-	-	-	19,190,000
Transfers in	252,362	-	3,242,594	433,179	-	3,928,135
Transfers (out)	(90,537)	-	-	-	-	(90,537)
Total other financing sources (uses)	161,825	-	3,242,594	433,179	-	3,837,598
Net change in fund balances	(2,713,986)	26,470	1,158	233	-	(2,686,125)
FUND BALANCES:						
Beginning	2,713,986	476,042	110,823	71,308	-	3,372,159
Ending	\$ -	\$ 502,512	\$ 111,981	\$ 71,541	\$ -	\$ 686,034

City of Daytona Beach, Florida
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
(Continued)
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2021

		Total Nonmajor Governmental Funds
REVENUES:		
Taxes	\$	2,279,380
Licenses and permits		5,452,948
Intergovernmental		7,592,736
Charges for services		489,875
Fines and forfeitures		35,552
Special assessments/impact fees		5,938,828
Income on investments		67,934
Miscellaneous		1,137,402
Total revenues		22,994,655
EXPENDITURES:		
Current operating:		
General government		38,335
Public safety		3,995,830
Physical environment		-
Transportation		560,886
Economic environment		3,036,018
Human services		256,987
Cultural and recreation		55,328
Capital outlay		2,170,086
Debt service:		
Principal		6,517,161
Interest and fiscal charges		1,461,988
Total expenditures		18,092,619
Excess (deficiency) of revenues over (under) expenditures		4,902,036
OTHER FINANCING		
SOURCES (USES):		
Payment to refunded note escrow agent		(19,190,000)
Issuance of debt		19,190,000
Transfers in		4,047,514
Transfers (out)		(3,208,463)
Total other financing sources (uses)		839,051
Net change in fund balances		5,741,087
FUND BALANCES:		
Beginning of year		28,538,948
Ending	\$	34,280,035

City of Daytona Beach, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and
Actual
Community Development Special Revenue Fund
For the Fiscal Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,030,426	\$ 4,281,918	\$ 2,770,600	\$ (1,511,318)
Income on investments	-	-	807	807
Total revenues	1,030,426	4,281,918	2,771,407	(1,510,511)
EXPENDITURES:				
Current operating:				
Economic environment	1,030,426	4,645,163	2,947,170	1,697,993
Capital outlay	-	-	-	
Total expenditures	1,030,426	4,645,163	2,947,170	1,697,993
Excess (deficiency) of revenues over (under) expenditures	-	(363,245)	(175,763)	187,482
OTHER FINANCING SOURCES:				
Budgetary reserves, net		363,245	-	(363,245)
Total other financing sources	-	363,245	-	(363,245)
Net change in fund balance	-	-	(175,763)	(175,763)
FUND BALANCE:				
Beginning	633,819	633,819	633,819	-
Ending	\$ 633,819	\$ 633,819	\$ 458,056	\$ (175,763)

City of Daytona Beach, Florida

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

Local Housing Assistance Special Revenue Fund

For the Fiscal Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Intergovernmental	\$ 350,000	\$ 629,413	\$ 6,862	\$ (622,551)
Income on investments	-	-	486	486
Miscellaneous	-	-	27,059	27,059
Total revenues	350,000	629,413	34,407	(595,006)
EXPENDITURES:				
Current operating:				
Economic environment	350,000	654,517	31,966	622,551
Total expenditures	350,000	654,517	31,966	622,551
Excess (deficiency) of revenues over (under) expenditures	-	(25,104)	2,441	27,545
OTHER FINANCING SOURCES:				
Budgetary reserves, net	-	25,104	-	(25,104)
Total other financing sources	-	25,104	-	(25,104)
Net change in fund balance	-	-	2,441	2,441
FUND BALANCE:				
Beginning	44,541	44,541	44,541	-
Ending	\$ 44,541	\$ 44,541	\$ 46,982	\$ 2,441

City of Daytona Beach, Florida

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

Law Enforcement Trust Special Revenue Fund

For the Fiscal Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Intergovernmental	\$ 350,000	\$ 629,413	\$ 6,862	\$ (622,551)
Income on investments	-	-	486	486
Miscellaneous	-	-	27,059	27,059
Total revenues	350,000	629,413	34,407	(595,006)
EXPENDITURES:				
Current operating:				
Economic environment	350,000	654,517	31,966	622,551
Total expenditures	350,000	654,517	31,966	622,551
Excess (deficiency) of revenues over (under) expenditures	-	(25,104)	2,441	27,545
OTHER FINANCING SOURCES:				
Budgetary reserves, net	-	25,104	-	(25,104)
Total other financing sources	-	25,104	-	(25,104)
Net change in fund balance	-	-	2,441	2,441
FUND BALANCE:				
Beginning	44,541	44,541	44,541	-
Ending	\$ 44,541	\$ 44,541	\$ 46,982	\$ 2,441

City of Daytona Beach, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and
Actual
Federal Shared Property Forfeitures Special Revenue Fund
For the Fiscal Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 38,249	\$ 38,249
Income on investments	-	-	119	119
Total revenues	-	-	38,368	38,368
EXPENDITURES:				
Current operating:				
Public safety	-	48,680	21,303	27,377
Total expenditures	-	48,680	21,303	27,377
Excess (deficiency) of revenues over (under) expenditures	-	(48,680)	17,065	65,745
OTHER FINANCING SOURCES:				
Budgetary reserves, net		48,680	-	(48,680)
Total other financing sources	-	48,680	-	(48,680)
Net change in fund balance	-	-	17,065	17,065
FUND BALANCE:				
Beginning	68,189	68,189	68,189	-
Ending	\$ 68,189	\$ 68,189	\$ 85,254	\$ 17,065

City of Daytona Beach, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and
Actual
Transportation 5-Cent Gas Tax Special Revenue Fund
For the Fiscal Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Taxes	\$ 765,169	\$ 765,169	\$ 831,579	\$ 66,410
Income on investments	-	-	860	860
Total revenues	765,169	765,169	832,439	67,270
EXPENDITURES:				
Current operating:				
Transportation	15,000	575,886	560,886	15,000
Capital outlay	405,296	396,188	-	396,188
Total expenditures	420,296	972,074	560,886	411,188
Excess (deficiency) of revenues over (under) expenditures	344,873	(206,905)	271,553	478,458
OTHER FINANCING SOURCES (USES):				
Budgetary reserves, net	-	551,778	-	(551,778)
Transfers (out)	(344,873)	(344,873)	(344,872)	1
Total other financing sources (uses)	(344,873)	206,905	(344,872)	(551,777)
Net change in fund balance	-	-	(73,319)	(73,319)
FUND BALANCE:				
Beginning	677,856	677,856	677,856	-
Ending	\$ 677,856	\$ 677,856	\$ 604,537	\$ (73,319)

City of Daytona Beach, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and
Actual
Permit and License Special Revenue Fund
For the Fiscal Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Licenses and permits	\$ 4,314,604	\$ 4,314,604	\$ 5,452,948	\$ 1,138,344
Income on investments	26,910	26,910	31,379	4,469
Charges for services	374,226	374,226	489,875	115,649
Miscellaneous	-	-	275,138	275,138
Total revenues	4,715,740	4,715,740	6,249,340	1,533,600
EXPENDITURES:				
Current operating:				
General government	75,654	75,654	38,335	37,319
Public safety	4,309,120	5,241,930	3,627,430	1,614,500
Capital outlay	-	597,468	103,027	494,441
Total expenditures	4,384,774	5,915,052	3,768,792	2,146,260
Excess (deficiency) of revenues over (under) expenditures	330,966	(1,199,312)	2,480,548	3,679,860
OTHER FINANCING SOURCES (USES):				
Budgetary reserves, net	(330,966)	1,199,312	-	(1,199,312)
Total other financing sources (uses)	(330,966)	1,199,312	-	(1,199,312)
Net change in fund balance	-	-	2,480,548	2,480,548
FUND BALANCE:				
Beginning	9,962,605	9,962,605	9,962,605	-
Ending	\$ 9,962,605	\$ 9,962,605	\$ 12,443,153	\$ 2,480,548

City of Daytona Beach, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and
Actual
Road Impact Fees Special Revenue Fund
For the Fiscal Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Special assessments/impact fees	\$ -	\$ 521,516	\$ 714,278	\$ 192,762
Income on investments	-	-	3,268	3,268
Total revenues	-	521,516	717,546	196,030
EXPENDITURES:				
Current operating:				
Capital outlay	-	88,567	18,928	69,639
Total expenditures	-	88,567	18,928	69,639
Excess (deficiency) of revenues over (under) expenditures	-	432,949	698,618	265,669
OTHER FINANCING SOURCES (USES):				
Budgetary reserves, net	-	(432,949)	-	432,949
Transfers in	-	-	72,476	72,476
Total other financing sources (uses)	-	(432,949)	72,476	505,425
Net change in fund balance	-	-	771,094	771,094
FUND BALANCE:				
Beginning	1,597,718	1,597,718	1,597,718	-
Ending	\$ 1,597,718	\$ 1,597,718	\$ 2,368,812	\$ 771,094

City of Daytona Beach, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and
Actual
Recreation/Parks/Culture Impact Fees Special Revenue Fund
For the Fiscal Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Special assessments/impact fees	\$ -	\$ 1,714,738	\$ 2,592,332	\$ 877,594
Income on investments	-	-	7,759	7,759
Total revenues	-	1,714,738	2,600,091	885,353
EXPENDITURES:				
Current operating:				
Capital outlay	-	1,342,782	809,961	532,821
Total expenditures	-	1,342,782	809,961	532,821
Excess (deficiency) of revenues over (under) expenditures	-	371,956	1,790,130	1,418,174
OTHER FINANCING SOURCES (USES):				
Budgetary reserves, net	264,698	(107,258)	-	107,258
Transfers (out)	(264,698)	(264,698)	(264,697)	1
Total other financing sources (uses)	-	(371,956)	(264,697)	107,259
Net change in fund balance	-	-	1,525,433	1,525,433
FUND BALANCE:				
Beginning	3,995,861	3,995,861	3,995,861	-
Ending	\$ 3,995,861	\$ 3,995,861	\$ 5,521,294	\$ 1,525,433

City of Daytona Beach, Florida

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

Fire/EMS Impact Fees Special Revenue Fund

For the Fiscal Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Special assessments/impact fees	\$ -	\$ 333,648	\$ 459,195	\$ 125,547
Income on investments	-	-	1,040	1,040
Total revenues	-	333,648	460,235	126,587
EXPENDITURES:				
Current operating:				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	333,648	460,235	126,587
OTHER FINANCING SOURCES:				
Budgetary reserves, net	-	(333,648)	-	333,648
Total other financing sources	-	(333,648)	-	333,648
Net change in fund balance	-	-	460,235	460,235
FUND BALANCE:				
Beginning	382,226	382,226	382,226	-
Ending	\$ 382,226	\$ 382,226	\$ 842,461	\$ 460,235

City of Daytona Beach, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and
Actual
Police Impact Fees Special Revenue Fund
For the Fiscal Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Special assessments/impact fees	\$ -	\$ 557,847	\$ 769,798	\$ 211,951
Income on investments	-	-	2,884	2,884
Total revenues	-	557,847	772,682	214,835
EXPENDITURES:				
Current operating:				
Public safety	-	8,180	8,180	-
Capital outlay	-	733,357	-	733,357
Total expenditures	-	741,537	8,180	733,357
Excess (deficiency) of revenues over (under) expenditures	-	(183,690)	764,502	948,192
OTHER FINANCING SOURCES:				
Budgetary reserves, net	-	183,690	-	(183,690)
Total other financing sources	-	183,690	-	(183,690)
Net change in fund balance	-	-	764,502	764,502
FUND BALANCE:				
Beginning	1,336,866	1,336,866	1,336,866	-
Ending	\$ 1,336,866	\$ 1,336,866	\$ 2,101,368	\$ 764,502

City of Daytona Beach, Florida

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

General Government Impact Fees Special Revenue Fund

For the Fiscal Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Special assessments/impact fees	\$ -	\$ 1,016,130	\$ 1,403,225	\$ 387,095
Income on investments	-	-	11,190	11,190
Total revenues	-	1,016,130	1,414,415	398,285
EXPENDITURES:				
Current operating:				
Capital outlay	-	400,000	-	400,000
Total expenditures	-	400,000	-	400,000
Excess (deficiency) of revenues over (under) expenditures	-	616,130	1,414,415	798,285
OTHER FINANCING SOURCES (USES):				
Budgetary reserves, net	-	(616,130)	-	616,130
Total other financing sources (uses)	-	(616,130)	-	616,130
Net change in fund balance	-	-	1,414,415	1,414,415
FUND BALANCE:				
Beginning	6,022,093	6,022,093	6,022,093	-
Ending	\$ 6,022,093	\$ 6,022,093	\$ 7,436,508	\$ 1,414,415

City of Daytona Beach, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and
Actual
Grants Special Revenue Fund
For the Fiscal Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ 3,964,354	\$ 1,186,625	\$ (2,777,729)
Miscellaneous	-	1,517,762	835,205	(682,557)
Total revenues	-	5,482,116	2,021,830	(3,460,286)
EXPENDITURES:				
Current operating:				
Public safety	-	569,700	299,176	270,524
Transportation	-	-	-	-
Human services	-	256,830	256,830	-
Cultural and recreation	-	55,327	55,328	(1)
Capital outlay	-	4,508,662	1,232,342	3,276,320
Total expenditures	-	5,390,519	1,843,676	3,546,843
Excess (deficiency) of revenues over (under) expenditures	-	91,597	178,154	86,557
OTHER FINANCING SOURCES (USES):				
Transfers (out)	-	(91,597)	(77,869)	13,728
Total other financing sources (uses)	-	(91,597)	(77,869)	13,728
Net change in fund balance	-	-	100,285	100,285
FUND BALANCE:				
Beginning	(100,285)	(100,285)	(100,285)	-
Ending	\$ (100,285)	\$ (100,285)	\$ -	\$ 100,285

City of Daytona Beach, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and
Actual
Public Assistance Services Special Revenue Fund
For the Fiscal Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES:				
Current operating:				
Human services	-	157	157	-
Total expenditures	-	157	157	-
Excess (deficiency) of revenues over (under) expenditures	-	(157)	(157)	-
OTHER FINANCING SOURCES (USES):				
Budgetary reserves, net	-	157	-	(157)
Total other financing sources (uses)	-	157	-	(157)
Net change in fund balance	-	-	(157)	(157)
FUND BALANCE:				
Beginning	157	157	157	-
Ending	\$ 157	\$ 157	\$ -	\$ (157)

City of Daytona Beach, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and
Actual
Emergency Management Grants Special Revenue Fund
For the Fiscal Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ 1,314,368	\$ 1,103,030	\$ (211,338)
Total revenues	-	1,314,368	1,103,030	(211,338)
EXPENDITURES:				
Current operating:				
Physical environment	-	-	-	-
Capital outlay	-	1,472,791	5,828	1,466,963
Total expenditures	-	1,472,791	5,828	1,466,963
Excess (deficiency) of revenues over (under) expenditures	-	(158,423)	1,097,202	1,255,625
OTHER FINANCING SOURCES (USES):				
Budgetary reserves, net	-	111,520	-	(111,520)
Transfers in	-	46,903	46,903	-
Total other financing sources (uses)	-	158,423	46,903	(111,520)
Net change in fund balance	-	-	1,144,105	1,144,105
FUND BALANCE:				
Beginning	236,730	236,730	236,730	-
Ending	\$ 236,730	\$ 236,730	\$ 1,380,835	\$ 1,144,105

City of Daytona Beach, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and
Actual
COVID Local Fiscal Recovery Special Revenue Fund
For the Fiscal Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ 15,040,544	\$ 2,487,370	\$ (12,553,174)
Total revenues	-	15,040,544	2,487,370	(12,553,174)
EXPENDITURES:				
Current operating:				
Economic environment	-	12,610,056	56,882	12,553,174
Total expenditures	-	12,610,056	56,882	12,553,174
Excess (deficiency) of revenues over (under) expenditures	-	2,430,488	2,430,488	-
OTHER FINANCING SOURCES (USES):				
Transfers (out)	-	(2,430,488)	(2,430,488)	-
Total other financing sources (uses)	-	(2,430,488)	(2,430,488)	-
Net change in fund balance	-	-	-	-
FUND BALANCE:				
Beginning	-	-	-	-
Ending	\$ -	\$ -	\$ -	\$ -

City of Daytona Beach, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and
Actual
Capital Improvement Revenue Bonds Debt Service Fund
For the Fiscal Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Income on investments	\$ -	\$ -	\$ 379	\$ 379
Total revenues	-	-	379	379
EXPENDITURES:				
Debt service:				
Principal	1,645,001	21,515,000	2,325,000	19,190,000
Interest and fiscal charges	950,108	551,190	551,190	-
Total expenditures	2,595,109	22,066,190	2,876,190	19,190,000
Excess (deficiency) of revenues over (under) expenditures	(2,595,109)	(22,066,190)	(2,875,811)	19,190,379
OTHER FINANCING SOURCES (USES):				
Payment to refunded note escrow agent	-	-	(19,190,000)	(19,190,000)
Issuance of debt	-	19,190,000	19,190,000	-
Budgetary reserves, net	-	2,790,817	-	(2,790,817)
Transfers in	2,595,109	175,517	252,362	76,845
Transfers (out)	-	(90,144)	(90,537)	(393)
Total other financing sources (uses)	2,595,109	22,066,190	161,825	(21,904,365)
Net change in fund balance	-	-	(2,713,986)	(2,713,986)
FUND BALANCE:				
Beginning of year	2,821,319	2,821,319	2,713,986	(107,333)
Ending	\$ 2,821,319	\$ 2,821,319	\$ -	\$ (2,821,319)

City of Daytona Beach, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and
Actual
General Obligation Refunding Bonds Debt Service Fund
For the Fiscal Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Taxes	\$ 1,423,692	\$ 1,423,692	\$ 1,447,801	\$ 24,109
Income on investments	-	-	1,960	1,960
Total revenues	1,423,692	1,423,692	1,449,761	26,069
EXPENDITURES:				
Debt service:				
Principal	1,075,000	1,075,000	1,075,000	-
Interest and fiscal charges	348,363	348,363	348,291	72
Total expenditures	1,423,363	1,423,363	1,423,291	72
Excess of revenues over expenditures	329	329	26,470	26,141
OTHER FINANCING SOURCES (USES):				
Budgetary reserves, net	(329)	(329)	-	329
Total other financing sources (uses)	(329)	(329)	-	329
Net change in fund balance	-	-	26,470	26,470
FUND BALANCE:				
Beginning	476,042	476,042	476,042	-
Ending	\$ 476,042	\$ 476,042	\$ 502,512	\$ 26,470

City of Daytona Beach, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and
Actual
Capital Improvement Revenue Notes Debt Service Fund
For the Fiscal Year Ended September 30, 2021

	Original	Final	Actual Amounts	Variance
REVENUES:				
Income on investments	\$ -	\$ -	\$ 5,052	\$ 5,052
Miscellaneous	-	-	-	-
Total revenues	-	-	5,052	5,052
EXPENDITURES:				
Debt service:				
Principal	847,661	847,661	2,722,661	(1,875,000)
Interest and fiscal charges	146,574	146,574	523,827	(377,253)
Total expenditures	994,235	994,235	3,246,488	(2,252,253)
Excess (deficiency) of revenues over (under) expenditures	(994,235)	(994,235)	(3,241,436)	(2,247,201)
OTHER FINANCING SOURCES (USES):				
Transfers in	994,235	994,235	3,242,594	2,248,359
Total other financing sources (uses)	994,235	994,235	3,242,594	2,248,359
Net change in fund balance	-	-	1,158	1,158
FUND BALANCE:				
Beginning	110,823	110,823	110,823	-
Ending	\$ 110,823	\$ 110,823	\$ 111,981	\$ 1,158

City of Daytona Beach, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and
Actual
Capital Financing Debt Service Fund
For the Fiscal Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Income on investments	\$ -	\$ -	\$ 234	\$ 234
Total revenues	-	-	234	234
EXPENDITURES:				
Debt service:				
Principal	394,506	394,506	394,500	6
Interest and fiscal charges	38,177	38,677	38,680	(3)
Total expenditures	432,683	433,183	433,180	3
Excess (deficiency) of revenues over (under) expenditures	(432,683)	(433,183)	(432,946)	237
OTHER FINANCING SOURCES (USES):				
Transfers in	432,683	433,183	433,179	(4)
Total other financing sources (uses)	432,683	433,183	433,179	(4)
Net change in fund balance	-	-	233	233
FUND BALANCE:				
Beginning	71,308	71,308	71,308	-
Ending	\$ 71,308	\$ 71,308	\$ 71,541	\$ 233



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City of Daytona Beach, Florida Nonmajor Enterprise Funds

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

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

City of Daytona Beach, Florida
Combining Statement of Net Position
Nonmajor Enterprise Funds
September 30, 2021

	Halifax Harbor	Daytona Beach Pier	Total Nonmajor Enterprise Funds
ASSETS:			
Current assets:			
Equity in pooled cash, cash equivalents, and investments	\$ 1,368,345	\$ 295,514	\$ 1,663,859
Inventory	44,054	-	44,054
Prepays	15,018	99,291	114,309
Total current assets	1,427,417	394,805	1,822,222
Noncurrent assets:			
Restricted equity in pooled cash, cash equivalents, and investments	466,404	-	466,404
Capital assets:			
Non-depreciable	38,603	110,170	148,773
Depreciable (net)	3,884,368	3,924,138	7,808,506
Net pension asset	-	22,744	22,744
Total noncurrent assets	4,389,375	4,057,052	8,446,427
Total assets	5,816,792	4,451,857	10,268,649
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred amount on refunding	71,018	-	71,018
Deferred amount on other post-employment benefits	1,062	742	1,804
Deferred amount for pensions	125,611	2,307	127,918
Total deferred outflows of resources	197,691	3,049	200,740
LIABILITIES:			
Current liabilities:			
Accounts payable and other liabilities	184,775	18,611	203,386
Intergovernmental payable	15,283	3,774	19,057
Unearned revenues	91,893	-	91,893
Compensated absences	9,725	3,931	13,656
Notes payable	556,000	-	556,000
Payable from restricted assets:			
Accrued interest	73,837	-	73,837
Total current liabilities	931,513	26,316	957,829
Noncurrent liabilities:			
Deposits	79,567	-	79,567
Compensated absences	56,763	21,161	77,924
Other post-employment benefits	6,646	466	7,112
Net pension liability	198,244	-	198,244
Notes payable	4,470,000	-	4,470,000
Total noncurrent liabilities	4,811,220	21,627	4,832,847
Total liabilities	5,742,733	47,943	5,790,676
DEFERRED INFLOWS OF RESOURCES:			
Deferred amount on other post-employment benefits	28	21	49
Deferred amount for pensions	154,253	40,193	194,446
Total deferred inflows of resources	154,281	40,214	194,495
NET POSITION (DEFICIT):			
Net investment in capital assets (deficit)	(1,032,011)	4,034,308	3,002,297
Restricted:			
Debt covenants	392,567	-	392,567
Unrestricted	756,913	332,441	1,089,354
Total net position (deficit)	\$ 117,469	\$ 4,366,749	\$ 4,484,218

City of Daytona Beach, Florida
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
For the Fiscal Year Ended September 30, 2021

	Halifax Harbor	Daytona Beach Pier	Total Nonmajor Enterprise Funds
OPERATING REVENUES:			
Charges for services	\$ 3,685,374	\$ 785,005	\$ 4,470,379
Other receipts	32,584	1,056	33,640
Total operating revenues	3,717,958	786,061	4,504,019
OPERATING EXPENSES:			
Personnel services	158,681	69,728	228,409
Contractual services	2,077,833	642,702	2,720,535
Materials and supplies	597,656	15,968	613,624
Depreciation	278,682	246,236	524,918
Total operating expenses	3,112,852	974,634	4,087,486
Operating income (loss)	605,106	(188,573)	416,533
NONOPERATING REVENUES (EXPENSES):			
Income on investments	4,094	724	4,818
Interest expense	(189,562)	-	(189,562)
Total nonoperating revenues (expenses)	(185,468)	724	(184,744)
Income (loss) before transfers	419,638	(187,849)	231,789
Transfers in	-	32,559	32,559
Transfers (out)	-	(105,221)	(105,221)
Change in net position	419,638	(260,511)	159,127
NET POSITION (DEFICIT):			
Beginning	(302,169)	4,627,260	4,325,091
Ending	\$ 117,469	\$ 4,366,749	\$ 4,484,218

City of Daytona Beach, Florida
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended September 30, 2021

	Halifax Harbor	Daytona Beach Pier	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers	\$ 3,719,384	\$ 785,005	\$ 4,504,389
Other receipts	32,584	1,056	33,640
Payments to suppliers	(2,614,660)	(748,468)	(3,363,128)
Payments to employees	(162,881)	(68,663)	(231,544)
Net cash provided by (used for) operating activities	<u>974,427</u>	<u>(31,070)</u>	<u>943,357</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfer from other funds	-	32,559	32,559
Transfer (to) other funds	-	(105,221)	(105,221)
Repayment of advances from other funds	(997,118)	-	(997,118)
Net cash provided by (used for) noncapital financing activities	<u>(997,118)</u>	<u>(72,662)</u>	<u>(1,069,780)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Principal payments on bonds	(537,000)	-	(537,000)
Interest payments on bonds	(189,743)	-	(189,743)
Acquisition and construction of capital assets	-	(110,170)	(110,170)
Net cash (used for) capital and related financing activities	<u>(726,743)</u>	<u>(110,170)</u>	<u>(836,913)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	4,094	724	4,818
Net cash provided by investing activities	<u>4,094</u>	<u>724</u>	<u>4,818</u>
Net increase (decrease) in cash and cash equivalents	(745,340)	(213,178)	(958,518)
EQUITY IN POOLED CASH, CASH EQUIVALENTS, AND INVESTMENTS:			
Beginning	2,580,089	508,692	3,088,781
Ending	<u>\$ 1,834,749</u>	<u>\$ 295,514</u>	<u>\$ 2,130,263</u>
Classified as:			
Unrestricted	\$ 1,368,345	\$ 295,514	\$ 1,663,859
Restricted	466,404	-	466,404
Total	<u>\$ 1,834,749</u>	<u>\$ 295,514</u>	<u>\$ 2,130,263</u>

City of Daytona Beach, Florida
Combining Statement of Cash Flows (Continued)
Nonmajor Enterprise Funds
For the Fiscal Year Ended September 30, 2021

	Halifax Harbor	Daytona Beach Pier	Total Nonmajor Enterprise Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:			
Operating income (loss)	\$ 605,106	\$ (188,573)	\$ 416,533
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	278,682	246,236	524,918
(Increase) decrease in:			
Inventories	(13,356)	-	(13,356)
Prepays	103	(96,452)	(96,349)
Deferred outflow amount for pensions	10,726	2,938	13,664
Deferred outflow amount for OPEB	193	147	340
Increase (decrease) in:			
Accounts payable and other liabilities	58,640	4,451	63,091
Intergovernmental payable	(777)	2,203	1,426
Unearned revenues	34,010	-	34,010
Deposits	16,219	-	16,219
Compensated absences	11,017	5,269	16,286
Other post-employment benefits	(290)	(221)	(511)
Net pension liability	(168,241)	(46,093)	(214,334)
Deferred inflow amount for OPEB	28	21	49
Deferred inflow amount for pensions	142,367	39,004	181,371
Total adjustments	<u>369,321</u>	<u>157,503</u>	<u>526,824</u>
Net cash provided by (used for) operating activities	<u>\$ 974,427</u>	<u>\$ (31,070)</u>	<u>\$ 943,357</u>



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City of Daytona Beach, Florida Internal Service Funds

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

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

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

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

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

City of Daytona Beach, Florida
Combining Statement of Net Position
Internal Service Funds
September 30, 2021

	Fleet Maintenance	Employment Services	Property Maintenance	Information technology
ASSETS:				
Current assets:				
Equity in pooled cash, cash equivalents, and investments	\$ 227,416	\$ 1,068,274	\$ 896,570	\$ 1,466,245
Inventory	172,976	-	-	-
Prepays	-	-	-	8,760
Total current assets	400,392	1,068,274	896,570	1,475,005
Noncurrent assets:				
Non-depreciable	-	-	-	17,862
Depreciable (net)	-	-	196,621	434,410
Total noncurrent assets	-	-	196,621	452,272
Total assets	400,392	1,068,274	1,093,191	1,927,277
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred amount for other post-employment benefits	3,581	7,240	15,564	20,082
Deferred amount for pensions	86,142	355,445	260,386	373,982
Total deferred outflows of resources	89,723	362,685	275,950	394,064
LIABILITIES:				
Current liabilities:				
Accounts payable and other liabilities	92,980	26,796	57,521	167,794
Intergovernmental payable	534	1,243	2,031	5,067
Insurance claims payable	-	-	-	-
Compensated absences	16,233	41,558	58,336	110,507
Total current liabilities	109,747	69,597	117,888	283,368
Noncurrent liabilities:				
Insurance claims payable	-	-	-	-
Compensated absences	43,722	107,483	97,128	191,820
Other post-employment benefits	51,275	47,152	90,829	107,895
Net pension liability	161,320	747,021	338,617	439,897
Total noncurrent liabilities	256,317	901,656	526,574	739,612
Total liabilities	366,064	971,253	644,462	1,022,980
DEFERRED INFLOWS OF RESOURCES:				
Deferred amount for other post-employment benefits	86	148	346	533
Deferred amount for pensions	122,550	465,156	463,499	920,343
Total deferred inflows of resources	122,636	465,304	463,845	920,876
NET POSITION (DEFICIT):				
Net investment in capital assets	-	-	196,621	452,272
Unrestricted	1,415	(5,598)	64,213	(74,787)
Total net position (deficit)	\$ 1,415	\$ (5,598)	\$ 260,834	\$ 377,485

City of Daytona Beach, Florida
Combining Statement of Net Position (Continued)
Internal Service Funds
September 30, 2021

	Consolidated insurance	Totals
ASSETS:		
Current assets:		
Equity in pooled cash, cash equivalents, and investments	\$ 9,243,374	\$ 12,901,879
Inventory	-	172,976
Prepays	1,281,868	1,290,628
Total current assets	10,525,242	14,365,483
Noncurrent assets:		
Non-depreciable	-	17,862
Depreciable (net)	18,133	649,164
Total noncurrent assets	18,133	667,026
Total assets	10,543,375	15,032,509
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred amount for other post-employment benefits	8,069	54,536
Deferred amount for pensions	210,285	1,286,240
Total deferred outflows of resources	218,354	1,340,776
LIABILITIES:		
Current liabilities:		
Accounts payable and other liabilities	1,763,305	2,108,396
Intergovernmental payable	2,017	10,892
Insurance claims payable	2,195,000	2,195,000
Compensated absences	52,242	278,876
Total current liabilities	4,012,564	4,593,164
Noncurrent liabilities:		
Insurance claims payable	7,394,000	7,394,000
Compensated absences	81,531	521,684
Other post-employment benefits	63,600	360,751
Net pension liability	397,950	2,084,805
Total noncurrent liabilities	7,937,081	10,361,240
Total liabilities	11,949,645	14,954,404
DEFERRED INFLOWS OF RESOURCES:		
Deferred amount for other post-employment benefits	201	1,314
Deferred amount for pensions	387,803	2,359,351
Total deferred inflows of resources	388,004	2,360,665
NET POSITION:		
Net investment in capital assets	18,133	667,026
Unrestricted	(1,594,053)	(1,608,810)
Total net position	\$ (1,575,920)	\$ (941,784)

City of Daytona Beach, Florida
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Fiscal Year Ended September 30, 2021

	Fleet Maintenance	Employment Services	Property Maintenance	Information Technology
OPERATING REVENUES:				
Charges for services	\$ 2,283,368	\$ 850,761	\$ 1,621,959	\$ 4,720,818
Other receipts	-	-	4,213	6,506
Total operating revenues	2,283,368	850,761	1,626,172	4,727,324
OPERATING EXPENSES:				
Personnel services	293,029	715,340	1,126,162	2,030,673
Contractual services	864,659	105,712	313,213	2,390,552
Materials and supplies	1,118,923	8,337	47,653	197,970
Depreciation	-	-	85,236	138,497
Total operating expenses	2,276,611	829,389	1,572,264	4,757,692
Operating income (loss)	6,757	21,372	53,908	(30,368)
NONOPERATING REVENUE:				
Income on investments	386	1,567	1,283	1,954
Gain on disposal of capital assets	2,622	-	-	-
Total other financing sources	3,008	1,567	1,283	1,954
Income (loss) before capital grants, contributions and transfers	9,765	22,939	55,191	(28,414)
Capital grants and contributions	-	-	13,437	-
NET POSITION (DEFICIT):				
Beginning	(8,350)	(28,537)	192,206	405,899
Ending	\$ 1,415	\$ (5,598)	\$ 260,834	\$ 377,485

City of Daytona Beach, Florida
Combining Statement of Revenues, Expenses, and Changes in Net Position
(Continued)
Internal Service Funds
For the Fiscal Year Ended September 30, 2021

	Consolidated Insurance	Totals
OPERATING REVENUES:		
Charges for services	\$ 6,278,159	\$ 15,755,065
Other receipts	2,328	13,047
Total operating revenues	<u>6,280,487</u>	<u>15,768,112</u>
OPERATING EXPENSES:		
Personnel services	1,041,301	5,206,505
Contractual services	5,803,342	9,477,478
Materials and supplies	105,487	1,478,370
Depreciation	2,383	226,116
Total operating expenses	<u>6,952,513</u>	<u>16,388,469</u>
Operating income (loss)	<u>(672,026)</u>	<u>(620,357)</u>
NONOPERATING REVENUE:		
Income on investments	15,833	21,023
Gain on disposal of capital assets	-	2,622
Total other financing sources	<u>15,833</u>	<u>23,645</u>
Income (loss) before capital grants, contributions and transfers	(656,193)	(596,712)
Capital grants and contributions	<u>-</u>	<u>13,437</u>
NET POSITION (DEFICIT):		
Beginning	(919,727)	(358,509)
Ending	<u>\$ (1,575,920)</u>	<u>\$ (941,784)</u>

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

	Fleet Maintenance	Employment Services	Property Maintenance	Information Technology
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	\$ 2,283,368	\$ 850,761	\$ 1,621,959	\$ 4,720,818
Other receipts	-	-	4,213	6,506
Payments to suppliers	(2,004,521)	(110,994)	(345,827)	(2,617,330)
Payments to employees	(299,733)	(710,391)	(1,161,767)	(2,105,738)
Net cash provided by (used by) operating activities	<u>(20,886)</u>	<u>29,376</u>	<u>118,578</u>	<u>4,256</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers (to) other funds	-	-	-	-
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from sale of capital assets	2,622	-	13,435	-
Acquisition and construction of capital assets	-	-	(80,934)	(191,016)
Net cash provided by (used for) capital and related financing activities	<u>2,622</u>	<u>-</u>	<u>(67,499)</u>	<u>(191,016)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	386	1,567	1,283	1,954
Net cash provided by investing activities	<u>386</u>	<u>1,567</u>	<u>1,283</u>	<u>1,954</u>
Net increase (decrease) in equity in pooled cash, cash equivalents, and investments	(17,878)	30,943	52,362	(184,806)
EQUITY IN POOLED CASH, CASH EQUIVALENTS, AND INVESTMENTS:				
Beginning	245,294	1,037,331	844,208	1,651,051
Ending	<u>\$ 227,416</u>	<u>\$ 1,068,274</u>	<u>\$ 896,570</u>	<u>\$ 1,466,245</u>

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

	Consolidated Insurance	Totals
CASH FLOWS FROM		
OPERATING ACTIVITIES:		
Receipts from customers	\$ 6,278,159	\$ 15,755,065
Other receipts	2,328	13,047
Payments to suppliers	(5,881,979)	(10,960,651)
Payments to employees	<u>(1,059,864)</u>	<u>(5,337,493)</u>
Net cash provided by (used by)		
operating activities	<u>(661,356)</u>	<u>(530,032)</u>
CASH FLOWS FROM NONCAPITAL		
FINANCING ACTIVITIES:		
Transfers (to) other funds	-	-
Net cash provided by (used for)		
noncapital financing activities	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND		
RELATED FINANCING ACTIVITIES:		
Proceeds from sale of capital assets	-	16,057
Acquisition and construction of		
capital assets	<u>-</u>	<u>(271,950)</u>
Net cash provided by (used for) capital		
and related financing activities	<u>-</u>	<u>(255,893)</u>
CASH FLOWS FROM INVESTING		
ACTIVITIES:		
Interest received	<u>15,833</u>	<u>21,023</u>
Net cash provided by investing activities	<u>15,833</u>	<u>21,023</u>
Net increase (decrease) in equity in pooled		
cash, cash equivalents, and investments	(645,523)	(764,902)
EQUITY IN POOLED CASH,		
CASH EQUIVALENTS, AND		
INVESTMENTS:		
Beginning	<u>9,888,897</u>	<u>13,666,781</u>
Ending	<u>\$ 9,243,374</u>	<u>\$ 12,901,879</u>

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

	Fleet Maintenance	Employment Services	Property Maintenance	Information Technology
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ 6,757	\$ 21,372	\$ 53,908	\$ (30,368)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	-	-	85,236	138,497
(Increase) decrease in:				
Accounts receivable	-	-	-	-
Inventory	(41,437)	-	-	-
Prepays	-	-	-	(8,760)
Deferred amount for pensions	8,667	32,617	33,058	66,854
Deferred amount for OPEB	602	1,033	2,419	3,721
Increase (decrease) in:				
Accounts payable and other liabilities	20,425	2,902	14,713	(22,107)
Intergovernmental payable	72	154	325	2,057
Insurance claims payable	-	-	-	-
Compensated absences	5,759	51,388	11,964	20,703
Other post-employment benefits	(907)	(1,556)	(3,646)	(5,610)
Net pension liability	(135,974)	(511,635)	(518,548)	(1,048,621)
Deferred amount for pensions	115,064	432,953	438,803	887,357
Deferred amount for OPEB	86	148	346	533
Total adjustments	<u>(27,643)</u>	<u>8,004</u>	<u>64,670</u>	<u>34,624</u>
Net cash provided by (used by) operating activities	<u>\$ (20,886)</u>	<u>\$ 29,376</u>	<u>\$ 118,578</u>	<u>\$ 4,256</u>

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

	Consolidated Insurance	Totals
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ <u>(672,026)</u>	\$ <u>(620,357)</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	2,383	226,116
(Increase) decrease in:		
Accounts receivable	-	-
Inventory	-	(41,437)
Prepays	(941,312)	(950,072)
Deferred amount for pensions	28,063	169,259
Deferred amount for OPEB	1,401	9,176
Increase (decrease) in:		
Accounts payable and other liabilities	1,075,856	1,091,789
Intergovernmental payable	305	2,913
Insurance claims payable	(108,000)	(108,000)
Compensated absences	21,580	111,394
Other post-employment benefits	(2,112)	(13,831)
Net pension liability	(440,189)	(2,654,967)
	372,495	2,246,672
Deferred amount for pensions	200	1,313
Total adjustments	<u>10,670</u>	<u>90,325</u>
Net cash provided by (used by) operating activities	\$ <u><u>(661,356)</u></u>	\$ <u><u>(530,032)</u></u>



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City of Daytona Beach, Florida Discretely Presented Component Units

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

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

City of Daytona Beach, Florida
Combining Statement of Net Position
Discretely Presented Component Units
September 30, 2021

	Downtown Development Authority	First Step Shelter, Inc.	Total Component Units
ASSETS:			
Equity in pooled cash, cash equivalents, and investments	\$ 56,325	\$ 982,489	\$ 1,038,814
Accounts receivable (net)	-	377,090	377,090
Deposits	-	19,145	19,145
Prepays	6,648	16,592	23,240
Non depreciable assets	-	46,500	46,500
Depreciable assets, net of depreciation	-	325,560	325,560
Total assets	62,973	1,767,376	1,830,349
LIABILITIES:			
Accounts payable and other liabilities	-	217,163	217,163
Unearned revenue	-	19,071	19,071
Compensated absences	-	14,948	14,948
Total liabilities	-	251,182	251,182
NET POSITION:			
Net investment in capital assets	-	372,060	372,060
Restricted:			
Human services	-	739,598	739,598
Unrestricted	62,973	404,536	467,509
Total net position	\$ 62,973	\$ 1,516,194	\$ 1,579,167

City of Daytona Beach, Florida
Combining Statement of Activities
Discretely Presented Component Units
For the Fiscal Year Ended September 30, 2021

	Downtown Development Authority	First Step Shelter, Inc.	Total Component Units
OPERATING REVENUES:			
Taxes	\$ 142,130	\$ -	\$ 142,130
Operating grants and contributions	61,056	1,318,323	1,379,379
Income on investments	137	383	520
Miscellaneous	12,041	-	12,041
Total operating revenues	<u>215,364</u>	<u>1,318,706</u>	<u>1,534,070</u>
OPERATING EXPENSES:			
Current operating:			
Downtown development	193,046	-	193,046
Human services	-	1,495,670	1,495,670
Total operating expenses	<u>193,046</u>	<u>1,495,670</u>	<u>1,688,716</u>
Change in net position	22,318	(176,964)	(154,646)
NET POSITION:			
Beginning	40,655	1,693,158	1,733,813
Ending	<u>\$ 62,973</u>	<u>\$ 1,516,194</u>	<u>\$ 1,579,167</u>

City of Daytona Beach, Florida
Combining Schedule of Deposits and Withdrawals
Redevelopment Trust Funds
For the Fiscal Year Ended September 30, 2021

	Downtown Redevelopment Trust Fund	Main Street Redevelopment Trust Fund	Ballough Road Redevelopment Trust Fund	Midtown Redevelopment Trust Fund	South Atlantic Redevelopment Trust Fund	Total
DEPOSITS:						
Tax increment revenues:						
Daytona Beach	\$ 539,007	\$ 1,985,062	\$ 92,100	\$ 296,370	\$ 110,194	\$ 3,022,733
Volusia County	531,209	1,955,847	90,767	291,921	109,056	2,978,800
Halifax Hospital	96,290	354,619	16,453	52,945	19,686	539,993
East Volusia Mosquito Control	17,359	63,914	2,966	9,540	3,564	97,343
Ponce DeLeon Inlet and Port Authority	8,577	31,580	1,466	4,714	1,761	48,098
Volusia ECHO	-	-	-	-	-	-
Volusia Forever	10,254	37,735	1,752	5,629	2,121	57,491
Downtown Development Authority	61,056	-	-	-	-	61,056
Charges for services						
Licenses and permits	2,152	11,482	-	-	-	13,634
Income on investments	3,930	18,007	2,506	1,943	967	27,353
Miscellaneous	1	6,014	-	-	-	6,015
Debt Proceeds	-	5,195,000	-	-	-	5,195,000
Total deposits	1,269,835	9,659,260	208,010	663,062	247,349	12,047,516
WITHDRAWALS:						
Current operating:						
Personnel services	117,299	144,466	12,892	44,847	1,799	321,303
Professional services	1,073	4,186	301	5,816	105	11,481
Contractual services	283,834	214,456	37,167	99,319	1,545	636,321
Materials and supplies	2,192	547	-	495	-	3,234
Grants and subsidies	2,216,367	-	-	-	-	2,216,367
Capital outlay	25,425	-	250,863	-	-	276,288
Debt Service	-	43,864	-	-	-	43,864
Transfers to debt service funds	172,639	2,410,187	-	212,024	-	2,794,850
Total withdrawals	2,818,829	2,817,706	301,223	362,501	3,449	6,303,708
Excess (deficiency) of deposits over (under) withdrawals	(1,548,994)	6,841,554	(93,213)	300,561	243,900	5,743,808
FUND BALANCE:						
Beginning	2,387,069	4,689,668	1,574,703	1,028,968	391,905	10,072,313
Ending	\$ 838,075	\$ 11,531,222	\$ 1,481,490	\$ 1,329,529	\$ 635,805	\$ 15,816,121

Statistical Section



Statistical Section

Summary of Statistical Tables

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

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

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

Table 1

	Post GASB Statement No. 68							
	2021	2020	2019	2018	2017	2016	2015	2014 ¹
Governmental activities:								
Net investment in capital assets.....	\$ 80,650,660	\$ 75,684,936	\$ 94,042,068	\$ 91,978,293	\$ 85,932,944	\$ 82,226,618	\$ 80,888,821	\$ 78,165,983
Restricted.....	50,096,156	39,171,020	33,982,717	33,229,359	24,875,002	21,189,958	17,201,027	14,693,531
Unrestricted (deficit).....	(46,244,595)	(57,037,781)	(76,626,642)	(88,559,437)	(83,228,150)	(76,089,200)	(83,807,193)	(86,478,268)
Total governmental activities net position.....	\$ 84,502,221	\$ 57,818,175	\$ 51,398,143	\$ 36,648,215	\$ 27,579,796	\$ 27,327,376	\$ 14,282,655	\$ 6,381,246
Business-type activities:								
Net investment in capital assets.....	\$ 52,868,672	\$ 54,938,452	\$ 38,072,559	\$ 40,503,469	\$ 33,859,945	\$ 29,678,041	\$ 29,152,976	\$ 29,434,415
Restricted.....	51,039,643	38,023,320	41,238,440	34,734,738	28,742,079	26,571,106	24,140,340	22,144,897
Unrestricted.....	34,811,571	30,931,308	33,360,202	26,839,369	22,325,643	15,249,976	7,017,927	4,582,770
Total business-type activities net position.....	\$ 138,719,886	\$ 123,893,080	\$ 112,671,201	\$ 102,077,576	\$ 84,927,667	\$ 71,499,123	\$ 60,311,243	\$ 56,162,082
Primary government:								
Net investment in capital assets.....	\$ 133,519,332	\$ 130,623,388	\$ 132,114,627	\$ 132,481,762	\$ 119,792,889	\$ 111,904,659	\$ 110,041,797	\$ 107,600,398
Restricted.....	101,135,799	77,194,340	75,221,157	67,964,097	53,617,081	47,761,064	41,341,367	36,838,428
Unrestricted (deficit).....	(11,433,024)	(26,106,473)	(43,266,440)	(61,720,068)	(60,902,507)	(60,839,224)	(76,789,266)	(81,895,498)
Total primary government net position.....	\$ 223,222,107	\$ 181,711,255	\$ 164,069,344	\$ 138,725,791	\$ 112,507,463	\$ 98,826,499	\$ 74,593,898	\$ 62,543,328

	Pre GASB Statement No. 68		
	2014	2013	2012
Governmental activities:			
Net investment in capital assets.....	\$ 78,165,983	\$ 79,354,998	\$ 79,053,315
Restricted.....	14,693,531	15,839,211	15,855,201
Unrestricted (deficit).....	(29,574,464)	(36,828,469)	(37,101,404)
Total governmental activities net position.....	\$ 63,285,050	\$ 58,365,740	\$ 57,807,112
Business-type activities:			
Net investment in capital assets.....	\$ 29,434,415	\$ 24,836,529	\$ 28,389,516
Restricted.....	22,144,897	16,031,728	15,186,559
Unrestricted.....	9,952,652	10,475,661	3,289,701
Total business-type activities net position.....	\$ 61,531,964	\$ 51,343,918	\$ 46,865,776
Primary government:			
Net investment in capital assets.....	\$ 107,600,398	\$ 104,191,527	\$ 107,442,831
Restricted.....	36,838,428	31,870,939	31,041,760
Unrestricted (deficit).....	(19,621,812)	(26,352,808)	(33,811,703)
Total primary government net position.....	\$ 124,817,014	\$ 109,709,658	\$ 104,672,888

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

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

Table 2

	2021	2020 ¹	2019	2018	2017	2016	2015	2014	2013	2012
Expenses:										
Governmental activities:										
General government.....	18,530,978	20,700,101	15,152,044	14,919,468	10,013,302	10,732,698	10,286,301	12,051,945	9,945,512	8,835,129
Public safety.....	49,816,836	55,222,208	56,319,605	53,040,030	51,744,571	47,700,225	45,303,249	43,741,690	43,613,583	51,652,189
Physical environment.....	-	875,087	1,089,956	3,383,357	6,009,372	-	-	-	-	-
Transportation.....	8,598,799	13,904,629	13,516,573	11,486,429	12,406,637	9,529,914	8,256,702	8,411,691	8,084,538	8,251,725
Economic environment.....	6,656,054	2,904,699	3,714,034	3,807,287	3,556,658	3,793,466	3,502,219	3,968,188	4,671,421	5,126,426
Human services.....	661,205	804,993	2,529	508,592	1,753,902	540,138	78,972	37,412	153,105	126,997
Cultural and recreation.....	12,309,313	13,338,815	5,364,082	4,580,589	4,761,424	4,311,464	5,658,903	4,997,981	3,288,910	3,549,279
Interest on long-term debt.....	1,708,540	1,610,615	1,725,803	1,827,042	1,911,609	2,040,448	2,125,622	2,200,224	2,809,644	3,249,039
Total governmental activities expenses.....	<u>98,281,725</u>	<u>109,361,147</u>	<u>96,884,626</u>	<u>93,552,794</u>	<u>92,157,475</u>	<u>78,648,353</u>	<u>75,211,968</u>	<u>75,409,131</u>	<u>72,566,713</u>	<u>80,790,784</u>
Business-type activities:										
Water and sewer system.....	44,358,123	43,346,808	41,629,642	38,859,366	36,469,225	35,655,867	37,567,157	32,844,345	32,987,080	33,849,033
Solid waste management.....	10,675,469	10,467,111	9,923,620	9,507,986	9,198,135	8,594,048	9,391,240	9,432,333	9,588,511	8,641,496
Stormwater improvement.....	5,604,742	5,333,481	6,272,899	4,348,012	5,284,463	4,948,927	2,818,747	5,198,128	5,765,271	6,000,169
Halifax Harbor.....	3,315,451	2,926,017	3,004,463	2,920,282	2,948,461	2,784,161	4,892,204	3,235,580	3,077,155	3,315,714
Cultural services.....	-	-	3,543,121	4,517,646	3,471,843	3,592,082	3,554,638	2,788,729	2,063,216	2,179,166
Municipal Golf Course.....	-	-	1,986,735	1,942,714	1,822,116	1,782,413	2,068,289	2,006,200	2,068,160	2,167,185
Florida Tennis Center.....	-	-	599,536	596,688	546,838	580,029	585,676	575,717	575,334	647,880
Municipal Stadium/Jackie Robinson Ballpark.....	-	-	175,748	350,857	364,654	486,014	380,920	366,545	294,106	591,614
Daytona Beach Pier.....	975,289	1,948,461	711,578	741,394	666,490	467,409	527,508	425,896	281,846	354,584
Total business-type activities expenses.....	<u>64,929,074</u>	<u>64,021,878</u>	<u>67,847,342</u>	<u>63,784,945</u>	<u>60,772,225</u>	<u>58,890,950</u>	<u>61,786,379</u>	<u>56,873,473</u>	<u>56,700,679</u>	<u>57,746,841</u>
Total primary government expenses.....	<u>163,210,799</u>	<u>173,383,025</u>	<u>164,731,968</u>	<u>157,337,739</u>	<u>152,929,700</u>	<u>137,539,303</u>	<u>136,998,347</u>	<u>132,282,604</u>	<u>129,267,392</u>	<u>138,537,625</u>
Program revenues:										
Governmental activities:										
Fees, fines, and charges for services:										
General government.....	10,292,360	7,591,361	9,425,057	7,602,600	6,871,891	7,818,031	5,230,580	4,669,486	4,793,671	4,041,855
Public safety.....	3,580,885	3,344,059	3,239,244	2,330,228	1,779,440	2,617,272	1,895,590	2,957,560	2,614,185	2,467,335
Transportation.....	743,205	701,615	783,637	629,049	442,249	820,460	133,564	1,697,748	320,411	294,252
Economic environment.....	492,691	528,952	650,860	1,021,559	777,830	682,020	661,149	677,257	-	-
Human services.....	-	-	-	-	-	-	-	4,496	-	-
Cultural and recreation.....	6,630,888	7,470,397	1,946,551	1,458,389	560,834	1,190,826	596,188	983,727	629,826	759,223
Operating grants and contributions.....	10,530,401	6,385,834	3,023,525	7,318,578	4,670,880	3,331,026	2,706,510	2,258,914	5,922,790	4,968,752
Capital grants and contributions.....	772,259	1,137,268	1,945,826	4,522,339	1,425,262	2,210,454	4,271,772	3,435,436	693,052	830,038
Total governmental activities program revenues...	<u>33,042,689</u>	<u>27,159,486</u>	<u>21,014,700</u>	<u>24,882,742</u>	<u>16,528,386</u>	<u>18,670,089</u>	<u>15,495,353</u>	<u>16,684,624</u>	<u>14,973,935</u>	<u>13,361,455</u>

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

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

Table 2 (Continued)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Business-type activities:										
Fees, fines, and charges for services:										
Water and sewer system.....	58,685,085	54,472,595	53,770,654	51,015,207	47,971,798	47,699,578	43,741,137	41,833,640	40,124,364	37,939,832
Solid waste management.....	20,350,950	19,327,220	18,407,518	17,153,480	16,098,643	15,408,144	14,223,789	13,676,011	12,840,470	12,794,852
Storm water improvement.....	14,034,155	13,400,621	12,721,833	11,972,680	11,397,638	10,909,801	10,086,045	9,861,549	9,399,865	8,801,460
Halifax Harbor.....	3,685,374	3,403,976	3,566,904	3,610,082	3,481,716	2,791,735	2,763,984	2,951,497	3,129,768	3,318,582
Cultural services.....	-	-	3,531,723	3,515,051	2,853,193	2,894,245	2,707,998	2,186,758	1,742,310	1,837,276
Municipal Golf Course.....	-	-	1,519,859	1,468,945	1,368,576	1,626,009	1,834,737	1,754,061	1,867,080	2,020,753
Florida Tennis Center.....	-	-	454,101	399,868	435,979	479,957	460,547	474,138	482,380	343,713
Municipal Stadium/Jackie Robinson Ballpark...	-	-	283,869	255,439	351,006	423,883	361,498	391,119	220,562	271,774
Daytona Beach Pier.....	785,005	594,116	979,207	986,184	804,898	969,817	944,424	930,910	872,425	157,945
Operating grants and contributions.....	-	-	98,781	65,763	72,854	151,475	435,595	166,378	667,957	281,464
Capital grants and contributions.....	6,841,468	6,459,983	7,162,086	7,281,354	5,088,138	3,394,010	1,661,727	1,979,030	502,849	806,524
Total business-type activities program revenues...	104,382,037	97,658,511	102,496,535	97,724,053	89,924,439	86,748,654	79,221,481	76,205,091	71,850,030	68,574,175
Total primary government program revenue.....	137,424,726	124,817,997	123,511,235	122,606,795	106,452,825	105,418,743	94,716,834	92,889,715	86,823,965	81,935,630
Net (expense)/revenue:										
Governmental activities.....	(65,239,036)	(82,201,661)	(75,869,926)	(68,670,052)	(75,629,089)	(59,978,264)	(59,716,615)	(58,724,507)	(57,592,778)	(67,429,329)
Business-type activities.....	39,452,963	33,636,633	34,649,193	33,939,108	29,152,214	27,857,704	17,435,102	19,331,618	15,149,351	10,827,334
Total primary government net expense.....	(25,786,073)	(48,565,028)	(41,220,733)	(34,730,944)	(46,476,875)	(32,120,560)	(42,281,513)	(39,392,889)	(42,443,427)	(56,601,995)
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Property taxes.....	32,467,888	31,460,044	30,359,003	28,214,204	26,873,734	25,642,518	24,575,317	24,476,873	21,549,133	21,511,243
Gas taxes.....	1,964,513	1,782,150	1,991,925	1,952,241	1,925,285	1,866,300	1,767,102	1,700,020	1,692,182	1,706,902
Public service taxes.....	12,061,254	11,561,162	11,768,805	11,547,176	10,889,630	10,761,889	10,520,534	10,534,431	10,063,483	9,684,518
Sales taxes.....	4,366,650	3,723,080	3,809,242	3,759,786	3,539,341	3,392,288	3,213,470	2,998,827	2,811,296	2,667,778
Franchise taxes.....	6,486,956	6,049,136	6,470,703	6,301,472	6,112,377	5,992,635	6,108,348	6,020,481	5,647,528	5,659,848
Tax increment taxes.....	3,721,725	3,381,051	3,212,092	3,068,042	2,974,533	2,677,785	-	-	-	-
Other taxes.....	1,081,810	1,058,682	991,258	937,925	813,175	903,455	3,489,116	3,281,154	3,031,353	3,534,736
Intergovernmental revenues not restricted										
to specific programs.....	3,484,479	2,645,381	2,787,678	2,685,849	2,684,011	2,392,717	2,410,302	2,314,438	2,241,497	3,258,944
Investment earnings.....	63,560	2,188,981	2,767,495	843,607	404,539	347,629	390,887	175,957	64,110	245,801
Miscellaneous.....	969,525	1,709,696	1,104,048	1,239,546	2,485,416	1,042,203	95,905	1,350,500	694,932	1,851,888
Transfers.....	25,254,722	25,163,049	25,357,605	17,673,153	17,179,468	18,003,566	15,047,043	10,791,136	10,915,493	14,721,158
Total governmental activities.....	91,923,082	90,722,412	90,619,854	78,223,001	75,881,509	73,022,985	67,618,024	63,643,817	58,711,007	64,842,816
Business-type activities:										
Income on investments.....	500,292	535,839	790,992	620,629	517,045	522,150	557,846	526,721	54,841	49,789
Miscellaneous.....	128,273	111,737	511,045	407,550	938,753	811,592	1,203,256	1,120,843	752,377	783,896
Transfers.....	(25,254,722)	(25,163,049)	(25,357,605)	(17,673,153)	(17,179,468)	(18,003,566)	(15,047,043)	(10,791,136)	(10,915,493)	(14,721,158)
Total business-type activities.....	(24,626,157)	(24,515,473)	(24,055,568)	(16,644,974)	(15,723,670)	(16,669,824)	(13,285,941)	(9,143,572)	(10,108,275)	(13,887,473)
Total primary government.....	67,296,925	66,206,939	66,564,286	61,578,027	60,157,839	56,353,161	54,332,083	54,500,245	48,602,732	50,955,343
Changes in net position:										
Governmental activities.....	91,923,082	8,520,751	14,749,928	9,552,949	252,420	13,044,721	7,901,409	4,919,310	1,118,229	(2,586,513)
Business-type activities.....	(89,865,193)	9,121,160	10,593,625	17,294,134	13,428,544	11,187,880	4,149,161	10,188,046	5,041,076	(3,060,139)
Total primary government.....	2,057,889	17,641,911	25,343,553	26,847,083	13,680,964	24,232,601	12,050,570	15,107,356	6,159,305	(5,646,652)

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

Table 3

	Post GASB Statement No. 54									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund:										
Non-spendable.....	\$ 430,033	\$ 419,152	\$ 232,962	\$ 385,002	\$ 370,690	\$ 380,664	\$ 393,251	\$ 376,343	\$ 370,842	\$ 396,937
Restricted.....	-	792,530	267,489	258,549	331,932	333,837	367,343	322,376	254,142	242,888
Committed.....	-	-	-	-	-	-	-	-	-	139,155
Assigned.....	18,670,465	8,995,225	10,552,163	5,299,295	6,425,723	3,631,728	785,789	469,733	737,777	304,552
Unassigned.....	11,140,039	14,922,178	15,947,589	18,264,876	15,882,777	17,163,335	14,555,696	9,637,832	7,836,572	7,056,032
Total General Fund.....	\$ 30,240,537	\$ 25,129,085	\$ 27,000,203	\$ 24,207,722	\$ 23,011,122	\$ 21,509,564	\$ 16,102,079	\$ 10,806,284	\$ 9,199,333	\$ 8,139,564
All other governmental funds:										
Non-spendable.....	\$ -	\$ -	\$ -	\$ -	\$ 1,890	\$ -	\$ -	\$ 300,349	\$ 320,016	\$ 358,308
Restricted.....	50,096,156	38,615,220	33,715,228	26,145,891	19,273,086	20,856,121	15,530,328	14,371,155	14,043,022	14,039,424
Committed.....	-	-	-	-	-	-	-	-	-	372,246
Assigned.....	12,654,058	12,298,998	7,894,628	3,308,374	3,370,578	2,852,396	1,162,500	1,744,121	113,412	1,691
Unassigned.....	-	7,050	(1,595,581)	(2,881,458)	-	-	-	-	-	-
Total all other governmental funds.....	\$ 62,750,214	\$ 50,921,268	\$ 40,014,275	\$ 26,572,807	\$ 22,645,554	\$ 23,708,517	\$ 16,692,828	\$ 16,415,625	\$ 14,476,450	\$ 14,771,669

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

Table 4

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues:										
Taxes.....	\$ 48,481,076	\$ 46,905,969	\$ 46,253,839	\$ 43,630,484	\$ 41,564,174	\$ 40,260,693	\$ 38,772,381	\$ 38,542,276	\$ 34,866,430	\$ 34,768,187
Licenses and permits.....	12,106,135	9,237,468	10,969,624	10,291,638	9,708,904	10,012,489	8,479,557	8,193,227	7,351,721	6,801,601
Intergovernmental.....	22,169,029	16,633,410	14,795,706	21,104,002	15,200,810	13,763,263	15,136,183	15,286,105	14,008,579	12,982,007
Charges for services.....	8,089,139	9,352,802	4,828,974	3,700,798	3,362,026	3,427,994	3,408,436	3,281,525	3,522,061	3,133,741
Fines and forfeitures.....	818,052	467,320	501,464	519,410	566,132	608,225	694,122	2,277,592	2,081,279	2,178,799
Special assessments/impact fees.....	5,986,443	5,424,765	4,727,595	3,589,073	1,845,907	3,927,091	612,918	394,652	180,335	138,515
Income on investments.....	42,537	2,152,329	2,697,121	807,543	392,496	345,865	381,594	164,355	64,109	245,798
Miscellaneous.....	1,917,268	2,407,868	1,282,767	1,354,897	2,570,959	1,355,568	1,293,809	1,385,971	727,723	2,400,288
Total revenues	99,609,679	92,581,931	86,057,090	84,997,845	75,211,408	73,701,188	68,779,000	69,525,703	62,802,237	62,648,936
Expenditures:										
General government.....	15,922,113	15,270,898	9,321,023	8,979,888	8,411,216	7,227,613	7,156,406	6,347,796	6,638,088	5,990,296
Public safety.....	57,082,444	51,923,552	49,539,412	48,806,814	45,781,802	43,241,035	42,487,269	42,922,868	42,002,372	44,974,064
Physical environment.....	-	875,087	1,089,956	3,383,357	6,009,372	-	-	-	-	-
Transportation.....	8,121,329	12,680,815	12,414,769	10,799,849	13,039,409	9,130,762	8,213,904	8,324,963	7,841,138	7,940,577
Economic environment.....	6,718,403	2,723,049	3,472,648	3,690,743	3,414,541	3,750,935	3,558,170	4,014,608	4,724,564	5,094,065
Human services.....	661,205	804,993	2,529	508,592	502,824	540,138	78,972	37,412	153,105	126,997
Culture and recreation.....	10,563,500	10,907,483	5,089,870	4,503,719	4,577,417	4,239,352	5,704,829	5,019,453	3,273,613	3,550,911
Capital outlay.....	6,990,973	11,127,350	9,235,728	12,364,652	5,634,660	6,735,494	6,809,773	5,009,091	3,125,495	7,888,042
Debt service:										
Principal.....	6,517,161	3,789,786	3,697,742	3,539,121	3,484,692	3,277,409	3,186,540	2,993,959	2,994,381	2,725,583
Interest and fiscal charges.....	1,505,852	1,586,296	1,682,401	1,777,971	1,886,092	1,976,958	2,062,047	2,136,563	2,218,480	3,159,055
Total expenditures	114,082,980	111,689,309	95,546,078	98,354,706	92,742,025	80,119,696	79,257,910	76,806,713	72,971,236	81,449,590
Excess (deficiency) of revenue over (under) expenditures.....	(14,473,301)	(19,107,378)	(9,488,988)	(13,356,861)	(17,530,617)	(6,418,508)	(10,478,910)	(7,281,010)	(10,168,999)	(18,800,654)
Other financing sources (uses):										
Debt proceeds.....	25,245,198	354,030	-	2,018,000	789,743	838,116	1,004,865	-	-	19,045,540
Payments to escrow agent.....	(19,190,000)	-	-	(1,555,899)	-	-	-	-	-	(18,560,000)
Proceeds from insurance recovery....	103,779	216,050	149,486	345,460	-	-	-	-	-	-
Transfers in.....	40,217,379	44,734,200	49,805,849	25,995,996	28,785,986	26,320,096	23,025,071	19,077,091	16,950,680	20,975,249
Transfers (out).....	(14,962,657)	(18,611,033)	(24,232,398)	(8,322,843)	(11,606,517)	(8,316,530)	(7,978,028)	(8,249,955)	(6,017,131)	(6,218,091)
Total other financing sources (uses).....	31,413,699	26,693,247	25,722,937	18,480,714	17,969,212	18,841,682	16,051,908	10,827,136	10,933,549	15,242,698
Net change in fund balances.....	\$ 16,940,398	\$ 7,585,869	\$ 16,233,949	\$ 5,123,853	\$ 438,595	\$ 12,423,174	\$ 5,572,998	\$ 3,546,126	\$ 764,550	\$ (3,557,956)
Debt service expenditures as a percent of noncapital expenditures.....	7.5%	5.3%	6.2%	6.2%	6.2%	7.2%	7.2%	7.1%	7.5%	8.0%

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

Table 5

Fiscal Year Ended September 30 ²	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Institutional Property	Governmental Property	Vacant Land and Other	Tangible Personal Property	Total Market Value	Less: Tax-Exempt Property	Total Taxable Assessed Value ¹	Total Direct Tax Rate ¹
2021	\$ 3,814,518,764	\$ 2,203,615,411	\$ 278,969,977	\$ 75,958,933	\$ 463,737,829	\$ 1,370,353,633	\$ 351,974,464	\$ 896,072,246	\$ 9,455,201,257	\$ 3,665,069,243	\$ 5,790,132,014	5.78430 %
2020	3,466,584,985	1,948,000,150	248,702,954	71,448,333	423,486,643	1,273,961,178	390,526,533	861,735,621	8,684,446,397	3,392,015,295	5,292,431,102	6.13580
2019	3,094,397,365	1,726,539,311	208,834,454	89,806,679	410,777,310	1,249,821,245	344,670,088	813,998,023	7,938,844,475	3,171,379,056	4,767,465,419	6.50900
2018	2,847,927,888	1,539,831,183	195,143,658	100,992,354	387,094,766	1,178,695,335	313,652,939	760,774,093	7,324,112,216	2,991,759,480	4,332,352,736	6.67220
2017	2,596,125,201	1,378,479,280	184,421,089	91,432,567	331,803,822	909,117,062	299,990,588	703,732,608	6,495,102,217	2,550,553,384	3,944,548,833	7.00960
2016	2,413,494,445	1,228,060,547	141,460,473	87,098,528	240,766,991	837,643,412	355,694,675	640,478,030	5,944,697,101	2,332,361,988	3,612,335,113	7.33340
2015	2,205,004,032	1,183,636,481	137,619,000	91,816,451	225,150,182	797,265,895	321,853,997	661,241,912	5,623,587,950	2,195,874,518	3,427,713,432	7.35170
2014	2,017,345,022	1,103,205,158	125,503,416	92,086,362	215,076,927	741,062,141	299,204,909	661,283,991	5,254,767,926	1,985,502,392	3,269,265,534	7.68310
2013	1,950,876,530	1,084,057,722	124,074,615	97,501,877	218,501,538	696,606,738	279,363,092	674,213,949	5,125,196,061	1,915,836,708	3,209,359,353	7.03040
2012	2,082,420,061	1,120,718,637	126,418,039	109,776,935	231,475,161	586,087,774	427,645,020	682,097,968	5,366,639,595	1,984,094,808	3,382,544,787	6.73960

Source: Volusia County, Florida, Property Appraiser.

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

² All property valuations for the specified fiscal year ends are obtained from the previous year's tax roll (i.e. all FY 2020-21 data was obtained from the 2020 calendar year tax roll).

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

Table 6

Fiscal Year ¹	City of Daytona Beach			Volusia County			Overlapping Rates							Special Districts				Total Direct and Overlapping Rates
	Operating	Debt Service	Total City	Operating	Debt Service	Total County	St. Johns	Florida	Hospital	Volusia County School District			Daytona Beach	Ponce DeLeon		Mosquito	Total	
							River Water Management District	Inland Navigation District		School District Required	School District Discretionary	School District Debt Service		School District Total	Downtown Development Authority			
2021	5.53000	0.25430	5.78430	5.96740	0.18350	6.15090	0.22870	0.03200	0.98790	5.15900	0.74800	-	5.90700	1.00000	0.08800	0.17810	1.26610	20.35690
2020	5.85870	0.27710	6.13580	6.14200	0.40000	6.54200	0.24140	0.03200	0.35460	5.33300	0.74800	-	6.08100	1.00000	0.09290	0.18800	1.28090	20.66770
2019	6.20000	0.30900	6.50900	6.24640	0.40000	6.64640	0.25620	0.03200	0.35460	5.53300	0.74800	-	6.28100	1.00000	0.09290	0.18800	1.28090	21.36010
2018	6.33330	0.33890	6.67220	6.65200	0.40000	7.05200	0.27240	0.03200	0.37810	5.77200	0.74800	-	6.52000	1.00000	0.09290	0.18800	1.28090	22.20760
2017	6.63670	0.37290	7.00960	6.65200	0.40000	7.05200	0.28850	0.03200	0.75610	6.10000	0.74800	-	6.84800	1.00000	0.09290	0.18800	1.28090	23.26710
2016	6.92200	0.41140	7.33340	6.87090	0.40000	7.27090	0.30230	0.03200	0.95500	6.44900	0.74800	-	7.19700	1.00000	0.09290	0.18800	1.28090	24.37150
2015	6.92200	0.42970	7.35170	6.87090	0.40000	7.27090	0.31640	0.03450	1.00000	6.58800	0.74800	-	7.33600	1.00000	0.09290	0.18800	1.28090	24.59040
2014	7.23570	0.44740	7.68310	6.87090	0.40000	7.27090	0.32830	0.03450	1.00000	6.61000	0.74800	-	7.35800	1.00000	0.09290	0.20800	1.30090	24.97570
2013	6.57340	0.45700	7.03040	6.48090	0.40000	6.88090	0.33130	0.03450	1.25000	6.89000	0.99800	-	7.88800	1.00000	0.09290	0.20800	1.30090	24.71600
2012	6.25980	0.47980	6.73960	6.37910	0.40000	6.77910	0.33130	0.03450	1.75000	7.06500	0.99800	-	8.06300	1.00000	0.09290	0.20800	1.30090	24.99840

Source: Volusia County Property Appraiser's website.

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

¹All property valuations for the specified fiscal year ends are obtained from the previous year's tax roll (i.e. all FY 2020-21 data was obtained from the 2020 calendar year tax roll).

The City of Daytona Beach, Florida
Principal Property Taxpayers
Last Ten Fiscal Years

Table 7

Taxpayer	Type of Business	September 30, 2021			September 30, 2012			Percent to Total Assessed Value
		(2021 Tax Roll) Assessed Taxable Value	Rank	Percent to Total Assessed Value	(2012 Tax Roll) Assessed Taxable Value	Rank	Percent to Total Assessed Value	
Florida Power & Light Company	Electric Utility	\$ 138,078,198	1	2.21%	\$ 65,730,198	2	1.94%	2.21%
International Speedway Corporation	Sports/Entertainment	130,577,742	2	2.09%	101,130,190	1	2.99%	2.09%
Ocean Walk I & II Condominium Assoc	Condominium	116,941,221	3	1.87%				1.87%
Daytona Beach Owner LP	Accommodations	57,335,753	4	0.92%				0.92%
Tomoka Town Center Phases, LLC	Regional Shopping Centers	56,743,643	5	0.91%				0.91%
Tanger Daytona, LLC	Regional Shopping Centers	48,840,603	6	0.78%				0.78%
Brown & Brown Realty Co	Diversified Insurance Agency	48,589,158	7	0.78%				0.78%
Trader Joes East, Inc	Retail Grocery	46,189,537	8	0.74%				0.74%
Volusia Mall, LLC	Regional Shopping Centers	45,897,842	9	0.73%	45,653,083	4	1.35%	0.73%
BR Sands Parc, LLC	Apartments	38,305,350	10	0.61%				0.61%
GEPA Hotel Owner DB, LLC	Accommodations	-	-	-	45,314,411	5	1.34%	0.00%
Ocean Walk I Condominium Associatic	Condominium	-	-	-	34,175,344	6	1.01%	0.00%
Ocean Walk II Condominium Associati	Condominium	-	-	-	58,750,005	3	1.74%	0.00%
Grand Seas Resort Partners	Accommodations	-	-	-	18,072,307	9	0.53%	0.00%
Indigo Development, Inc	Accommodations	-	-	-	17,203,164	10	0.51%	0.00%
Bellsouth Telecommunication, Inc	Telephone	-	-	-	23,201,897	7	0.69%	0.00%
Walmart Stores East, LP	Retail	-	-	-	19,721,117	8	0.58%	0.00%
Total		\$ 727,499,047		11.64%	\$ 428,951,716		12.68%	12.64%

Source: Volusia County Property Appraiser.

The City of Daytona Beach, Florida
Property Tax Levies and Collections
Last Ten Fiscal Years

Table 8

Fiscal Year Ended September 30,	Taxes Levied For Year	Collected to End of Tax Year		Delinquent Collections ¹	Total Collected	
		Amount	Percent of Levy		Amount	Percent of Levy
2021	\$ 32,019,430	\$ 29,977,209	93.62%	\$ 1,079,857	\$ 31,057,066	96.99%
2020	31,006,766	28,823,728	92.96%	1,151,217	29,974,945	96.67%
2019	29,558,286	27,781,826	93.99%	769,262	28,551,088	96.59%
2018	27,438,090	25,707,921	93.69%	1,059,840	26,767,761	97.56%
2017	26,178,787	24,496,495	93.57%	934,488	25,430,983	97.14%
2016	25,004,584	23,240,711	92.95%	962,038	24,202,749	96.79%
2015	23,726,632	22,841,109	96.27%	290,801	23,131,909	97.49%
2014	23,655,425	21,817,045	92.23%	1,195,065	23,012,110	97.28%
2013	21,013,948	19,409,554	92.37%	736,575	20,146,129	95.87%
2012	21,174,054	20,332,695	96.03%	(286,992)	20,045,703	94.67%

Source: Volusia County, Florida Tax Collector and the City of Daytona Beach Finance Department.

Note: Tax collections are stated net of early payment discounts ranging from 1% to 4% based on the date of taxpayer payments. Actual tax collections received in each fiscal year are from the prior year's tax levy (i.e. FY 2020-21 collections are from the 2020 tax levy).

¹ During FY 2011-12, the City paid back \$419,536 to the Volusia County Property Appraiser due to settlements of several Seventh Judicial Circuit Court cases involving the Volusia County Property Appraiser and corporations in the Daytona Beach area.

The City of Daytona Beach, Florida
Water Produced and Consumed and Wastewater Treated
Last Ten Fiscal Years

Table 9

Fiscal Year Ended September, 30	Gallons of Water Produced	Gallons of Water Billed	Gallons of Water Known Unbilled*	Gallons of Water Unaccounted	Percent of Water Unaccounted	Gallons of Wastewater Treated	Total Direct Rate (1)			
							Water		Sewer	
							Base Rate	Usage Rate	Base Rate	Usage Rate
2021	4,664	3,907	501	256	5.49%	4,337	\$ 12.07	\$ 5.91	\$ 4.73	\$ 10.18
2020	4,600	3,810	484	306	6.65%	3,923	11.73	5.75	4.60	9.90
2019	4,498	3,817	191	490	10.89%	4,106	11.36	5.57	4.46	9.59
2018	4,354	3,724	108	522	11.99%	4,751	10.98	5.39	4.31	9.27
2017	4,461	3,818	304	339	7.60%	4,037	10.63	5.22	4.18	8.98
2016	4,317	3,846	89	382	8.85%	3,869	10.23	5.02	4.02	8.64
2015	4,577	3,760	357	460	10.05%	4,042	9.78	4.80	3.84	8.26
2014	4,687	4,102	490	95	2.03%	4,013	9.47	4.65	3.72	8.00
2013	4,512	3,468	322	722	16.00%	3,990	9.06	4.45	3.56	7.66
2012	4,310	3,414	N/A	896	20.79%	3,850	8.59	4.22	3.38	7.26

Source: The City of Daytona Beach Finance and Utilities Departments

* Prior to FY 2013 this figure was not tracked and therefore unavailable. Situations that are know as unbilled include hydrant flushing and water main breaks.

**Known Flushing is not included in this calculation prior to FY 13 and would account for the increase in the Unbilled percent rate.

Note: Gallons are presented in millions

(1) Assumes typical single family residence located within City limits

The City of Daytona Beach, Florida
Water and Sewer Rates
Last Ten Fiscal Years

Table 10

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
¹ Water Rates:										
Base Rate (meter size):										
3/4" to 2".....	\$ 12.07	\$ 11.73	\$ 11.36	\$ 10.98	\$ 10.63	\$ 10.23	\$ 9.78	\$ 9.47	\$ 9.06	\$ 8.59
3"-10".....	\$ 16.12	\$ 15.67	\$ 15.17	\$ 14.66	\$ 14.20	\$ 13.66	\$ 13.05	\$ 12.63	\$ 12.09	\$ 11.46
² Usage rate (per 1,000 gallons).....	\$ 5.91	\$ 5.75	\$ 5.57	\$ 5.39	\$ 5.22	\$ 5.02	\$ 4.80	\$ 4.65	\$ 4.45	\$ 4.22
¹ Sewer Rates:										
Base rate.....	\$ 4.73	\$ 4.60	\$ 4.46	\$ 4.31	\$ 4.18	\$ 4.02	\$ 3.84	\$ 3.72	\$ 3.56	\$ 3.38
² Usage rate (per 1,000 gallons).....	\$ 10.18	\$ 9.90	\$ 9.59	\$ 9.27	\$ 8.98	\$ 8.64	\$ 8.26	\$ 8.00	\$ 7.66	\$ 7.26

Source: City of Daytona Beach Finance Department

Notes: Increases in water and sewer rates must be approved by the City Commission. City Code provides for an annual automatic rate increase based on the change in the Consumer Price Index from July 1 of the preceding calendar year through June 30 of the present calendar year times the existing rates.

¹ The City has three billing zones as follows:

- ZONE 0 = Inside City limits = Billed at 100% of rates shown in above table.
- ZONE 1 = Outside City limits mainland = Billed at 125% of rates shown in above table.
- ZONE 2 = Outside City limits South Peninsula = Billed at 133% of rates shown in above table.

² All customers are charged a minimum usage bill equal to 1,000 gallons of consumption multiplied by the usage rate. For multi-family dwelling

accounts, the minimum usage is based on 1,000 gallons per unit. If actual consumption is greater than the minimum bill, then the account is charged for the actual consumption used.

All customers are charged a minimum usage bill equal to 1,000 gallons of consumption multiplied by the usage rate. For multi-family dwelling accounts, the minimum usage is based on 1,000 gallons per unit. If actual consumption is greater than the minimum bill, then the account is charged for the actual consumption used.

The City of Daytona Beach, Florida
Ten Largest Water and Sewer Customers
Last Ten Fiscal Years

Table 11

Customer	Customer Type	September 30, 2021			September 30, 2012		
		Amount	Percent of Total Revenue	Rank	Amount	Percent of Total Revenue	Rank
City of South Daytona.....	Bulk	\$ 2,143,968	3.65%	1	\$ 2,196,087	5.78%	1
Florida Department of Corrections.....	Government	1,429,494	2.44%	2	1,310,356	3.45%	3
Halifax Medical Center.....	Hospital	1,411,773	2.41%	3	1,246,853	3.29%	4
City of Daytona Beach.....	Government	1,044,120	1.78%	4	1,117,078	2.94%	5
Embry-Riddle Aeronautical University.....	Educational Institution	983,691	1.68%	5	850,131	2.24%	8
Daytona International Speedway.....	Sports/Entertainment	975,229	1.66%	6			
Hilton/Daytona Beach Owner OP CO, LLC.....	Timeshare Investments	955,894	1.63%	7	1,764,294	4.65%	2
County of Volusia.....	Government	951,050	1.62%	8	829,307	2.19%	10
B Braun Medical, Inc.	Industrial	860,622	1.47%	9			
Florida Hospital Memorial Medical Center.....	Hospital	663,477	1.13%	10	829,802	2.19%	9
Bray & Gillespie, LLC.....	Timeshare Investments						
Ocean Walk Condominium Association.....	Timeshare Investments				890,000	2.35%	6
MHC Financing LTD.....	Lender				887,780	2.34%	7
Total		\$ 11,419,318	19.47%		\$ 11,921,688	31.42%	

Source: The City of Daytona Beach Utility Billing and Finance Departments.

The City of Daytona Beach, Florida
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Table 12

Fiscal Year Ended September 30,	Governmental Activities				Business-Type					Total Outstanding Debt	Percent of			
	General Obligation Bonds	Capital Revenue Bonds	Notes and Capital Lease	Total	Capital Revenue Bonds	Water, Sewer & Stormwater Bonds	Notes and Capital Lease	State Revolving Fund Loans	Total		Personal Income	Per Capita	Personal Income	Population
2021	\$ 9,920,000	\$ -	\$ 29,286,886	39,206,886	\$ -	\$ 29,588,456	\$ 20,292,000	\$ 75,692,369	125,572,825	164,779,711	2.86 %	2,223	47,194	74,113
2020	11,118,766	21,591,273	6,804,818	39,514,857	-	32,652,409	23,196,000	60,639,367	116,487,776	156,002,633	2.87	2,221	44,762	70,235
2019	12,182,518	23,108,876	7,944,609	43,236,003	90,630	35,583,983	25,931,000	47,771,765	109,377,378	152,613,381	2.82	2,266	43,028	67,351
2018	13,226,270	24,629,459	9,099,758	46,955,487	139,024	38,481,196	28,512,000	26,468,773	93,600,993	140,556,480	2.93	2,121	41,132	66,267
2017	14,245,023	26,112,827	9,696,686	50,054,536	190,163	43,168,111	25,185,681	26,426,079	94,970,034	145,024,570	2.70	2,212	39,086	65,569
2016	15,243,775	27,650,619	9,877,341	52,771,735	322,294	47,712,571	23,033,263	24,055,524	95,123,652	147,895,387	2.58	2,291	38,197	64,569
2015	16,222,524	29,152,460	9,859,654	55,234,638	457,970	52,122,493	23,713,467	21,005,710	97,299,640	152,534,278	2.37	2,414	36,169	63,186
2014	17,181,279	30,619,129	9,641,681	57,442,089	597,925	56,431,365	24,655,378	5,466,976	87,151,644	144,593,733	2.41	2,303	34,900	62,784
2013	18,120,031	32,045,436	10,295,660	60,461,127	741,915	60,431,319	25,536,046	4,550,545	91,259,825	151,720,952	2.28	2,446	34,661	62,035
2012	19,043,783	33,425,484	10,984,728	63,453,995	885,666	60,740,331	26,029,392	2,819,690	90,475,079	153,929,074	2.17	2,522	33,436	61,028

Sources: The City of Daytona Beach Finance Department.
Per Capita Income - Bureau of Economic Analysis (BEA).
Population - U.S. Census Bureau for 2010. Bureau of Economic and Business Research, University of Florida, for 2018, 2020, and 2021. All other periods estimated by Volusia County.

Note: Details concerning the City's outstanding debt can be found in the notes to the financial statements.
Principal amounts are stated net of unamortized premiums, discounts, and deferred amounts on refunding.
Personal income and population data can be found in TABLE 17.

The City of Daytona Beach, Florida
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Table 13

Fiscal Year Ended September 30,	Governmental Activities			Percentage of Net Assessed Taxable Property Value ³	Debt Per Capita
	General Obligation Bonds ¹	Less: Amount Available in Debt Service Fund ²	Total		
2021	\$ 9,920,000	\$ 502,512	\$ 9,417,488	0.16%	\$ 127
2020	11,118,466	476,043	10,642,423	0.20%	152
2019	12,182,518	449,163	11,733,355	0.25%	174
2018	13,226,270	405,124	12,821,146	0.30%	193
2017	14,245,023	370,408	13,874,615	0.35%	212
2016	15,243,775	341,255	14,902,520	0.41%	231
2015	16,222,524	315,260	15,907,264	0.46%	252
2014	17,181,279	267,745	16,913,534	0.52%	269
2013	18,120,031	212,909	17,907,122	0.56%	289
2012	19,043,783	223,431	18,820,352	0.56%	308

Sources: The City of Daytona Beach Finance Department.

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

¹ Net of original issuance premium and discount.

² Amount restricted for debt service payments.

³ See TABLE 5 for property value data.

The City of Daytona Beach, Florida
Governmental Activities Debt – Direct and Overlapping
Last Ten Fiscal Years

Table 14

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ¹	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
County of Volusia, Florida:			
General obligation bonds.....	\$ -	14.5533%	\$ -
Other debt:			
District School Board of Volusia County, Florida:			
State school bonds.....	85,000	14.5533	12,370
Sales tax revenue bonds.....	27,185,000	14.5533	3,956,315
Certificates of participation.....	303,985,000	14.5533	44,239,849
County of Volusia, Florida:			
Revenue bonds.....	59,162,172	14.5533	8,610,048
Notes payable.....	16,191,000	14.5533	2,356,325
Total overlapping debt.....			59,174,907
City direct debt.....			39,206,886
Total direct and overlapping debt.....			\$ 98,381,793

Sources: Assessed valuation data used to estimate applicable percentages provided by Volusia County, Florida, Property Appraiser.
Debt outstanding data provided by each governmental unit.

Notes: ¹ The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the County's taxable assessed value that is within the City of Daytona Beach's boundaries and dividing it by the County's total taxable assessed value.

Table 15

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

The City of Daytona Beach, Florida
Pledged Revenue Coverage
Last Ten Fiscal Years

Table 16

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Capital revenue bonds:										
Tax increment revenues.....	\$ 4,428,757	\$ 4,353,673	\$ 4,328,539	\$ 4,140,778	\$ 4,109,486	\$ 3,687,123	\$ 3,544,072	\$ 3,514,379	\$ 3,214,889	\$ 3,207,193
Less: operating expenses.....	407,517	304,869	391,517	662,523	695,998	870,030	754,600	683,815	639,645	776,121
Net revenue available for debt service	<u>\$ 4,021,240</u>	<u>\$ 4,048,804</u>	<u>\$ 3,937,022</u>	<u>\$ 3,478,255</u>	<u>\$ 3,413,488</u>	<u>\$ 2,817,093</u>	<u>\$ 2,789,472</u>	<u>\$ 2,830,564</u>	<u>\$ 2,575,244</u>	<u>\$ 2,431,072</u>
Debt service payments:										
Principal.....	\$ 21,425,000	\$ 1,510,000	\$ 1,465,000	\$ 1,425,000	\$ 1,380,000	\$ 1,340,000	\$ 1,300,000	\$ 1,255,000	\$ 1,230,000	\$ 1,130,000
Interest.....	488,440	1,001,428	1,047,931	1,091,281	1,133,356	1,174,156	1,213,756	1,258,356	1,295,756	1,459,814
Total debt service payments.....	<u>\$ 21,913,440</u>	<u>\$ 2,511,428</u>	<u>\$ 2,512,931</u>	<u>\$ 2,516,281</u>	<u>\$ 2,513,356</u>	<u>\$ 2,514,156</u>	<u>\$ 2,513,756</u>	<u>\$ 2,513,356</u>	<u>\$ 2,525,756</u>	<u>\$ 2,589,814</u>
Coverage (times).....	0.18	1.61	1.57	1.38	1.36	1.12	1.11	1.13	1.02	0.94
Water and sewer bonds:										
Charges for services and other.....	\$ 58,787,889	\$ 54,616,311	\$ 53,996,763	\$ 51,257,183	\$ 48,164,299	\$ 47,946,679	\$ 43,900,931	\$ 42,060,900	\$ 40,423,196	\$ 38,329,051
Less: operating expenses.....	31,839,588	32,701,637	30,619,760	28,465,197	26,057,153	25,345,604	28,035,695	23,427,916	23,179,173	23,370,518
Net revenue available for debt service.....	<u>\$ 26,948,301</u>	<u>\$ 21,914,674</u>	<u>\$ 23,377,003</u>	<u>\$ 22,791,986</u>	<u>\$ 22,107,146</u>	<u>\$ 22,601,075</u>	<u>\$ 15,865,236</u>	<u>\$ 18,632,984</u>	<u>\$ 17,244,023</u>	<u>\$ 14,958,533</u>
Debt service payments:										
Principal.....	\$ 2,695,000	\$ 2,525,000	\$ 2,460,000	\$ 4,240,000	\$ 4,075,000	\$ 3,920,000	\$ 3,805,000	\$ 3,530,000	\$ -	\$ 3,265,000
Interest.....	1,364,275	1,494,775	1,607,100	1,741,100	1,907,400	2,067,300	2,202,775	2,268,675	1,398,132	1,994,594
Total debt service payments.....	<u>\$ 4,059,275</u>	<u>\$ 4,019,775</u>	<u>\$ 4,067,100</u>	<u>\$ 5,981,100</u>	<u>\$ 5,982,400</u>	<u>\$ 5,987,300</u>	<u>\$ 6,007,775</u>	<u>\$ 5,798,675</u>	<u>\$ 1,398,132</u>	<u>\$ 5,259,594</u>
Coverage (times).....	6.64	5.45	5.75	3.81	3.70	3.77	2.64	3.21	12.33	2.84

Source: The City of Daytona Beach Finance Department.

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

Operating expenses do not include interest, depreciation, or amortization expenses.

There were no principal payments on the water and sewer revenue bonds during FY 2012-13 due to the refunding that occurred in FY 2011-12.

2011A Bond Refunded FY2021

Table 17

Fiscal Year Ended September 30,	Population ¹	Personal Income ²	Per Capita Personal Income ³	Median Household Income ⁴	Median HUD Rate ⁵	Area Unemployment Rate ⁶
2021	74,113	\$ 3,497,688,922	\$ 47,194	\$ 38,686	65,400	4.0 %
2020	70,235	3,143,859,070	44,762	35,893	64,900	6.3
2019	67,351	2,897,978,828	43,028	33,128	59,100	3.2
2018	66,267	2,725,694,244	41,132	32,932	55,100	3.5
2017	65,569	2,562,829,934	39,086	30,137	54,300	4.1
2016	64,569	2,466,342,093	38,197	29,587	51,400	5.2
2015	63,186	2,285,374,434	36,169	27,901	51,800	5.5
2014	62,784	2,191,161,600	34,900	28,164	51,500	6.7
2013	62,035	2,150,195,135	34,661	27,762	56,500	8.0
2012	61,028	2,040,532,208	33,436	28,963	56,500	9.2

Sources: ¹ U.S. Department of Commerce, Bureau of Census for 2010. Bureau of Economic and Business Research, University of Florida, for 2018- 2021. All other periods estimated by Volusia County.

² Amount computed from population and per capita personal income statistics.

³ US Bureau of Economic Analysis. Amounts indicated are for Deltona-Daytona Beach-Ormond Beach MSA, Florida.

⁴ FL Research & Economic Info Database (FREIDA) for 2011-2019. United States Census Bureau used for 2020 and 2021. Amounts indicated are for Deltona-Daytona Beach-Ormond Beach, FL Metro Area.

⁵ US Department of Housing and Urban Development, HUD User data set.

⁶ US Bureau of Labor Statistics Data. Amounts indicated are for Deltona-Daytona Beach - Ormond Beach MSA, Florida.

Table 18

Employer(1)	September 30, 2021			September 30, 2012		
	Total Employees	Rank	Percent to Total City Employment	Total Employees	Rank	Percent to Total City Employment
(1) Volusia County School District.....	7,997	1	64.68	8,273	1	25.26
(1) Halifax Health.....	4,000	2	32.35	4,186	3	12.79
(1) Volusia County, Florida.....	3,305	3	26.73	8,273	2	25.26
Advent Health Daytona Beach.....	2,448	4	19.80			
Embry-Riddle Aeronautical University.....	2,076	5	16.79	1,198	5	3.66
(1) Daytona State College.....	1,198	6	9.69	1,589	4	4.85
(1) The City of Daytona Beach, Florida.....	930	7	7.52	806	6	2.46
(1) Walmart Associates.....	941	8	7.61			
Florida Hospital Healthcare Partner.....	888	9	7.18			
SMA Healthcare	620	10	5.01			
Bethune Cookman University.....				600	7	1.83
International Speedway Corporation.....				400	10	1.22
Daytona Beach News Journal.....				499	8	1.52
Plaza Resort & Spa.....				499	9	1.52
Total.....	<u>24,403</u>		<u>197.37</u>	<u>26,323</u>		<u>80.37</u>
(2) Estimated civilian labor force.....	<u>12,364</u>			<u>32,752</u>		

Sources: Volusia County Schools Demographics & Statistics
Volusia County Department of Economic Development.
Volusia County 2020 Annual Report
The City of Daytona Beach Human Resources Department.

Notes: (1) Employee numbers reported represent total employees in Volusia County. Individual employee counts by city are not compiled or reported by the employers, and include employees who reside in other government jurisdictions within the Volusia County area.

(2) Source for 2021 estimate: US Bureau of Labor Statistics.
Source for 2012 estimate: 2012 CAFR

The City of Daytona Beach, Florida
Full Time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

Table 19

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General government:										
Legislative.....	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Management/government relations.....	16.8	16.8	16.8	15.0	13.0	14.5	13.5	13.0	8.0	8.0
Legal.....	10.0	10.0	10.0	10.0	10.0	9.0	8.0	8.0	8.0	8.0
Human resources.....	8.0	8.0	8.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Risk management.....	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Development services.....	43.0	43.0	41.0	36.0	33.0	34.0	32.0	33.0	30.0	25.0
Redevelopment services.....	-	-	-	-	-	-	-	-	-	-
City clerk.....	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	5.0	5.0
Information technology.....	19.8	19.8	19.3	18.3	18.3	17.3	16.8	15.5	14.0	14.0
Finance.....	37.3	37.3	37.8	36.8	36.8	35.8	34.8	35.0	29.0	28.0
Police:										
Chief of Police.....	13.0	13.0	15.0	12.0	11.0	11.0	10.0	10.0	10.0	9.0
Operations.....	207.0	207.0	207.0	185.0	186.0	187.0	188.0	190.5	184.5	181.5
Support bureau.....	97.0	97.0	94.0	89.0	88.0	89.0	85.5	81.0	86.0	77.0
COPS Grant.....	-	-	-	10.0	10.0	10.0	10.0	-	-	-
Fire:										
Administration.....	12.0	12.0	12.0	10.0	9.0	9.0	9.0	9.0	9.0	9.0
Operations.....	101.0	101.0	101.0	99.0	100.0	100.0	97.0	97.0	97.0	97.0
Public works:										
Administration.....	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Engineering.....	26.5	26.5	26.5	24.5	23.5	19.8	16.8	18.0	18.0	18.0
Maintenance and other.....	88.5	88.5	90.5	91.5	89.0	89.5	89.5	84.0	84.0	85.0
Culture and recreation:										
Municipal Golf Course.....	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.2	3.2	22.0
Florida Tennis Center.....	3.6	3.6	3.6	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Halifax Harbor.....	1.1	1.1	1.0	1.0	1.8	1.0	1.0	-	-	-
Cultural & Community Events.....	3.0	3.0	5.0	5.0	13.0	13.0	12.0	-	-	-
Peabody Auditorium - Operations.....	7.0	7.0	7.0	7.0	10.0	10.0	8.0	-	-	-
Recreation.....	30.5	30.5	29.5	33.0	28.5	28.5	25.5	49.3	40.3	45.0
Solid waste services.....	2.5	2.5	2.5	2.5	2.5	2.5	2.5	3.0	3.0	3.0
Water and wastewater services.....	168.0	168.0	168.0	162.0	152.3	153.6	151.7	151.5	151.5	151.0
Total.....	913.5	920.6	920.5	884.1	872.0	871.0	848.1	835.5	808.0	813.0

Source: The City of Daytona Beach Human Resources Department.

Note: Part-time and seasonal employees for all departments are assumed to be 0.5 full time equivalents for all reporting categories.

Reorganization in FY 2014-15 required reclassification of Halifax Marina, Cultural and Community Events and Peabody which were previously reported as part of Recreation.

The City of Daytona Beach, Florida
Operating Indicators by Function
Last Ten Fiscal Years

Table 20

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Police:										
Physical arrests.....	7,214	7,697	9,183	8,762	8,475	7,924	8,087	8,472	8,959	10,917
Parking violations.....	181	422	539	792	636	541	510	718	1,038	1,222
Traffic violations.....	5,203	7,197	9,315	11,613	11,515	16,058	12,655	12,741	15,823	13,855
Fire:										
Emergency responses.....	20,789	18,081	18,410	21,838	22,055	21,443	21,042	19,459	18,516	19,017
Non-fire/EMS.....	16,085	15,686	15,100	17,388	18,406	16,446	16,083	15,696	13,303	15,940
Inspections by engine companies.....	123	82	685	932	1,680	2,016	1,848	2,302	2,016	1,465
Inspections by fire inspectors.....	603	660	1,015	993	987	1,012	982	803	1,286	2,129
Solid waste:										
Refuse collected (tons per day).....	207	208	211	209	223	201	171	162	159	156
Yard trash (tons per day).....	17	19	23	22	23	23	26	24	23	22
Recyclables collected (tons per day).....	5	5	5	6	5	5	5	5	5	4
Public works:										
Street construction (miles).....	-	0.5	-	1.2	-	0.9	-	0.7	-	-
Street resurfacing (miles).....	4.3	0	1.52	2.2	5.2	3.2	1.5	0.5	-	8.7
Potholes repaired.....	158	1,722	1,248	1,017	830	931	788	871	550	330
Building development:										
Residential/single family permits issued....	1361	830	519	454	408	412	400	507	562	472
Commercial/multi-family permits issued...	297	325	262	250	336	404	271	255	311	294
Miscellaneous permits issued.....	6,525	5,957	6,577	4,881	5,774	3,644	3,037	2,853	2,526	2,304
Water:										
New connections.....	1,069	692	419	402	180	188	186	167	96	110
Water main breaks.....	94	404	90	291	595	264	432	285	266	176
Average daily consumption (MGD).....	12.8	12.9	12.4	11.9	12.5	11.8	12.2	12.8	12.4	11.8
Peak daily consumption (MGD).....	13.8	16.8	16.3	12.6	15.2	13.7	14.2	14.2	13.9	14.7
Sewer:										
Average daily treatment (MGD).....	12.3	11.3	11.3	13.0	11.1	11.2	11.1	11.0	10.9	10.5
Utilities system:										
Number of customers.....	29,107	28,818	27,643	27,157	26,825	24,584	24,409	24,249	23,674	22,777

Source: Various City of Daytona Beach Departments.

Prior to fiscal year 2015, data for physical arrests was based on calendar year.

*Due to COVID the Inspection Program was temporarily suspended for a majority of FY 20. For FY 21 Inspection Operations by both engine companies and Fire Inspectors were impacted by the on-going effects of the COVID-19 pandemic.

**No Budget for Street Resurfacing allocated in FY 20.

The City of Daytona Beach, Florida
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Table 21

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General government:										
Area (square miles).....	68	68	68	68	68	68	68	68	68	68
Police:										
Stations.....	3	3	1	1	1	1	1	1	1	1
Patrol units (marked cars).....	305	186	166	166	170	163	153	149	149	149
Fire:										
Fire stations.....	7	7	7	7	7	7	7	7	7	7
Solid waste:										
Collection trucks.....	17	19	18	18	12	12	12	12	12	12
Public works:										
Paved streets (miles).....	305.0	305.5	305.0	305.0	302.9	302.9	302.9	302.9	301.5	301.5
Unpaved streets (miles).....	1	0.9	0.9	0.9	0.2	0.2	0.2	0.2	0.2	0.2
Streetlights.....	8,373	7,500	8,373	8,367	8,324	8,324	8,303	8,282	8,282	6,445
Traffic signals.....	140	145	136	136	136	136	136	135	135	134
Parks and recreation:										
Area (acres).....	858	858	858	858	858	858	858	858	858	858
Swimming pools.....	2	2	2	2	2	2	2	2	2	2
Tennis courts.....	38	38	38	38	36	36	36	36	36	36
Playgrounds.....	24	24	24	24	23	24	24	24	24	24
Recreation (community) centers.....	19	19	19	19	19	19	19	19	19	18
Shuffleboard/lawn bowling courts.....	4	4	4	4	5	5	5	5	5	5
Auditorium/Bandshell.....	4	4	4	4	4	4	4	4	4	4
Soccer/football fields.....	7	7	7	7	7	7	7	7	7	7
Baseball/softball diamonds.....	13	13	13	13	13	13	13	13	13	13
Basketball courts.....	26	26	26	26	26	26	26	26	22	21
18 hole golf courses.....	2	2	2	2	2	2	2	2	2	2
Marina boat slips.....	550	550	550	550	550	550	550	550	550	550
Boat ramps.....	18	18	18	18	18	18	18	18	18	18
Parks and picnic areas.....	38	38	38	38	38	38	38	38	38	38
Water:										
Water mains (miles).....	504	496	498	587	700	700	700	700	700	700
Fire hydrants.....	3,232	2,666	2,529	3,018	2,897	2,884	2,866	2,840	2,450	2,450
Production capacity (MGD).....	24.0	24	24	24	24	24	24	24	24	24
Sewer:										
Sanitary sewers (miles).....	297	294	402	396	615	615	615	615	615	615
Storm sewers (miles).....	127	125	124	113	203	203	203	203	189	189
Treatment capacity (MGD).....	28	28	28	28	28	28	28	28	28	28

Source: Various City of Daytona Beach Departments.

Notes: The Utilities Department has spent the last year refining the GIS mapping of our utility lines. The totals in the table above reflect City maintained water, sewer and stormwater mains located within the public right-of-way and/or easements. These numbers do not include service lines and laterals to private property up to the City's water meter and clean-out; however, the City is responsible for maintenance of these lines. In previous years an approximation of the service lines and laterals were included in the total miles of pipeline which is why the 2018 totals have decreased.

The City of Daytona Beach, Florida
Other Post-Employment Benefits (OPEB)
Schedule of Statistical Information
September 30, 2021

Table 22

	Number of Participants Included
Current retirees:	
Under age 65.....	56
Over age 65.....	104
Total current retirees.....	160
Active employees:	
Active employees not yet fully eligible for benefits.....	715
Active employees fully eligible for benefits.....	146
Total active employees.....	861
Total number of participants.....	1021
Average age of active employees.....	43.9

Age and service distribution for active employees:

	Years of Service								
	0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35+	
Age									Total Number of Active Employees
Under 25	47	-	-	-	-	-	-	-	47
25-29	67	12	-	-	-	-	-	-	79
30-34	70	29	14	-	-	-	-	-	113
35-39	50	18	25	6	-	-	-	-	99
40-44	33	13	26	31	9	-	-	-	112
45-49	34	15	11	22	12	6	-	-	100
50-54	28	7	20	20	10	11	4	-	100
55-59	27	21	8	13	14	8	7	-	98
60-64	25	10	15	10	8	6	8	3	85
65+	9	5	4	5	2	2	1	-	28
Total	390	130	123	107	55	33	20	3	861

Based on October 1, 2019 OPEB actuarial valuation report.



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Compliance Section



The City of Daytona Beach, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended September 30, 2021

Federal Agency Pass-through Entity Federal Program/State Project	Assistance Listing No.	Grant Number/ Pass Through Entity Identifying Number	Expenditures	Transfers to Subrecipients
FEDERAL AWARDS:				
US Department of Housing and Urban Development				
Direct Programs:				
<i>CDBG - Entitlement Grants Cluster</i>				
Community Development Block Grants	14.218	B-18-MC-12-0004	\$ 284,423	\$ -
Community Development Block Grants	14.218	B-20-MC-12-0004	266,276	25,000
COVID-19 Community Development Block Grants	14.218	B-19-MC-12-0004	3,143	-
COVID-19 Community Development Block Grants	14.218	B-20-MC-12-0004	97,060	97,060
COVID-19 Community Development Block Grants	14.218	B-20-MW-12-0004	760,347	-
<i>Total CDBG - Entitlement Grants Cluster</i>			1,411,249	122,060
HOME Investment Partnerships Program	14.239	M-17-MC-12-0203	180,785	-
HOME Investment Partnerships Program	14.239	M-20-MC-12-0203	18,333	-
<i>Total HOME Investment Partnerships Program</i>			199,118	-
Total US Department of Housing and Urban Development			1,610,367	122,060
US Department of Justice				
Direct Programs:				
Bulletproof Vest Partnership Program	16.607	BV 2018-2020	21,303	-
Edward Byrne Memorial Justice Assistance Grant Program:				
Justice Assistance Grant Program	16.738	2018-DJ-BX-0803	23,196	-
COVID-19 Justice Assistance Grant Program	16.738	2020-VD-BX-0429	64,495	-
Total Edward Byrne Memorial Justice Assistance Grant Program			87,691	-
Equitable Sharing Program	16.922	n/a	21,303	-
Indirect Programs:				
<i>Passed Through Florida Office of the Attorney General:</i>				
Crime Victim Assistance Programs:				
Victims of Crime Act - Victims Assistance Program	16.575	VOCA-2020-City of Daytona Beach Pol- 00641	46,716	-
Total US Department of Justice			177,013	-
US Department of Transportation				
Indirect Programs:				
<i>Highway Planning and Construction Cluster</i>				
<i>Passed through Florida Department of Transportation:</i>				
Highway Planning and Construction - Phase 1	20.205	443236-1-58/68-1	12,963	
<i>Total Highway Planning and Construction Cluster</i>				
<i>Highway Safety Cluster</i>				
<i>Passed through Florida Department of Transportation:</i>				
State and Community Highway Safety:				
Increasing Safety of Motorcyclists Through Enforcement & Education	20.600	G1Q55	33,957	-
Obey the Sign or Pay the Fine	20.600	G1R35	-	-
<i>Total Highway Safety Cluster</i>			33,957	-
Total US Department of Transportation			46,920	-

The City of Daytona Beach, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
(Continued)
For the Fiscal Year Ended September 30, 2021

Federal Agency Pass-through Entity Federal Program/State Project	Assistance Listing No.	Grant Number/ Pass Through Entity Identifying Number	Expenditures	Transfers to Subrecipients
US Department of the Treasury				
Direct Programs:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	n/a	2,487,370	-
Indirect Programs:				
<i>Passed through Florida Housing Finance Corporation:</i>				
COVID-19 Coronavirus Relief Fund	21.019	Agreement #111-2020	1,160,233	-
<i>Passed through Volusia County (Florida)</i>				
COVID-19 Coronavirus Relief Fund	21.019	SLT0169	2,407,514	-
Total COVID-19 Coronavirus Relief Fund			3,567,747	-
Total US Department of the Treasury			6,055,117	-
US Department of Homeland Security - Federal Emergency Management Agency				
Indirect Programs:				
<i>Passed through Florida Division of Emergency Management:</i>				
Disaster Grants - Public Assistance (Hurricane Matthew)	97.036	17-PA-00-06-74-01-110	154,577	-
Disaster Grants - Public Assistance (Hurricane Irma)	97.036	17-PA-00-06-74-01-152	920,237	-
Total US Department of Homeland Security			1,074,814	-
US Environmental Protection Agency				
Indirect Programs:				
Clean Water State Revolving Funds Cluster				
<i>Passed through Florida Department of Environmental Protection:</i>				
Capitalization Grants for Clean Water State Revolving Funds:				
Beach Street Force Main	66.458	WW640970	2,674,933	-
WRWRF Biosolids Dewatering Improvements	66.458	WW640980	3,328,403	-
Total Clean Water State Revolving Funds Cluster			6,003,336	-
Total US Environmental Protection Agency			6,003,336	-
Total Expenditures of Federal Awards			\$ 14,967,567	\$ 122,060

The City of Daytona Beach, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
(Continued)
For the Fiscal Year Ended September 30, 2021

State Agency, Pass-through Entity, Federal Program/State Project	CSFA Number	Grant Number/ Pass Through Entity Identifying Number	Expenditures	Transfers to Sub recipients
STATE FINANCIAL ASSISTANCE:				
Florida Department of Environmental Protection:				
Direct Programs:				
Wastewater Treatment Facility Construction:				
Clean Water State Revolving Loan	37.077	WW640930	\$ 1,999,569	\$ -
Resilient Florida Programs:				
Bethune Point Resiliency Study	37.098	R2120	75,000	-
Total Florida Department of Environmental Protection			2,074,569	-
Florida Housing Finance Corporation				
Direct Programs:				
State Housing Initiatives Partnership Program (SHIP)	40.901		6,862	-
Total Florida Housing Finance Corporation			6,862	-
Florida Fish and Wildlife Conservation Commission				
Direct Programs:				
Derelict Vessel Removal Program	77.005	20144	70,450	-
Total Florida Fish and Wildlife Conservation Commission			70,450	-
Florida Department of Transportation				
Direct Programs:				
Florida Shared-Use Nonmotorized (Sun) Trail Network Program:				
SunTrail Phase 2 - Ballough Bridge	55.038	439870-1-54-01	6,104	-
SunTrail Phase 3 - S Beach St (Marina Pt to Orange)	55.038	439869-1-54-01	331,206	-
SunTrail Phase 4 - S Beach St (Bellevue to Marina Pt)	55.038	439868-1-54-01	350,403	-
SunTrail Phase 6 - S Beach St (Wilder to Shady Pl)	55.038	439866-1-54-01	58,000	-
Total Florida Department of Transportation			745,713	-
Total Expenditures of State Financial Assistance			\$ 2,897,594	\$ -

The City of Daytona Beach, Florida
Notes to the Schedule of Expenditures of Federal Awards
and State Financial Assistance
September 30, 2021

A. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and state financial assistance (the Schedule) includes the federal award activity and state award activity of The City of Daytona Beach, Florida, under programs of the federal government and state government for the year ended September 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the Section 215.97, Florida Statutes. Because the Schedule presents only a selected portion of the operations of The City of Daytona Beach, Florida, it is not intended to and does not present the financial position, changes in net assets, or cash flows of The City of Daytona Beach, Florida.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable, or are limited as to reimbursement.

C. SUB RECIPIENTS

The City of Daytona Beach, Florida provided federal awards to sub recipients in the amount of \$122,060 for the fiscal year ended September 30, 2021.

D. INDIRECT COST RATE

The City of Daytona Beach, Florida has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

E. NONCASH AWARDS

The City of Daytona Beach, Florida received no noncash awards in the fiscal year ended September 30, 2021.

F. EXPENDITURES FROM PRIOR FISCAL YEARS

Expenditures for ALN 97.036, *Disaster Grants – Public Assistance*, and ALN 21.019, *COVID-19 Coronavirus Relief Fund*, include \$1,068,986 and approximately \$2,400,000 expended in the previous fiscal years, respectively.



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Daytona Beach, Florida, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise City of Daytona Beach, Florida's basic financial statements, and have issued our report thereon dated June 30, 2022. Our report includes a reference to other auditors who audited the financial statements of the Police and Fire Pension Trust Fund and of First Step Shelter, Inc. (a discretely presented component unit), as described in our report on the City of Daytona Beach, Florida's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Daytona Beach, Florida's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Daytona Beach, Florida's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Daytona Beach, Florida's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Daytona Beach, Florida's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida
June 30, 2022



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

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

Report on Compliance for Each Major Federal Program and State Project

We have audited the City of Daytona Beach, Florida's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and Chapter 10.550, Rules of the Florida Auditor General that could have a direct and material effect on each of the City of Daytona Beach, Florida's major federal programs and state projects for the year ended September 30, 2021. The City of Daytona Beach, Florida's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal awards and state financial assistance applicable to its federal programs and state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Daytona Beach, Florida's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the audit requirements of Chapter 10.550, Rules of the Florida Auditor General. Those standards, the Uniform Guidance and the Chapter 10.550 audit requirements require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the City of Daytona Beach, Florida's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. However, our audit does not provide a legal determination of the City of Daytona Beach, Florida's compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, the City of Daytona Beach, Florida complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2021.

Report on Internal Control over Compliance

Management of the City of Daytona Beach, Florida is responsible for establishing and maintaining effective internal control over compliance with the types of requirements referred to above. In planning and performing our audit of compliance, we considered the City of Daytona Beach, Florida's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program or state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project, and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, Rules of the Florida Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Daytona Beach, Florida's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, 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 and Chapter 10.550, Rules of the Florida Auditor General. Accordingly, this report is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida

June 30, 2022

**The City of Daytona Beach, Florida
Schedule of Findings and Questioned Costs
Fiscal Year Ended September 30, 2021**

Section I—Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(ies) identified? ___ yes X none noted

Noncompliance material to financial statements noted? ___ yes X no

Federal Awards and State Programs

Internal control over major federal programs and state programs:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(ies) identified? ___ yes X none noted

Type of auditors’ report issued on compliance for major federal programs and state programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Part 200.516(a) of OMB Compliance Supplement and/or Chapter 10.554(1)(l)(4)? ___ yes X none noted

Identification of major federal programs and state programs:

<u>Federal ALN</u>	<u>Federal Program or Cluster</u>
21.019	COVID-19 Coronavirus Relief Fund
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds

<u>State CSFA Number</u>	<u>State Program</u>
37.077	Wastewater Treatment Facility Construction

Dollar threshold used to distinguish between type A and B programs was \$750,000 for major federal programs and \$750,000 for major state programs.

Auditee qualified as a low-risk auditee for federal purposes? X yes ___ no

**The City of Daytona Beach, Florida
Schedule of Findings and Questioned Costs (Continued)
Fiscal Year Ended September 30, 2021**

Section II—Financial Statement Findings

A. Internal Control Over Financial Reporting

No matters were reported.

B. Compliance and Other Matters

No matters were reported.

Section III—Federal Award Findings and Questioned Costs

A. Compliance

No matters were reported.

B. Internal Control Over Compliance

No matters were reported.

Section IV—State Project Findings and Questioned Costs

A. Compliance

No matters were reported.

B. Internal Control Over Compliance

No matters were reported.

Section V- Prior Findings and Questioned Costs for Federal Awards and State Projects

2020-001 Review of Schedule of Expenditures of Federal Awards and State Financial Assistance

Status: Resolved

2020-002 Review of Reports and Reimbursement Requests

Status: Resolved

Independent Auditors’ Management Letter

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

Report on the Financial Statements

We have audited the financial statements of the City of Daytona Beach, Florida (the “City”) as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated June 30, 2022.

Auditors’ Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors’ Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants’ Report on an Examination Conducted in Accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Florida Auditor General. Disclosures in those reports and schedule, which are dated June 30, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. The status of corrective actions to address the findings and recommendations made in the preceding financial audit are as follows:

Finding No.	Description	Status
IC 2018-001	Segregation of Duties at Halifax Harbor Marina	Resolved
IC 2018-002	Oversight of Halifax Harbor Marina	Resolved
2019-002	Unexpended Balance – Building Permits	Unresolved
2020-001	Review of Schedule of Expenditures of Federal Awards and State Financial Assistance	Resolved
2020-002	Review of Reports and Reimbursement Requests	Resolved
2020-003	Census Data Review	Resolved

2020-004	Deferred Outflows for Contributions Subsequent to the Measurement Date	Resolved
2020-005	System for Awards Management (SAM) Verification	Resolved

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority of the City of Daytona Beach, Florida and its component unit are disclosed in the footnotes.

Financial Condition and Management

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

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

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

IC 2021-001 Review of reports over operations of Halifax Harbor Marina

Criteria: The City contracts with Safe Harbor Marinas (SHM) to provide management services for Halifax Harbor Marina. Pursuant to the terms of the contract, SHM is required to provide weekly and monthly reports on the activities of Halifax Harbor Marina to the City.

Condition: There was no documentation of review by the City's Enterprise Business Manager or reconciliation of the reports by the City for the weekly or monthly reports provided by SHM for Halifax Harbor Marina.

Cause of condition: The City did not always document that review of the reports occurred or that the report information reconciled with the City's financial information.

Potential effect of condition: Lack of oversight of the management contract could result in performance issues or misappropriation of City assets that may not be identified or detected by the City's controls on a timely basis.

Recommendation: We recommend that the City's Enterprise Business Manager retain documentation of controls over review of SHM's compliance with the contract provisions regarding the remittal of weekly and monthly reports.

Management's Response: *Management acknowledges the comment. The Business Enterprise Management Director (BEMD) meets with SHM on a weekly basis to review and discuss reports provided. The BEMD is now documenting the receipt and review of weekly financial, occupancy, and accounts receivable reports.*

2019-002 Unexpended Balance – Building Permits

Criteria: Section 553.80(7)(a) of Florida Statutes has been updated to limit the amount of unexpended building permit funds carried forward to future fiscal years to no more than the City's average operating budget for enforcing the Florida Building Code for the previous four (4) fiscal years. A local government must use any funds in excess of this limitation to rebate or reduce fees.

Condition: The City's unexpended building permit funds at September 30, 2021 exceeded the City's average operating budget for enforcing the Florida Building Code for the previous four (4) fiscal years by \$7,868,077.

Cause of condition: Prior to July 1, 2019, there was no provision in the Florida Statutes limiting the amount of carryforward of unexpended building permit funds. In prior fiscal years, the annual revenue derived from building permit fees exceeded anticipated amounts.

Potential effect of condition: The City has excess unexpended balances at September 30, 2021.

Recommendation: The City should identify how it intends to reduce the amount of unexpended building code balances in order to comply with Section 553.80(7)(a) of Florida Statutes.

Management's Response: *Management is aware of the need to reduce the fund balance restricted for building code enforcement to meet the requirements of the new statute. Accordingly, projects totaling \$4.4 million are underway to improve, enhance and broaden the scope of the enforcement process. Noteworthy, some of these projects are technology related and will take multiple years to be fully implemented. Additionally, the City has instituted programs to waive fees for building permits and inspections in an effort to incentivize improvements in core areas.*

Special District Component Unit

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

Additional Matters

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

Purpose of this Letter

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

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida

June 30, 2022



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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES

Honorable Mayor and City Commissioners
City of Daytona Beach, Florida

We have examined the City of Daytona Beach, Florida's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2021. Management is responsible for the City of Daytona Beach, Florida's compliance with the specified requirements. Our responsibility is to express an opinion on the City of Daytona Beach, Florida's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City of Daytona Beach, Florida's complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City of Daytona Beach, Florida's complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including as assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City of Daytona Beach, Florida's compliance with specified requirements.

In our opinion, the City of Daytona Beach, Florida complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2021.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida
June 30, 2022

