



The City of Daytona Beach, Florida
Annual Comprehensive Financial Report
Fiscal Year ended September 30, 2022

City of Daytona Beach, Florida

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the year ended September 30, 2022

Prepared by: The Finance Department

Introduction Section



City of Daytona Beach, Florida
Table of Contents
September 30, 2022

<u>Introductory Section</u>	<u>Page</u>
Table of Contents.....	1
Letter of Transmittal.....	5
Certificate of Achievement for Excellence in Financial Reporting.....	11
Organizational Chart.....	12
Mayor, City Commissioners and City Officials	13
<u>Financial Section</u>	
Independent Auditors’ Report.....	15
Management’s Discussion and Analysis	19
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	35
Statement of Activities	36
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	37
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	38
Statement of Revenues, Expenditures, and Changes in Fund Balances –	
Governmental Funds.....	39
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances	
of Governmental Funds to the Statement of Activities	40
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –	
General Fund.....	41
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –	
Redevelopment Trust Special Revenue Fund.....	42
Statement of Net Position – Proprietary Funds.....	43
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds.....	44
Statement of Cash Flows – Proprietary Funds.....	45
Statement of Fiduciary Net Position – Fiduciary Funds.....	47
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	48
Notes to the Financial Statements	49
Required Supplementary Information:	
Schedule of the City’s Proportionate Share of the Net Pension Liability –	
Florida Retirement System and Health Insurance Subsidy Program.....	115
Schedule of City Contributions – Florida Retirement System and Health Insurance Subsidy Program.....	116
Schedule of Changes in the City’s Net Pension Liability and Related Ratios –	
Police and Fire Pension Trust Fund.....	117
Schedule of City Contributions – Police and Fire Pension Trust Fund	118
Schedule of Changes in the City’s Total Other Post-Employment Benefit	
Liability and Related Ratios.....	119

City of Daytona Beach, Florida
Table of Contents
September 30, 2022

<u>Financial Section (Continued)</u>	<u>Page</u>
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds	123
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	128
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:	
Community Development Special Revenue Fund	133
Local Housing Assistance Special Revenue Fund	134
Law Enforcement Trust Special Revenue Fund	135
Federal Shared Property Forfeitures Special Revenue Fund	136
Transportation 5-Cent Gas Tax Special Revenue Fund	137
Permit and License Special Revenue Fund	138
Road Impact Fees Special Revenue Fund	139
Recreation/Parks/Culture Impact Fees Special Revenue Fund	140
Fire/EMS Impact Fees Special Revenue Fund	141
Police Impact Fees Special Revenue Fund	142
General Government Impact Fees Special Revenue Fund	143
Grants Special Revenue Fund	144
Emergency Management Grants Special Revenue Fund	145
COVID Local Fiscal Recover Special Revenue Fund	146
General Obligation Refunding Bonds Debt Service Fund	147
Capital Improvement Revenue Notes Debt Service Fund	148
Capital Financing Debt Service Fund	149
Combining Statement of Net Position – Nonmajor Enterprise Funds	152
Combining Statement of Revenues, Expenses, and Changes in Net Position – Nonmajor Enterprise Funds	153
Combining Statement of Cash Flows – Nonmajor Enterprise Funds	154
Combining Statement of Net Position – Internal Service Funds	158
Combining Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Funds	160
Combining Statement of Cash Flows – Internal Service Funds	162
Combining Statement of Net Position – Discretely Presented Component Units	168
Combining Statement of Activities – Discretely Presented Component Units	169
Combining Schedule of Deposits and Withdrawals – Redevelopment Trust Funds	170

City of Daytona Beach, Florida
Table of Contents
September 30, 2022

<u>Statistical Section</u>	<u>Page</u>
Summary of Statistical Tables	171
Table 1 - Net Position by Component	173
Table 2 - Changes in Net Position	174
Table 3 - Fund Balances of Governmental Funds	176
Table 4 - Changes in Fund Balances of Governmental Funds	177
Table 5 - Assessed Value and Estimated Actual Value of Taxable Property	178
Table 6 - Property Tax Rates – Direct and Overlapping Governments	179
Table 7 - Principal Property Taxpayers.....	180
Table 8 - Property Tax Levies and Collections.....	181
Table 9 - Water Produced and Consumed and Wastewater Treated	182
Table 10 - Water and Sewer Rates.....	183
Table 11 - Ten Largest Water and Sewer Customers.....	184
Table 12 - Ratios of Outstanding Debt by Type	185
Table 13 - Ratios of General Bonded Debt Outstanding.....	186
Table 14 - Governmental Activities Debt – Direct and Overlapping.....	187
Table 15 - Legal Debt Margin	188
Table 16 - Pledged Revenue Coverage	189
Table 17 - Demographic and Economic Statistics	190
Table 18 - Principal Employers.....	191
Table 19 - Full-Time Equivalent City Government Employees by Function/Program	192
Table 20 - Operating Indicators by Function	193
Table 21 - Capital Asset Statistics by Function/Program	194
Table 22 - Other Post-Employment Benefits (OPEB) Schedule of Statistical Information	195
<u>Compliance Section</u>	
Schedule of Expenditures of Federal Awards and State Financial Assistance	197
Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance.....	199
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 <i>Government Auditing Standards</i>	201
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	203
Schedule of Findings and Questioned Costs	206
Independent Auditors’ Management Letter.....	209
Independent Accountants’ Report on Compliance with Local Government Investment Policies	215



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The CITY OF DAYTONA BEACH

"THE WORLD'S MOST FAMOUS BEACH"

Office of the City Manager

June 30, 2023

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

We are pleased to submit the Annual Comprehensive Financial Report of The City of Daytona Beach, Florida, for the fiscal year ended September 30, 2022. 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).

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, 2022. 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 78,000 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 leadership 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, parks 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 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 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.

Education and schools are provided by Volusia County school system, and ambulance, judicial, airport, library, and health services are provided by Volusia County government. The Volusia County school system and government are independent taxing authorities, and its financial data is not included in the financial statements of this report.

Factors Affecting Financial Condition

After starting the recovery process from the COVID-19 pandemic, the city was hit by two powerful hurricanes this year. Hurricane Ian generated over 13 inches of rain with wind gusts of 81 MPH measured at the Daytona International Airport September 28, 2022 causing flooding and building damage to homes and businesses. Six weeks later November 9, 2022, Hurricane Nicole, a late-season Category 1 hurricane, caused power outages, building damage, and coastal flooding. While H. Nicole did not have the strength of H. Ian, it did have a huge storm eye which resulted in heavy rains, gusty squalls, and wind-driven storm surges pushing rising sea water inland from the coastline and eroding beaches. Homes and hotels previously damaged by H. Ian collapsed or were in danger of collapsing due to the severe beach erosion caused by the two storms. During this period, a high-water rescue vehicle was purchased, a record amount of storm debris was collected, permit fees for storm-related repairs were waived, and nearly \$2 million in hurricane recovery assistance grants to homeowners and business owners were provided by the city.

Local economy. There is a huge interest in new housing opportunities within the city which occurred before, during, and after the COVID pandemic shutdown. Daytona Beach has gained more residents than any other Volusia County municipality and increased its population by 19% over the last decade from 61,005 to 73,481 according to the 2020 Census. Daytona Beach has been recognized as among one of the 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.

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 2.9 percent in September 2022 is a decrease from the 4.3 percent rate in September 2021 and approximately the same as the state unemployment rate, which decreased to 2.7 percent from 4.1 percent (as revised) for the same period primarily due to recovery efforts from the COVID pandemic.

The city continues its commitment to economic development. There is a focus on economic stability and business opportunity. The team works hard daily to grow and retain existing businesses, attract new businesses, develop entrepreneurship and make Daytona Beach a more competitive city. Major features of the economy include 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 business community's need for a healthy and well-educated workforce is another city priority. Two well attended recurring programs are the Mayor's Literacy Initiative which encourages childhood reading and writing, and the Mayor's Fitness Challenge which promotes healthy living. Moreover, there are six institutions of higher learning within the city: 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. The Daytona Beach International Airport is also one of the few 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, two Amazon distribution centers, and others. The city's geographical location provides a significant advantage for the pursuit of rapid economic recovery going into 2023.

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 municipal governments throughout the State of Florida.

Relevant financial policies. To ensure sound financial management policies and procedures are in place in Daytona Beach, the city forefathers adopted the Fiscal Integrity Principles Ordinance. The City Commission recognizes the need to meet seasonal shortfalls in cash flows, its susceptibility to emergency or unanticipated expenditures, or to the possibility of revenue shortfalls during any fiscal year. To address these issues, the Fiscal Integrity Principles Ordinance contains a policy to maintain a segregated budgetary cash reserve in the General Fund of not less than 10 percent of next year's budgeted operating expenditures. The segregated budgetary cash reserve is shown as unassigned fund balance on the General Fund Balance Sheet. On September 30, 2022, the General Fund unassigned fund balance is \$12.3 million which is 11.5 percent of fiscal year 2022-23 budgeted operating expenditures of \$107.0 million.

Major initiatives – Work year. Daytona Beach has accelerated efforts to ensure it is the community of choice – a great place to live, learn, work, play, and raise a family. Fiscal year 2022 was another successful year for prioritizing citizen engagement, completing infrastructure projects, continuing funding assistance, and increasing affordable housing. The City is extremely appreciative of the federal, state and local grants received and the services 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.

- Connected with residents through diverse community events, weekend festivals, parades, and music concerts held in various neighborhood locations.
- Celebrated our history with the Dr. Mary McLeod Bethune statue making history in the National Statuary Hall collection in Washington D.C. with a bronze replica located in the Riverfront Esplanade, plus the unveiling of a commemorative plaque at Kelly Field where Jackie Robinson made his historic debut, and the opening of a Veterans Museum and Education Center.
- Helped residents and businesses prosper including partnering with Homes Bring Hope for affordable housing, hosting a housing fair and financial clinic, providing development incentives for the Clyde Morris Landings apartment homes, partnering with Habitat for Humanity on beautification projects, offering free doorbell cameras, roof replacement grants, and landscaping grants, waiving permit and inspection fees in the city's core area and lowering water and sewer utility rates for most residential customers by adopting a new utility rate structure.
- Showed strength during adversity especially during Hurricanes Ian and Nicole by rescuing people and pets, collecting a record amount of storm debris, providing nearly \$2 million in hurricane recovery assistance grants to homeowners and business owners, and waiving permit fees for storm-related repairs.
- Improved customer service and access to city government via an online public records request access, a new mobile app, public feedback/survey kiosks, and virtual meetings with city staff.
- Enhanced recreational and cultural opportunities with year-round educational events and social activities for people of all ages and interests including the opening of the Riverfront Esplanade for serene strolls along the scenic Sweetheart Trail, purchasing property for new park on LPGA Boulevard, and renovating the Peabody Auditorium restrooms for a more pleasurable experience.
- Donated nearly \$1 million to community organizations and youth sports.
- Invested in our neighborhoods by providing new playground, sidewalks, parking, picnic tables, shade structures, amenities, and areas for outdoor sports at the Dickerson Community Center, Sunnyland Recreation Center, Peninsula Club, Colin's Park, and Julia T and Charles W Cherry Sr (formerly known as Midtown) Cultural and Educational Center and by providing access to sports programs such as learn to swim clinics, the Bruce McNorton football camp at Daytona Stadium, and various gymnastics, track, baseball, basketball, and athletic programs.
- Repaved roads and improved sidewalks throughout the city positively affecting almost all neighborhoods and FDOT corridors.

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. Notable projects scheduled to be completed in fiscal year 2023 include the following.

- Annual resurfacing of public roadways, streetscape and lighting improvements on major roads to create a vibrant and positive atmosphere.
- Replacement of existing and increase the quantity of sidewalks to expand and improve the walkability of neighborhoods.
- Continue adding features and amenities to various parks and recreation facilities and add family friendly events to promote healthy living and vitality.
- 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. While a large segment has been completed and open for community events, work continues on the Foundation’s \$31 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.
- Continuation of affordable housing incentives to address quality of life issues and to fund assistance programs.
- Rehabilitation of critical infrastructure by replacement of aging watermains, force mains, and sanitary lift stations to modernize and improve existing treatment plants and infrastructure.
- Review government facilities such as City Hall, Fire Station No. 1, and police precincts for modernization or replacement opportunities.
- Continuation of the community spending action plan of the over \$15 million in Fiscal Recovery Funds.

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 2021-22, no new agreements were created and no previously adopted agreements became eligible for the program. The City abated 2021 real estate and tangible property taxes to seven businesses at three locations totaling \$172,543.

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, 2021. This was the 50th 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 who helped 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, 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**

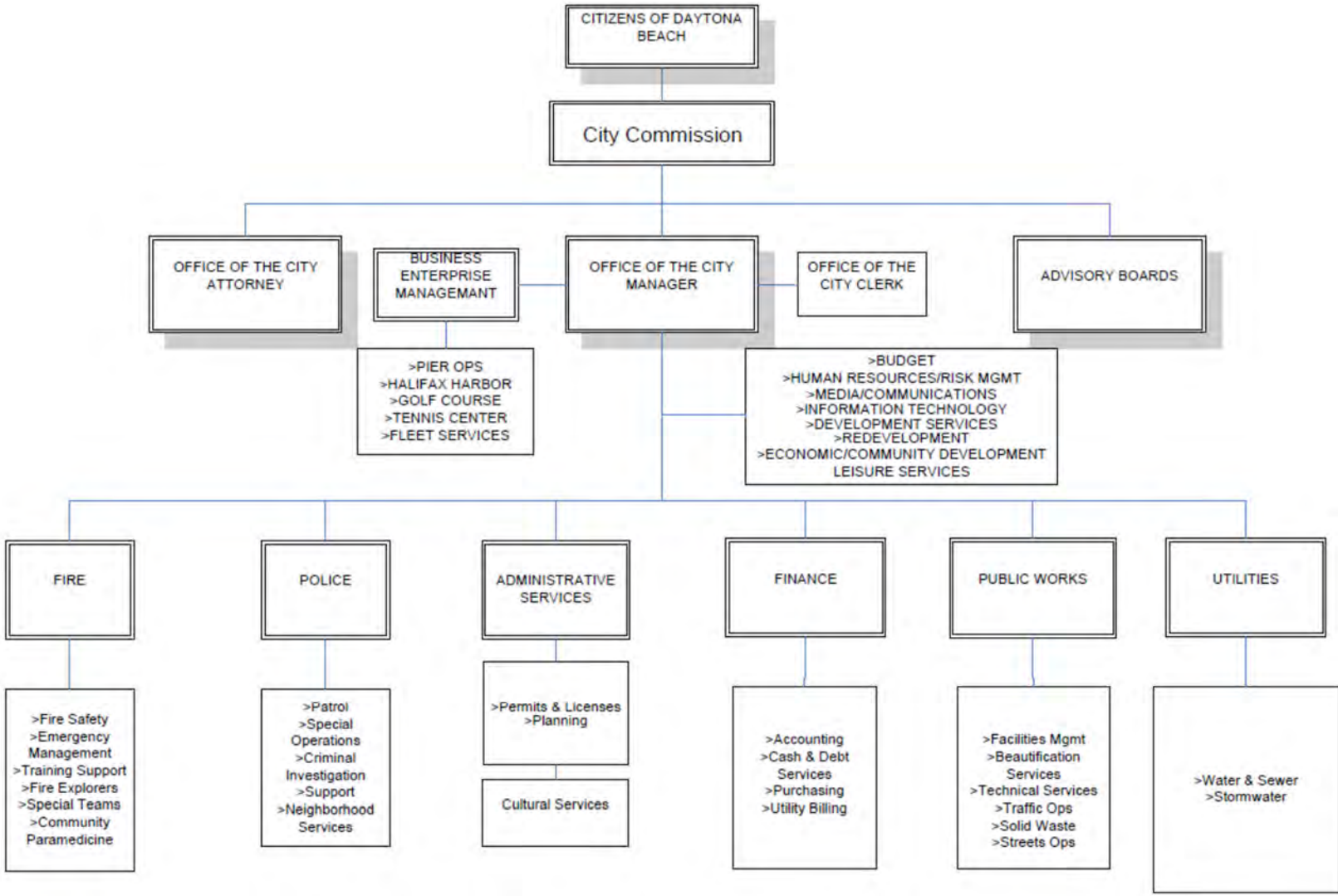
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morrill

Executive Director/CEO

City of Daytona Beach, Florida
 Organizational Structure
 Fiscal Year 2021-2022



**City of Daytona Beach, Florida
Mayor, City Commissioners and City Officials
September 30, 2022**

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



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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 Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component 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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, 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 of Daytona Beach, Florida, as of September 30, 2022, 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.

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 represent 97%, 97%, and 89%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the Police and Fire Trust Fund and the First Step Shelter, Inc., are based solely on the report of the other auditors.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As described in Note 2 to the financial statements, in fiscal year 2022, the City adopted new accounting guidance, GASB Statement No. 87 Leases. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Daytona Beach, Florida's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, budgetary schedules of nonmajor special revenue and debt service funds, combining internal service funds financial statements, combining discretely presented component units financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, combining schedule of deposits and withdrawals for the redevelopment trust fund, and statistical section but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2023, 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, Riggs & Ingram, L.L.C.

Melbourne, Florida
June 29, 2023

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, 2022. 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 35.

FINANCIAL HIGHLIGHTS

- The City’s assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of FY 2021-22 by \$263.5 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 \$7.8 million.
- For FY 2021-22, the City’s total net position increased by \$40.3 million when compared to last fiscal year’s net position. The governmental activities net position increased by \$21.7 million. The business-type activities net position increased by \$18.6 million.
- At the close of the fiscal year ended 09/30/2022, the City’s governmental funds reported combined fund balances of \$116.2 million, an increase of \$23.2 million from the prior fiscal year. Approximately \$12.3 million of this amount is available for spending at the City’s discretion (*unassigned fund balance*).
- At the end of FY 2021-22, the General Fund’s unrestricted fund balance (the total of *committed, assigned, and unassigned* components of *fund balance*) was \$43.6 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, 2022, is 11.5 percent of the future year’s (FY 2022-23) 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 2021-22 budget appropriation designated for capital renewal and replacement equal to 8 percent of the preceding fiscal year's (FY2022-23) revenues, which is the minimum amount required.
- The City’s total outstanding long-term debt from bonds, loans and notes decreased by \$8.6 million for FY2021-22 over FY2020-21. Governmental activities debt decreased \$1.0 million, net of \$4.0 million in new financed purchases and lease liabilities less principal retirement of \$5.0 million. Business-type activities debt decreased \$7.6 million which is net of principal retirement of \$9.3 million and new borrowing of \$1.5 million for new utility projects and \$205 thousand of new leases.

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 the required supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City’s finances, in a manner similar to a private-sector business. The

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

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 35 and 36 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 38 and 40.

The City maintains twenty (20) 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 seventeen (17) 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 37 – 42 of this report.

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 of Daytona Beach, Florida Management's Discussion and Analysis

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 43 – 45 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 Custodial Fund is used to report resources that were seized by police officials and held in evidence in a custodial capacity until the criminal investigations are complete and is reported using the economic measurement focus and the accrual basis of accounting. The basic fiduciary fund financial statements can be found on pages 47 and 48 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 49 – 114 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 115 – 119 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 123 – 170 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, and reviewing the changes in assets, liabilities, resources, and outlays during the fiscal period allows management to assess the City's current financial position and the results of its operations for FY2022. The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of FY 2021-22 by \$263.5 million, which is an increase of \$40.3 million or 18.1 percent from the previous fiscal year.

The following condensed information includes some of the basic data used to measure the City's progress over the last year.

Assets – The largest portion of the City's net position (\$148.9 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. Government-wide assets increased over the prior year by 15.9% or \$37.0 million for a balance at year-end of \$562.0 million in total assets. This increase was primarily due to a combination of activities that took place in FY2022 which included: an increase in cash and cash equivalents of \$31.0 million relating to the City's receipt of funds under the American Rescue Plan Act (ARPA), unspent loan proceeds at the end of the fiscal year, and increase in capital assets (less accumulated depreciation) of \$3.1 million over the previous fiscal year.

Liabilities – Total government-wide liabilities increased by \$64.1 million. This change is attributable to an increase in net pension liability, and bonds, loans and notes payable.

Net Position – As noted previously, net position may serve as a useful indicator of a government's financial position over time. Approximately 56.2% of the City's net position reflects its investment in capital assets (land, equipment, buildings, improvements, machinery and equipment, infrastructure, and right-to-use lease assets), net of related debt. The City uses these capital assets to provide a variety of services to its citizens, so consequently 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.

The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the end of the fiscal year by \$263.5 million. Total net position increased \$40.3 million from last year. Net position of the City's governmental activities increased by \$21.7 million and totaled \$106.3 million at the end of the fiscal year. Of this amount, approximately 83.4% is either restricted as to the purpose for which it can be used or is invested in capital assets. Net position of the City's business-type net activities experienced an increase of \$18.6 million, for a total of \$157.3 million compared to \$138.7 million in FY2021, primarily due to activities in the Water and Sewer System Fund.

The City implemented GASB No. 87, *Leases*, effective for the City's fiscal year beginning October 1, 2021 (see Note 2).

Overall, the City ended FY2022 in good financial position despite several negative factors, such as nation-wide challenges resulting from the aftermath of COVID-19, high inflation, market volatility, uncertain market conditions, disrupted supply chains, shortages of workforce and decreased job-market competitiveness.

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

The following is a summary of net position for the years ended September 30, 2022 and 2021:

The City of Daytona Beach, Florida Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$139,190,795	\$118,531,620	\$125,865,217	\$112,605,042	\$265,056,012	\$231,136,662
Capital assets	118,037,676	114,608,989	178,952,138	179,302,331	296,989,814	293,911,320
Total assets	<u>257,228,471</u>	<u>233,140,609</u>	<u>304,817,355</u>	<u>291,907,373</u>	<u>562,045,826</u>	<u>525,047,982</u>
Total deferred outflows of resources	<u>39,633,088</u>	<u>15,435,913</u>	<u>4,814,599</u>	<u>4,387,813</u>	<u>44,447,687</u>	<u>19,823,726</u>
Current liabilities	22,741,548	24,642,776	27,317,009	27,574,778	50,058,557	52,217,554
Long-term liabilities	165,645,220	97,973,889	122,140,708	123,567,640	287,785,928	221,541,529
Total liabilities	<u>188,386,768</u>	<u>122,616,665</u>	<u>149,457,717</u>	<u>151,142,418</u>	<u>337,844,485</u>	<u>273,759,083</u>
Total deferred inflows of resources	<u>2,227,181</u>	<u>41,457,635</u>	<u>2,893,839</u>	<u>6,432,882</u>	<u>5,121,020</u>	<u>47,890,517</u>
Net position:						
Net investment in capital assets	87,826,794	80,650,660	60,387,438	52,868,672	148,214,232	133,519,332
Restricted	63,432,615	50,096,156	59,666,199	51,039,643	123,098,814	101,135,799
Unrestricted (deficit)	(45,011,799)	(46,244,595)	37,226,761	34,811,571	(7,785,038)	(11,433,024)
Total net position	<u>\$106,247,610</u>	<u>\$84,502,221</u>	<u>\$157,280,398</u>	<u>\$138,719,886</u>	<u>\$263,528,008</u>	<u>\$223,222,107</u>

Changes in Net Position. While the statement of net position shows a summary of the City's financial position at the end of the fiscal year, the statement of changes in net position provides answers as to the nature and source of those changes. During FY2022, the City's net position totaled \$263.5 million, an increase of \$40.3 million over the previous year. The City's total revenues increased by \$34.3 million over FY2021 to a total of \$239.0 million, primarily due to charges for services which rose by \$17.3 million, primarily related to business-type charges for utilities, stormwater, and solid waste, and governmental charges relating to cultural and recreational activities; operating and capital grants, which rose by \$10.3 million, primarily due to capital contributions received in the Water and Sewer Fund and funds received from the American Rescue Plan Act (ARPA); \$2.5 million increase in property taxes due to increased property values.

Government-wide expenses increased by \$35.5 million or 26.7 percent during the period, primarily due to expenditures relating to public safety, transportation and expenses related to water sewer and solid waste systems. Public safety expenditures increased by \$19.8 million or 39.8 percent over the previous year and is attributable to a significant increase in pension expenses due to market adjustments related to pension liability, and increased personnel and related benefits expenses, as the City experienced a boost in its recruitment efforts during the fiscal year. Transportation expenses rose by \$4.3 million due to capital expenditures for roads and sidewalks resurfacing throughout the city. Business-type expenses relating to utility and solid waste management increased by \$8.0 million due to primarily to capital improvement and maintenance expenses at several of the City's pump stations and water treatment plants, most notably the completion of replacing water filtration at the Brennan Water Treatment Plant at a cost of \$4.5 million.

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

The following is a comparison of major revenue and expense categories for the fiscal years ending September 30, 2022, and 2021:

The City of Daytona Beach, Florida Changes in Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
REVENUES:						
Program revenues:						
Charges for services	\$ 31,934,702	\$ 21,740,029	\$ 104,665,976	\$ 97,540,569	\$ 136,600,678	\$ 119,280,598
Operating grants and contributions	15,316,655	10,530,401	-	-	15,316,655	10,530,401
Capital grants and contributions	1,726,787	772,259	11,443,782	6,841,468	13,170,569	7,613,727
General revenues:						
Property taxes levied for general purpose	34,999,413	32,467,888	-	-	34,999,413	32,467,888
Gas taxes	1,882,705	1,964,513	-	-	1,882,705	1,964,513
Public service taxes	12,995,813	12,061,254	-	-	12,995,813	12,061,254
Sales taxes	4,927,098	4,366,650	-	-	4,927,098	4,366,650
Franchise taxes	7,708,997	6,486,956	-	-	7,708,997	6,486,956
Tax increment taxes	4,067,092	3,721,725	-	-	4,067,092	3,721,725
Other taxes	1,134,302	1,081,810	-	-	1,134,302	1,081,810
Intergovernmental revenue not restricted to specific programs	5,484,349	3,484,479	-	-	5,484,349	3,484,479
Income on investments	(2,402,077)	63,560	694,102	500,292	(1,707,975)	563,852
Other general revenues	1,806,949	969,525	627,000	128,273	2,433,949	1,097,798
Total revenues	121,582,785	99,711,049	117,430,860	105,010,602	239,013,645	204,721,651
EXPENSES:						
General government	20,310,253	18,530,978	-	-	20,310,253	18,530,978
Public safety	69,639,548	49,816,836	-	-	69,639,548	49,816,836
Physical environment	-	-	-	-	-	-
Transportation	12,869,955	8,598,799	-	-	12,869,955	8,598,799
Economic environment	4,818,803	6,656,054	-	-	4,818,803	6,656,054
Human services	807,741	661,205	-	-	807,741	661,205
Culture and recreation	15,050,360	12,309,313	-	-	15,050,360	12,309,313
Interest and fiscal charges	1,053,303	1,708,540	-	-	1,053,303	1,708,540
Water and sewer system	-	-	50,782,056	44,358,123	50,782,056	44,358,123
Solid waste management	-	-	12,288,926	10,675,469	12,288,926	10,675,469
Stormwater improvement	-	-	6,253,307	5,604,742	6,253,307	5,604,742
Halifax Harbor Marina	-	-	3,492,935	3,315,451	3,492,935	3,315,451
Daytona Beach Pier	-	-	1,340,557	975,289	1,340,557	975,289
Total expenses	124,549,963	98,281,725	74,157,781	64,929,074	198,707,744	163,210,799
Excess (deficiency) before transfers	(2,967,178)	1,429,324	43,273,079	40,081,528	40,305,901	41,510,852
Net transfers - in (out)	24,712,567	25,254,722	(24,712,567)	(25,254,722)	-	-
Changes in net position	21,745,389	26,684,046	18,560,512	14,826,806	40,305,901	41,510,852
NET POSITION:						
Net position-beginning	84,502,221	57,818,175	138,719,886	114,771,920	223,222,107	172,590,095
Net position-ending	<u>\$ 106,247,610</u>	<u>\$ 84,502,221</u>	<u>\$ 157,280,398</u>	<u>\$ 129,598,726</u>	<u>\$ 263,528,008</u>	<u>\$ 214,100,947</u>

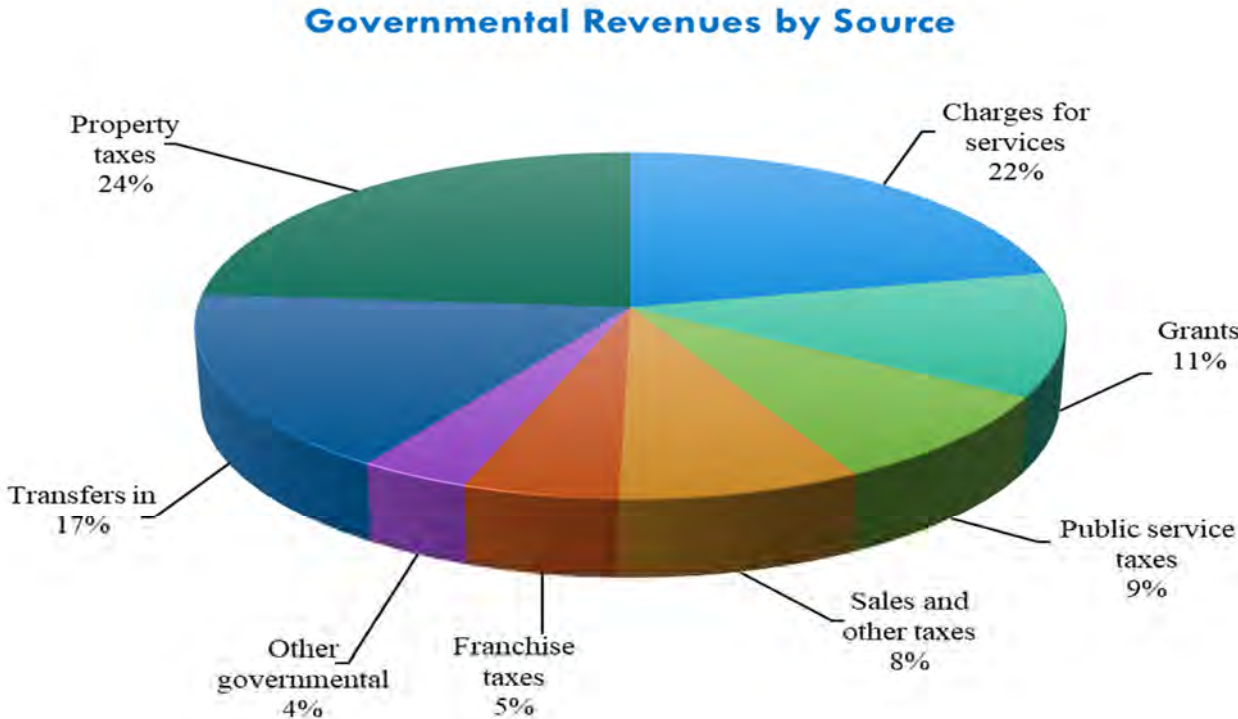
Governmental Activities:

Revenues for the governmental activities increased by \$21.9 million, or 21.9 percent from the prior fiscal year. This increase is primarily attributable to charges for services of \$10.2 million resulting from increased demand for governmental services due to pre-pandemic activities; capital grants and contributions of \$4.8 million, primarily attributable to funds received from the American Rescue Plan Act (ARPA); property tax revenue \$2.5 million, primarily due to increased property values; and a \$2.0 million increase in intergovernmental revenues, related to public service, franchise, sales, gas, and tax increment taxes, which is attributable to economic growth as a result of the economy returning to normal business activities. Accordingly, these numbers are indicative of a positive outlook for the City and signals economic growth.

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

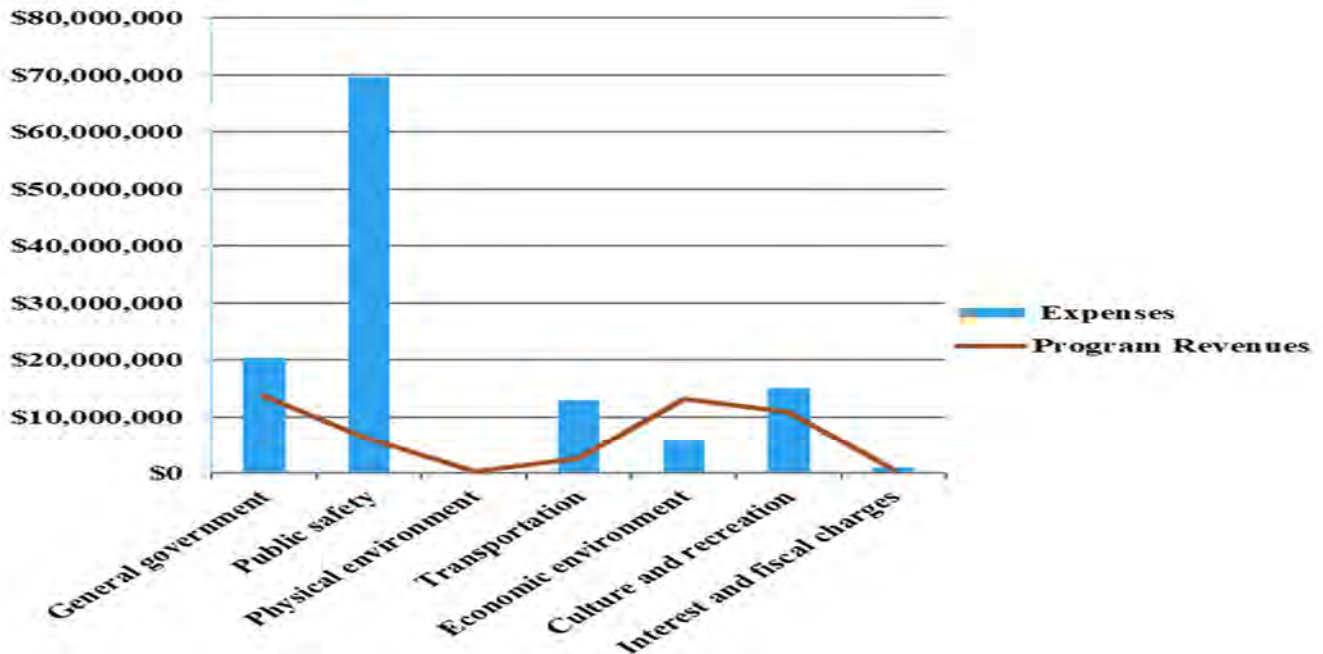
Revenues by Source – Governmental Activities

An individual comparison of the City's functional program revenues and costs of providing program services to its citizens during FY2022 is useful in identifying the program and the extent of which each program is dependent on taxes and other non-exchange revenues to subsidize their program operations, which is presented in the graph below:



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

FY2021-22 Expenses and Program Revenues – Governmental Activities



The cost of all governmental activities expended this fiscal year totaled \$124.5 million compared to \$98.3 million last fiscal year, which denotes a \$26.3 million increase. A major aspect of this increase is attributable to increased spending of \$19.8 million related to public safety expenditures, which was incurred primarily in the areas of personnel and related benefits expenditures. Additionally, the Police and Fire pension net pension liability increased significantly from \$35 million in FY2021 to \$89 million in FY2022, which was offset by deferred inflows and outflows of resources of \$35 million. This increase net pension liability caused a spike in pension expense, and thus is attributable to market losses and the uncertainty of economic conditions. Notably, public safety spending accounts for 56 percent of governmental expenditures during fiscal year 2022.

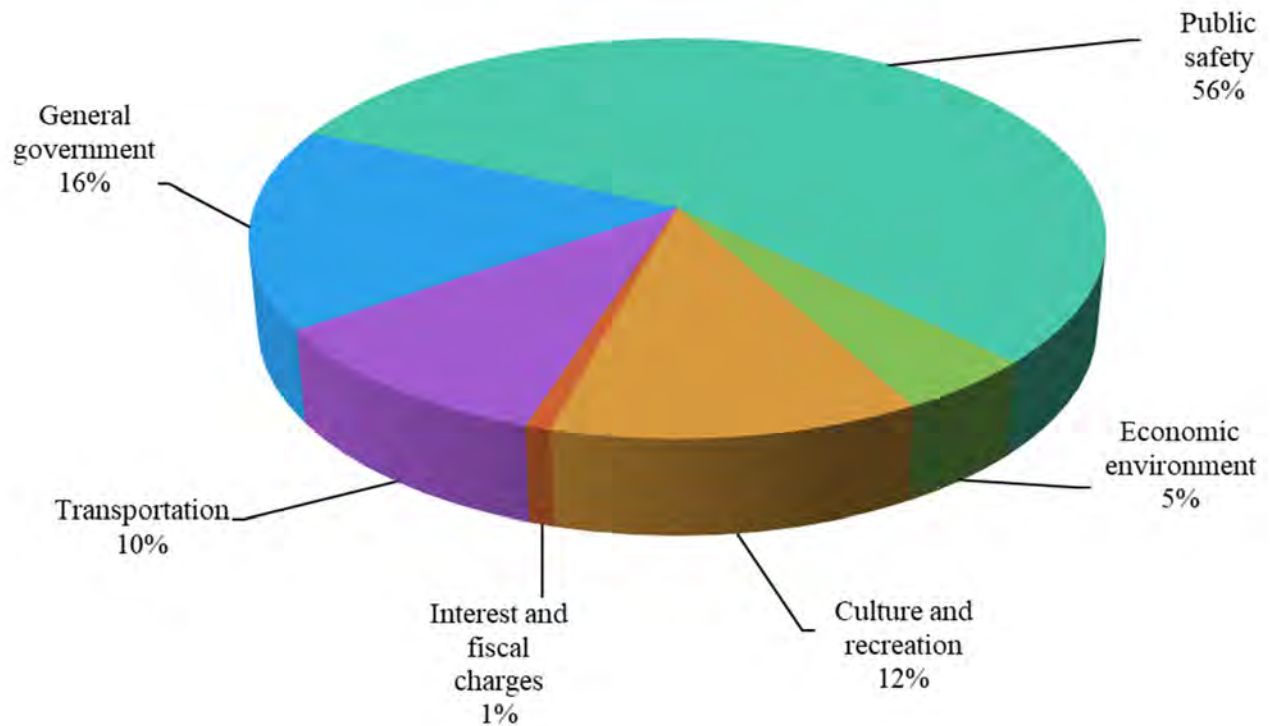
Another major increase in government spending is due to \$4.2 million expended on transportation costs related to the city-wide roads and sidewalk resurfacing and restoration program. Culture and recreation also experienced an uptick in spending of \$1.4 million over the last fiscal year, which is due to governmental activities returning to pre-pandemic levels that is indicative of a positive outlook for the City.

In contrast, decreased costs were experienced in spending related to economic environment and interest and fiscal charges of \$1.8, and \$0.7 million respectively.

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

The following is a summary of the City's governmental activities expenses by function for FY2021-22:

Governmental Expenses by Function



Business-Type Activities:

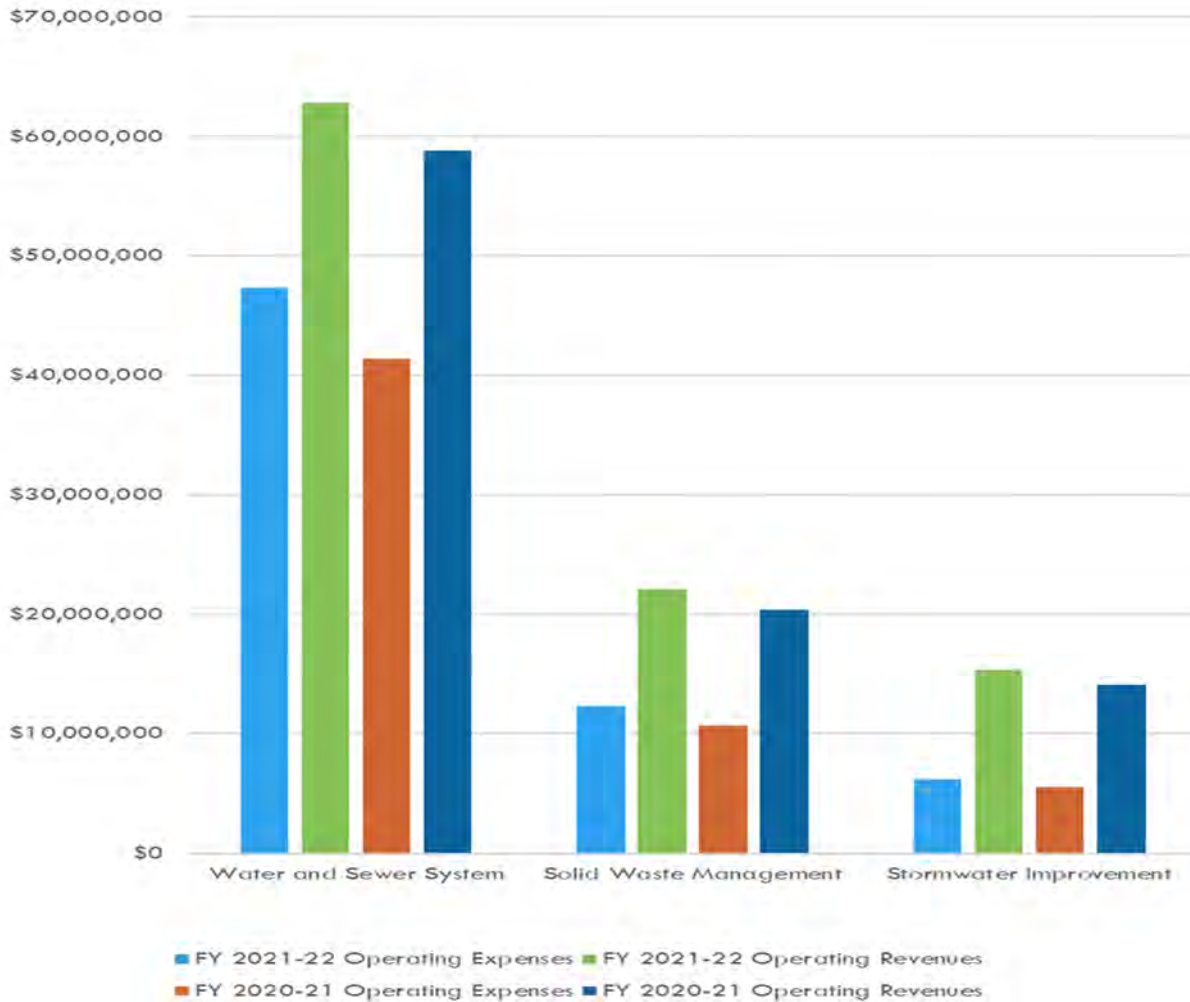
The results of the City's business-type activities for FY2021-22 were positive in that overall net position increased to an ending balance of \$157.3 million. The City's utilities have acquired subsidized, low interest rate loans from the Florida Department of Environmental Protection and has aggressively sought capital grants to fund major construction initiatives. The total increase in net position was \$18.6 million, or 13.4 percent, compared to FY2020-21. 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 City and in particular the utility department has adopted and implemented a comprehensive Water and Wastewater utility rate study at the beginning of the fiscal year, which included:

- i) A revenue sufficiency evaluation that is used to determine required revenue to fund operating expenses, debt service, capital funding and management objectives, which essentially will lead to projected growth in the City.
- ii) Monthly retail water, wastewater and reuse services that promote water conservation, increase revenue stability, promote fairness, and rate consistency amongst all customers.
- iii) Develop wholesale rates to assist the City to fully recoup the cost of providing finished water and/or wastewater treatment services.

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

A comparison of the City's functional program revenues and costs of providing business-type services to its customers in fiscal year 2022 is useful in identifying the capabilities of producing revenues sufficient to operate their programs and are presented in the graph below:

FY 2021-22 Business-Type Activities – Major Funds – Operating Expenses and Operating Revenues



Water and Sewer System Fund operating revenues increased \$4.0 million or 6.8 percent from the prior fiscal year primarily due to the net effect of the increases from the new rate structure implemented at the beginning of the fiscal year, coupled with increases in new construction, which simultaneously increased consumption. Operating expenses increased by \$6.0 million, or 14.4 percent, from the prior fiscal year, and is primarily attributed to a large uptick in contractual services, relating to expenses incurred for the completion of a project to replace the emergency standby generators at the Bethune Point Water Reclamation Facility for \$1.8 million; \$1.1 million for public utility improvement agreements between the City and Daytona Convention Hotel and One Daytona. Personnel expenses spiked by \$1.7 million in FY2022, is attributable to long-tenured employees who have retired from the department. The fund's net operating income decreased by \$2.0 million for a total of \$15.5 million, an 11.3 percent decrease from the prior fiscal year. The fund reported a change in net position of \$17.1 million primarily due to increased revenues attributed to usage increases, implementation of a new rate structure, new construction, and capital grants and contribution.

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

Solid Waste Management Fund operating revenues increased by \$1.8 million, or 8.7 percent, from the prior fiscal year primarily due to the annual CPI adjustment and increased demand for services. Operating expenses increased by \$1.6 million, or 15.1 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 \$9.8 million for fiscal year 2021-22, as compared to \$9.7 million in FY 2020-21, a 1.5 percent increase. Net position increased by \$1.0 million largely attributed revenues generated from charges for services.

Stormwater Improvement Fund operating revenues increased \$1.3 million, or 9.1 percent, from the prior fiscal year to \$15.3 million. This increase was primarily due to the annual CPI rate change. Operating expenses increased by \$0.7 million or 12.2 percent, when compared to the prior fiscal year, and is partially attributed to the completion of the cured-in-place-pipe (CIPP) rehabilitation project undertaken by the City. Net operating income at the end of the fiscal year 2021-22 was \$9.1 million, an increase of \$0.6 million, or 7.0 percent, over the previous fiscal year. The fund also reported an increase in net position of \$0.5 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 FY2021-22, governmental funds reported combined fund balances of \$116.2 million, which is an increase of \$23.2 million, or 24.9 percent, in comparison with FY2020-21, which is directly related to the second tranche of \$7.5 million received from the American Rescue Plan Act (ARPA) and lower than budgeted expenditures. Approximately 11.0 percent of this total fund balance amount, \$12.3 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 (\$0.5 million)
- legally required to be maintained intact for debt covenants (\$0.7 million)
- restricted by external grantors and outside agencies for specific purposes (\$62.7 million)
- assigned by the City for specific purposes (\$40.0 million)

The General Fund is the chief operating fund of the City. At the end of FY2021-22, general fund reported a fund balance of \$44.1 million. Of this amount, \$0.5 million is considered nonspendable because it cannot be easily converted to cash or is contractually required to remain intact. The remaining spendable portions reflect balances that are assigned to fund the FY2022-23 budget (\$10.5 million) and capital/other projects (\$20.8 million). As of September 30, 2022, the unassigned fund balance in the General Fund was \$12.3 million, which is an increase of \$1.2 million compared to FY 2020-21. This increase is attributable primarily to increased revenue generation in taxes, licenses and permits, coupled with increased transfers into the general fund from the American Rescue Program Act (ARPA) proceeds. 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 in

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

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 13.0 percent of total current year's (FY 2021-22) General Fund expenditures (excluding transfers out, capital, and other financing uses). Total fund balance represents approximately 46.6 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, 2022, the Redevelopment Trust Fund reflected a decrease of \$0.6 million when revenues are compared to expenditures including transfers, which is indicative of spending related to land acquisition on behalf of the City in the main street redevelopment area and newly adopted capital and maintenance cost reimbursement on the Riverfront Park Esplanade Foundation in the downtown redevelopment area. Total revenues increased by \$0.5 million due to rising property values. Ending fund balance on September 30, 2022, was \$15.2 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 170 in the combining and individual fund statements and schedules section of this report.

The Capital Projects Fund reflected a total fund balance of \$8.7 million at the end of FY 2021-22 compared to \$12.7 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 \$30.9 million, or 20.4 percent, from the originally adopted expenditure budget. The most significant amendments made to the budget were as follows:

- \$13.7 million for COVID-19 related projects from funds received from the American Rescue Plan Act (ARPA)
- \$4.8 million for transfers out to fund capital projects
- \$4.5 million for capital projects, including the carryforward of unexpended project funds from FY 2020-21 to FY 2021-22
- \$3.3 million for debt acquired to purchase police vehicles and public safety radios.

Actual expenditures were \$11.8 million lower than final budgeted appropriations. A large portion of the decrease is attributed to \$5.3 million of capital projects that were not completed by the end of the fiscal year and will be carried forward for completion in the following fiscal years; \$2.1 million of unspent balances designated for projects relating to economic recovery; and \$1.8 million for unspent balances designated for public safety vehicles and equipment, which will be carried forward to the new fiscal year. All departments' expenditures exhibited positive variances compared to budgeted amounts.

Final budgeted revenues in the General Fund (including transfers in and reserves) marginally increased by \$0.1 million more than originally budgeted primarily due to miscellaneous revenue received for proportionate share contributions.

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

Overall, actual General Fund revenues not including reserves increased by \$2.0 million over final budgeted revenues. Some of the major increases include \$1.7 million in charges for services, \$1.4 million in taxes, as a result of increased property values, and \$1.2 million in license and permits and intergovernmental revenues, respectively. These increases were netted with a \$4.8 million loss on investments, due to market volatility, interest rate risks, and the unstable national economic environment. A budgetary comparison statement can be found in the basic financial statements section on page 41.

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, 2022, the City had investment in capital assets, net of related depreciation, of \$297.0 million. This represents a net increase consisting of additions, deletions, and depreciation) of \$2.0 million from the prior fiscal year and newly implemented GASB-87 right-to-use assets of \$1.0 million. The following is a summary of the City’s capital assets, net of depreciation, as of September 30, 2022, and 2021:

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Land	\$ 30,542,308	\$ 28,921,472	\$ 6,428,187	\$ 6,428,187	\$ 36,970,495	\$ 35,349,659
Construction in progress	3,314,492	2,218,459	15,974,063	10,090,609	19,288,555	12,309,068
Buildings	32,239,991	31,272,109	14,801,898	15,991,511	47,041,889	47,263,620
Improvements and infrastructure	42,100,941	43,346,627	111,844,050	116,845,762	153,944,991	160,192,389
Equipment	9,076,052	8,850,322	29,627,647	29,946,263	38,703,699	38,796,585
Right-to-use equipment	763,892	-	-	-	763,892	-
Right-to-use land	-	-	276,293	-	276,293	-
Total	<u>\$ 118,037,676</u>	<u>\$ 114,608,989</u>	<u>\$ 178,952,138</u>	<u>\$ 179,302,332</u>	<u>\$ 296,989,814</u>	<u>\$ 293,911,321</u>

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

- Bethune Point Wastewater Treatment Plant Generator - \$1,839,187
- Infrastructure Improvement – Daytona Convention Hotel – \$1,547,597
- Derbyshire Sidewalks Phase 1 - \$1,046,233
- First Step Shelter Improvement– \$872,800
- Esplanade Pond Infrastructure Improvement - \$747,630
- Municipal Stadium Scoreboard - \$313,366
- Beach Street Backflow Preventers - \$301,000

Additional information regarding the City’s capital assets can be found in Note 9 in the notes to the financial statements section of this report.

Leases

The City as lessee added right-to-use equipment upon implementation of GASB No. 87 at October 1, 2021, of \$1.0 million in governmental activities and right-to-use land of \$0.3 million in business-type activities. As lessor, the City reported total lease receivables and deferred inflows of \$2.5 million in business-type activities upon implementation of the standard. More detailed information about the City’s leases is presented in Note 10 to the financial statements.

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

Debt Administration

At fiscal year ended September 30, 2022, the City had \$155.8 million in debt outstanding, excluding lease liabilities, compared to \$164.9 million for FY2020-21 as shown in the table below.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Revenue bonds	\$ -	\$ -	\$ 26,396,496	\$ 29,588,457	\$ 26,396,496	\$ 29,588,457
General obligation bonds	8,920,015	10,030,182		-	8,920,015	10,030,182
Notes payable	23,930,322	26,841,726	17,324,000	20,292,000	41,254,322	47,133,726
State Revolving Fund loans	-	-	74,108,568	75,692,370	74,108,568	75,692,370
Capital lease payable	5,113,984	2,445,155	-	-	5,113,984	2,445,155
Total	\$ 37,964,321	\$ 39,317,063	\$ 117,829,064	\$ 125,572,827	\$ 155,793,385	\$ 164,889,890

Governmental debt decreased \$1.4 million, net of \$3.3 million in new financed purchases less principal retirement of \$4.7 million. Similarly, business-type debt decreased by \$7.7 million which is net of principal retirement of \$9.2 million and new debt issuance of \$1.5 million. Currently, the City has 100 percent fixed rate debt. Of the outstanding debt, approximately 5.7 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
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 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 2020-22 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

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

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 (FY2022-23) 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.

Daytona Beach has recovered from 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 2.9% at the end of March 2023, the result of several years of declining unemployment rates beginning with the recovery from the economic shutdowns resulting from the COVID pandemic. The peak unemployment rate during the pandemic was 14.0%, recorded in May 2020. This trend can be compared to the change in State of Florida rates as well, which decreased to 2.6% from 14.1% in the same date range.

When the FY 2022/23 budget was developed, taxable property values had increased for the tenth straight year since 2012 by an overall growth of 126.7%. The latest single year growth was 16.4%. 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 \$5.4300 per \$1,000 of taxable value for the FY 2022/23 annual operating budget is a reduction from the FY 2021/22 millage rate of \$5.5300.

In addition to property taxes the City's other major revenue source is water and sewer utility revenue. In accordance with City ordinances, there is an automatic annual rate adjustment tied to the CPI index in effect for the FY 2022/23 budget year. 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 became effective October 1, 2021, and the new impact fees had an effective

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

date of July 1, 2021. Notably, FY2022 was the first year of implementation of the revenue neutral rate structure as there was no CPI adjustment made to the FY2021/22 rates.

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 collective bargaining agreements with a two-year term. These agreements began on October 1, 2021, and will expire on September 30, 2023. All union contracts will impact future budgets.

The FY 2022/23 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, maintenance of city owned assets such as Daytona Stadium, and redevelopment of the downtown and midtown areas. The City will continue to monitor revenue and expenditure trends in anticipation of a potential nationwide economic downturn and pursue financial assistance to stabilize the local economy. However, to date there has been no such downturn in the Daytona Beach area.

Despite the ongoing financial constraints 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 2022/23 will be met with current financial resources including federal aid and grants from COVID relief funds.

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, 2022

September 30, 2022	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS:				
Equity in pooled cash, cash equivalents and investments	\$ 122,358,753	\$ 52,138,534	\$ 174,497,287	\$ 1,195,130
Receivables (net)	3,711,894	13,779,977	17,491,871	521,140
Lease receivables	-	2,031,660	2,031,660	-
Intergovernmental receivable	5,354,645	-	5,354,645	-
Internal balances	(1,291,292)	1,291,292	-	-
Inventory	635,763	905,100	1,540,863	-
Prepays	2,522,442	130,724	2,653,166	11,647
Other assets	10,150	27,000	37,150	19,145
Restricted assets:				
Equity in pooled cash, cash equivalents and investments	5,888,440	55,509,552	61,397,992	-
Prepaid insurance costs - bonds	-	51,378	51,378	-
Capital assets:				
Non-depreciable	33,856,800	22,402,250	56,259,050	-
Depreciable (net)	83,416,984	156,273,595	239,690,579	125,782
Right-to-use lease assets (net)	763,892	276,293	1,040,185	-
Total assets	257,228,471	304,817,355	562,045,826	1,872,844
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred amount on refunding	108,692	724,826	833,518	-
Deferred amount for other post-employment benefits	539,971	152,497	692,468	-
Deferred amount for pensions	38,984,425	3,937,276	42,921,701	-
Total deferred outflows of resources	39,633,088	4,814,599	44,447,687	-
LIABILITIES:				
Accounts payable and other liabilities	6,193,043	2,787,671	8,980,714	309,770
Contracts payable	-	311,991	311,991	-
Intergovernmental payable	156,835	38,072	194,907	-
Deposits	78,528	10,123,290	10,201,818	-
Unearned revenue	5,174,517	1,882,723	7,057,240	13,100
Payable from restricted assets:				
Accounts payable and other liabilities	-	257,235	257,235	-
Contracts payable	161,805	168,852	330,657	-
Accrued interest	384,834	805,117	1,189,951	-
Due within one year:				
Bonds, loans, and notes payable	5,521,942	10,166,390	15,688,332	-
Insurance claims payable	2,110,000	-	2,110,000	-
Lease liabilities	355,695	42,593	398,288	-
Other liabilities	2,604,349	733,075	3,337,424	10,076
Due in more than one year:				
Bonds, loans, and notes payable	32,442,378	107,662,672	140,105,050	-
Net pension liability	115,385,770	12,146,340	127,532,110	-
Other post-employment benefits	3,411,406	835,815	4,247,221	-
Insurance claims payable	8,524,000	-	8,524,000	-
Lease liabilities	409,108	237,624	646,732	-
Other liabilities	5,472,558	1,258,257	6,730,815	-
Total liabilities	188,386,768	149,457,717	337,844,485	332,946
DEFERRED INFLOWS OF RESOURCES:				
Deferred amount for pensions	1,026,406	538,281	1,564,687	-
Deferred amount for other post-employment benefits	1,200,775	361,159	1,561,934	-
Deferred amount for leases	-	1,994,399	1,994,399	-
Total deferred inflows of resources	2,227,181	2,893,839	5,121,020	-
NET POSITION:				
Net investment in capital assets	87,826,793	60,387,438	148,214,231	125,782
Restricted for:				
Debt covenants	724,097	9,998,387	10,722,484	-
General government	9,831,065	-	9,831,065	-
Physical environment	1,667,536	-	1,667,536	-
Public safety	21,794,383	-	21,794,383	-
Transportation	4,895,954	-	4,895,954	-
Economic environment	15,627,857	-	15,627,857	-
Culture and recreation	8,891,724	-	8,891,724	-
Capital projects	-	49,384,984	49,384,984	-
Landfill	-	282,828	282,828	-
Unrestricted (deficit)	(45,011,799)	37,226,761	(7,785,038)	1,414,116
Total net position	\$ 106,247,610	\$ 157,280,398	\$ 263,528,008	\$ 1,539,898

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, 2022

FUNCTIONS/PROGRAMS:	EXPENSES	PROGRAM REVENUES			Net (Expense) Revenue and Changes in Net Position			
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business - type Activities	Total	
Primary Government:								
Governmental Activities:								
General government	\$ 20,310,253	\$ 13,697,582	\$ -	\$ 1,620,430	\$ (4,992,241)	\$ -	\$ (4,992,241)	\$ -
Public safety	69,639,548	5,564,100	368,788	106,357	(63,600,303)	-	(63,600,303)	-
Physical environment	-	-	298,325	-	298,325	-	298,325	-
Transportation	12,875,107	1,518,121	1,143,707	-	(10,213,279)	-	(10,213,279)	-
Economic environment	4,766,191	741,154	12,521,474	-	8,496,437	-	8,496,437	-
Human services	807,741	-	400,000	-	(407,741)	-	(407,741)	-
Culture and recreation	15,097,820	10,413,745	584,361	-	(4,099,714)	-	(4,099,714)	-
Interest and fiscal charges	1,053,303	-	-	-	(1,053,303)	-	(1,053,303)	-
Total governmental activities	124,549,963	31,934,702	15,316,655	1,726,787	(75,571,819)	-	(75,571,819)	-
Business-Type Activities:								
Water and sewer system	50,782,056	62,342,598	-	11,443,782	-	23,004,324	23,004,324	-
Solid waste management	12,288,926	21,920,159	-	-	-	9,631,233	9,631,233	-
Stormwater improvement	6,253,307	15,305,246	-	-	-	9,051,939	9,051,939	-
Halifax Harbor	3,492,935	4,075,604	-	-	-	582,669	582,669	-
Daytona Beach Pier	1,340,557	1,022,369	-	-	-	(318,188)	(318,188)	-
Total business-type activities	74,157,781	104,665,976	-	11,443,782	-	41,951,977	41,951,977	-
Total primary government	\$ 198,707,744	\$ 136,600,678	\$ 15,316,655	\$ 13,170,569	(75,571,819)	41,951,977	(33,619,842)	-
Component Unit:								
Downtown Development Authority	\$ 297,742	\$ -	\$ 101,295	\$ -	-	-	-	(196,447)
First Step Shelter, Inc.	2,412,921	-	2,386,051	-	-	-	-	(26,870)
Total component unit	\$ 2,710,663	\$ -	\$ 2,487,346	\$ -	-	-	-	(223,317)
GENERAL REVENUES:								
Taxes:								
Property taxes, levied for general purposes					34,999,413	-	34,999,413	177,232
Local option gas taxes					1,882,705	-	1,882,705	-
Public service taxes					12,995,813	-	12,995,813	-
Sales taxes					4,927,098	-	4,927,098	-
Franchise taxes					7,708,997	-	7,708,997	-
Tax increment taxes					4,067,092	-	4,067,092	-
Other taxes					1,134,302	-	1,134,302	-
Intergovernmental revenues not restricted to specific programs					5,484,349	-	5,484,349	-
Income on investments					(2,402,077)	694,102	(1,707,975)	561
Miscellaneous					1,806,949	627,000	2,433,949	6,255
Transfers					24,712,567	(24,712,567)	-	-
Total general revenues and transfers					97,317,208	(23,391,465)	73,925,743	184,048
Change in net position					21,745,389	18,560,512	40,305,901	(39,269)
NET POSITION:								
Beginning of year					84,502,221	138,719,886	223,222,107	1,579,167
End of year					\$ 106,247,610	\$ 157,280,398	\$ 263,528,008	\$ 1,539,898

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

City of Daytona Beach, Florida
Balance Sheet – Governmental Funds
September 30, 2022

	General	Redevelopment Trust	Capital Projects	Nonmajor Governmental	Total Governmental Funds
ASSETS:					
Equity in pooled cash, cash equivalents, and investments	\$ 42,267,646	\$ 9,928,866	\$ 10,182,431	\$ 48,842,301	\$ 111,221,244
Receivables (net):					
Accounts	3,124,838	-	-	126,164	3,251,002
Taxes	168,411	-	-	9,258	177,669
Notes	-	114,396	-	-	114,396
Accrued interest	168,827	-	-	-	168,827
Due from other funds	1,244,000	-	-	-	1,244,000
Intergovernmental receivable	1,470,938	-	-	3,883,707	5,354,645
Deposits	10,150	-	-	-	10,150
Inventory	504,656	-	-	-	504,656
Prepays	22,525	1,385	-	175	24,085
Restricted equity in pooled cash, cash equivalents, and investments	-	5,173,601	-	714,839	5,888,440
Total assets	\$ 48,981,991	\$ 15,218,248	\$ 10,182,431	\$ 53,576,444	\$ 127,959,114
LIABILITIES:					
Accounts payable and other liabilities	\$ 2,591,520	\$ 42,062	\$ 1,472,775	\$ 801,754	\$ 4,908,111
Due to other funds	-	-	-	1,244,000	1,244,000
Intergovernmental payable	147,710	858	-	2,715	151,283
Deposits	76,092	-	-	2,436	78,528
Contracts payable	-	-	32,121	129,684	161,805
Unearned revenue	2,037,510	-	-	3,137,007	5,174,517
Total liabilities	4,852,832	42,920	1,504,896	5,317,596	11,718,244
FUND BALANCES:					
Non-Spendable:					
Inventory	504,656	-	-	-	504,656
Prepays	22,525	1,385	-	175	24,085
Restricted:					
Debt covenants	-	-	-	724,097	724,097
General government	-	-	-	9,831,065	9,831,065
Public safety	-	-	-	21,794,383	21,794,383
Physical environment	-	-	-	1,667,536	1,667,536
Transportation	-	-	-	4,895,954	4,895,954
Economic environment	-	15,173,943	-	453,914	15,627,857
Culture and recreation	-	-	-	8,891,724	8,891,724
Assigned:					
Capital projects	19,548,224	-	8,677,535	-	28,225,759
Fiscal year 2023 budget	10,477,911	-	-	-	10,477,911
Other projects	1,284,136	-	-	-	1,284,136
Unassigned	12,291,707	-	-	-	12,291,707
Total fund balances	44,129,159	15,175,328	8,677,535	48,258,848	116,240,870
Total liabilities and fund balances	\$ 48,981,991	\$ 15,218,248	\$ 10,182,431	\$ 53,576,444	\$ 127,959,114

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, 2022

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

Fund balance - governmental funds	\$	116,240,870
<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	\$	30,542,308
Construction in progress		3,314,492
Buildings		32,224,241
Improvements and infrastructure		42,027,573
Equipment		8,587,701
Right-to-use lease assets (net)		<u>676,399</u>
Total		117,372,714
<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>		
		(3,257,958)
<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)	\$	108,692
Deferred amount for pensions (net)		36,649,596
Deferred amount for other post-employment benefits (net)		(600,836)
Accrued interest payable		(384,834)
Bonds, loans, notes payable, and leases payable		(38,642,283)
Net pension liability		(110,766,896)
Compensated absences		(7,304,201)
Other post-employment benefits		<u>(3,167,254)</u>
		(124,108,016)
<hr/>		
Net position - governmental activities	\$	<u>106,247,610</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, 2022

	General	Redevelopment Trust	Capital Projects	Nonmajor Governmental	Total Governmental Funds
REVENUES:					
Taxes	\$ 49,841,045	\$ -	\$ -	\$ 2,249,336	\$ 52,090,381
Licenses and permits	7,812,124	11,465	-	7,328,801	15,152,390
Intergovernmental	9,643,825	4,168,387	-	14,616,256	28,428,468
Charges for services	10,603,173	23,260	-	642,642	11,269,075
Fines and forfeitures	1,327,693	-	-	72,048	1,399,741
Special assessments/impact fees	47,680	-	-	10,498,815	10,546,495
Income (loss) on investments	(2,714,204)	55,491	36,639	179,341	(2,442,733)
Miscellaneous	1,088,819	31,412	-	1,834,118	2,954,349
Total revenues	77,650,155	4,290,015	36,639	37,421,357	119,398,166
EXPENDITURES:					
Current operating:					
General government	17,429,246	-	35,678	151,655	17,616,579
Public safety	55,457,840	-	-	4,368,988	59,826,828
Transportation	6,415,465	5,152	6,346,899	-	12,767,516
Economic environment	1,062,637	1,900,175	-	1,518,502	4,481,314
Human services	400,000	-	7,741	400,000	807,741
Culture and recreation	12,106,663	47,460	1,364,427	305,850	13,824,400
Capital outlay	1,888,826	3,304,235	1,452,859	3,119,147	9,765,067
Debt service:					
Principal	-	-	-	4,927,938	4,927,938
Interest and fiscal charges	-	-	-	951,572	951,572
Total expenditures	94,760,677	5,257,022	9,207,604	15,743,652	124,968,955
Excess (deficiency) of revenues over (under) expenditures	(17,110,522)	(967,007)	(9,170,965)	21,677,705	(5,570,789)
OTHER FINANCING					
SOURCES (USES):					
Lease proceeds	602,820	-	-	-	602,820
Issuance of debt	3,354,915	-	-	-	3,354,915
Proceeds from insurance recovery	150,606	-	-	-	150,606
Transfers in	36,173,999	3,218,985	5,194,442	4,753,074	49,340,500
Transfers (out)	(9,283,196)	(2,892,771)	-	(12,451,966)	(24,627,933)
Total other financing sources (uses)	30,999,144	326,214	5,194,442	(7,698,892)	28,820,908
Net change in fund balances	13,888,622	(640,793)	(3,976,523)	13,978,813	23,250,119
FUND BALANCES:					
Beginning of year	30,240,537	15,816,121	12,654,058	34,280,035	92,990,751
End of year	\$ 44,129,159	\$ 15,175,328	\$ 8,677,535	\$ 48,258,848	\$ 116,240,870

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, 2022

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

Net change in fund balance - total governmental funds	\$	23,250,119
<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	\$ 9,765,067	
Current year depreciation and amortization	(7,744,745)	2,020,322
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.</p>		
		1,114,843
<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	\$ 4,927,938	
Issuance of debt	(3,957,734)	
Total		970,204
<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 deferred amount on refunding	(717)	
Amortization of bond premium	167	
Accrued interest	(100,826)	
Pension expense	2,923,366	
Change in deferred outflows related to pensions	(7,066,683)	
Compensated absences	(789,269)	
Other post-employment benefits	38,753	
Total		(4,995,209)
<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>		
		(614,890)
Change in net position - governmental activities	\$	21,745,389

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, 2022

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Taxes	\$ 48,475,049	\$ 48,475,049	\$ 49,841,045	\$ 1,365,996
Licenses and permits	6,619,911	6,619,911	7,812,124	1,192,213
Intergovernmental	8,486,945	8,486,945	9,643,825	1,156,880
Charges for services	8,926,143	8,926,143	10,603,173	1,677,030
Fines and forfeitures	509,583	509,583	1,327,693	818,110
Special assessment/impact fees	46,209	46,209	47,680	1,471
Income (loss) on investments	2,075,134	2,075,134	(2,714,204)	(4,789,338)
Miscellaneous	469,363	555,779	1,088,819	533,040
Total revenues	75,608,337	75,694,753	77,650,155	1,955,402
EXPENDITURES:				
General government:				
Legislative	1,159,476	1,283,129	930,598	352,531
City Manager	2,889,132	2,901,224	2,488,258	412,966
City Attorney	1,624,022	1,724,022	1,659,006	65,016
Finance	2,345,805	2,537,898	2,277,194	260,704
Comprehensive Planning	1,763,769	1,764,769	1,387,890	376,879
Other General Government Services	8,881,551	8,960,225	8,686,300	273,925
Public safety:				
Police	39,723,113	40,310,982	38,931,738	1,379,244
Fire	17,437,780	17,093,525	16,526,102	567,423
Transportation	7,220,585	7,249,993	6,415,465	834,528
Economic environment	776,101	2,369,484	1,062,637	1,306,847
Human services	500,000	500,000	400,000	100,000
Culture and recreation	10,637,145	12,567,824	12,106,663	461,161
Capital outlay	2,221,942	7,495,544	1,888,826	5,606,718
Total expenditures	97,180,421	106,758,619	94,760,677	11,997,942
Excess (deficiency) of revenues over (under) expenditures	(21,572,084)	(31,063,866)	(17,110,522)	13,953,344
OTHER FINANCING				
SOURCES (USES):				
Budgetary reserves, net	2,546,070	14,423,481	-	(14,423,481)
Issuance of debt	-	3,354,915	3,354,915	-
Lease proceeds	-	-	602,820	602,820
Proceeds from insurance recovery	209,445	220,573	150,606	(69,967)
Transfers in	24,352,996	35,639,817	36,173,999	534,182
Transfers (out)	(3,827,975)	(9,060,938)	(9,283,196)	(222,258)
Total other financing sources (uses)	23,280,536	44,577,848	30,999,144	(13,578,704)
Net change in fund balance	1,708,452	13,513,982	13,888,622	374,640
FUND BALANCE:				
Beginning of year	30,240,537	30,240,537	30,240,537	-
End of year	\$ 31,948,989	\$ 43,754,519	\$ 44,129,159	\$ 374,640

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, 2022

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Licenses and permits	\$ 11,109	\$ 11,109	\$ 11,465	\$ 356
Intergovernmental	4,137,747	4,161,271	4,168,387	7,116
Charges for services	-	-	23,260	23,260
Income on investments	-	-	55,491	55,491
Miscellaneous	11,831	11,831	31,412	19,581
Total revenues	4,160,687	4,184,211	4,290,015	105,804
EXPENDITURES:				
Current operating:				
Transportation	-	-	5,152	(5,152)
Economic environment	2,403,662	2,469,408	1,900,175	569,233
Cultural and Recreation	-	100,000	47,460	52,540
Capital outlay	2,146,475	17,600,647	3,304,235	14,296,412
Total expenditures	4,550,137	20,170,055	5,257,022	14,913,033
Excess (deficiency) of revenues over (under) expenditures	(389,450)	(15,985,844)	(967,007)	15,018,837
OTHER FINANCING SOURCES (USES):				
Budgetary reserves, net	61,524	15,669,727	-	(15,669,727)
Transfers in	3,220,680	3,208,871	3,218,985	10,114
Transfers (out)	(2,831,248)	(2,892,772)	(2,892,771)	1
Total other financing sources (uses)	450,956	15,985,826	326,214	(15,659,612)
Net change in fund balance	61,506	(18)	(640,793)	(640,775)
FUND BALANCE:				
Beginning of year	15,816,121	15,816,121	15,816,121	-
End of year	\$ 15,877,627	\$ 15,816,103	\$ 15,175,328	\$ (640,775)

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

City of Daytona Beach, Florida
Statement of Net Position
Proprietary Funds
September 30, 2022

	Business-Type Activities - Enterprise Funds				Governmental Activities	
	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	\$ 37,769,065	\$ 4,260,783	\$ 8,044,363	\$ 2,064,323	\$ 52,138,534	\$ 11,137,509
Accounts receivable (net)	9,037,657	3,002,723	1,738,501	-	13,778,881	-
Accrued Interest receivable	-	-	-	1,096	1,096	-
Lease receivables	-	-	-	2,031,660	2,031,660	-
Inventory	862,506	-	-	42,594	905,100	131,107
Prepays	-	-	-	130,724	130,724	2,498,357
Total current assets	47,669,228	7,263,506	9,782,864	4,270,397	68,985,995	13,766,973
Noncurrent assets:						
Restricted equity in pooled cash, cash equivalents, and investments	54,298,774	282,828	470,299	457,651	55,509,552	-
Prepaid insurance costs - bonds	50,709	-	669	-	51,378	-
Deposits	27,000	-	-	-	27,000	-
Capital assets:						
Non-depreciable	19,042,014	25,021	3,296,612	38,603	22,402,250	-
Depreciable (net)	131,849,148	36,083	17,043,528	7,344,836	156,273,595	577,469
Right-to-use lease assets (net)	102,393	-	-	173,900	276,293	87,493
Total noncurrent assets	205,370,038	343,932	20,811,108	8,014,990	234,540,068	664,962
Total assets	253,039,266	7,607,438	30,593,972	12,285,387	303,526,063	14,431,935
DEFERRED OUTFLOWS OF RESOURCES:						
Deferred amount on refunding	656,885	-	6,949	60,992	724,826	-
Deferred amount for other	123,914	2,148	25,091	1,344	152,497	45,435
Deferred amount for pensions	2,894,933	97,101	796,650	148,592	3,937,276	1,510,715
Total deferred outflows of resources	3,675,732	99,249	828,690	210,928	4,814,599	1,556,150
LIABILITIES:						
Current liabilities:						
Accounts payable and other liabilities	1,445,926	931,976	246,643	163,126	2,787,671	1,284,932
Contracts payable	253,840	-	58,151	-	311,991	-
Intergovernmental payable	16,130	282	3,167	18,493	38,072	5,552
Insurance claims payable	-	-	-	-	-	2,110,000
Unearned revenues	-	-	1,803,853	78,870	1,882,723	-
Compensated absences	563,432	18,045	130,962	20,636	733,075	277,168
Lease liabilities	3,593	-	-	39,000	42,593	64,185
Bonds payable	3,055,000	-	-	-	3,055,000	-
Notes and loans payable	6,339,409	-	196,981	575,000	7,111,390	-
Payable from restricted assets:						
Accounts payable	257,235	-	-	-	257,235	-
Contracts payable	168,852	-	-	-	168,852	-
Accrued interest	720,740	-	18,607	65,770	805,117	-
Total current liabilities	12,824,157	950,303	2,458,364	960,895	17,193,719	3,741,837
Noncurrent liabilities:						
Insurance claims payable	-	-	-	-	-	8,524,000
Deposits	10,010,927	-	-	112,363	10,123,290	-
Compensated absences	731,828	29,278	174,833	88,061	1,024,000	495,538
Other post-employment benefits	631,113	31,573	168,955	4,174	835,815	244,152
Net pension liability	8,948,456	386,270	2,402,742	408,872	12,146,340	4,618,874
Pollution remediation	-	41,209	-	-	41,209	-
Landfill closure and post-closure	-	193,048	-	-	193,048	-
Bonds payable	22,605,695	-	735,801	-	23,341,496	-
Notes and loans payable	79,896,899	-	529,277	3,895,000	84,321,176	-
Lease liabilities	100,569	-	-	137,055	237,624	22,655
Total noncurrent liabilities	122,925,487	681,378	4,011,608	4,645,525	132,263,998	13,905,219
Total liabilities	135,749,644	1,631,681	6,469,972	5,606,420	149,457,717	17,647,056
DEFERRED INFLOWS OF RESOURCES:						
Deferred amount on other post-employment benefits	288,393	5,252	62,203	5,311	361,159	105,403
Deferred amount for pensions	393,781	15,635	104,332	24,533	538,281	202,292
Deferred amount for leases	-	-	-	1,994,399	1,994,399	-
Total deferred inflows of resources	682,174	20,887	166,535	2,024,243	2,893,839	307,695
NET POSITION:						
Net investment in capital assets	38,700,736	61,104	18,653,322	2,972,276	60,387,438	578,122
Restricted for:						
Debt covenants	8,389,449	-	1,216,955	391,983	9,998,387	-
Capital projects	48,962,538	422,446	-	-	49,384,984	-
Landfill	-	282,828	-	-	282,828	-
Unrestricted (deficit)	24,230,457	5,287,741	4,915,878	1,501,393	35,935,469	(2,544,788)
Total net position	\$120,283,180	\$ 6,054,119	\$ 24,786,155	\$ 4,865,652	\$155,989,106	\$ (1,966,666)
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					1,291,292	
Net position of business-type activities					\$157,280,398	

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, 2022

	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	\$ 62,342,598	\$ 21,920,159	\$ 15,305,246	\$ 4,565,429	\$ 104,133,432	\$ 17,583,806
Lease revenue	-	-	-	532,544	532,544	-
Other receipts	427,799	192,678	-	6,523	627,000	20,865
Total operating revenues	62,770,397	22,112,837	15,305,246	5,104,496	105,292,976	17,604,671
OPERATING EXPENSES:						
Personnel services	13,283,449	324,243	2,799,391	394,626	16,801,709	5,844,528
Contractual services	19,138,757	11,859,786	1,952,485	2,731,553	35,682,581	10,242,190
Materials and supplies	5,514,375	75,745	182,715	972,199	6,745,034	2,285,701
Depreciation and amortization	9,369,413	9,542	1,209,693	548,619	11,137,267	307,554
Total operating expenses	47,305,994	12,269,316	6,144,284	4,646,997	70,366,591	18,679,973
Operating income (loss)	15,464,403	9,843,521	9,160,962	457,499	34,926,385	(1,075,302)
NONOPERATING REVENUE (EXPENSE):						
Income on investments	605,876	31,581	34,161	22,484	694,102	40,656
Interest expense	(3,134,479)	-	(53,708)	(170,908)	(3,359,095)	(355)
Gain (loss) on disposal of capital assets	(22,103)	-	-	-	(22,103)	10,119
Total nonoperating revenue (expense)	(2,550,706)	31,581	(19,547)	(148,424)	(2,687,096)	50,420
Income (loss) before capital grants, contributions and transfers	12,913,697	9,875,102	9,141,415	309,075	32,239,289	(1,024,882)
Capital grants and contributions	11,443,782	-	-	-	11,443,782	-
Transfers in	-	-	-	174,612	174,612	-
Transfers (out)	(7,299,331)	(8,925,063)	(8,560,532)	(102,253)	(24,887,179)	-
Change in net position	17,058,148	950,039	580,883	381,434	18,970,504	(1,024,882)
NET POSITION (DEFICIT):						
Beginning	103,225,032	5,104,080	24,205,272	4,484,218	137,018,602	(941,784)
Ending	\$ 120,283,180	\$ 6,054,119	\$ 24,786,155	\$ 4,865,652	\$ 155,989,106	\$ (1,966,666)
Change in net position from above					\$ 18,970,504	
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds					(409,992)	
Change in net position of business-type activities					\$ 18,560,512	

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, 2022

	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	\$ 63,250,258	\$ 21,987,443	\$ 15,566,962	\$ 5,047,689	\$ 105,852,352	\$ 17,583,806
Other receipts	427,799	192,678	-	6,523	627,000	20,865
Payments to suppliers	(18,714,842)	(9,388,267)	(410,467)	(3,616,565)	(32,130,141)	(13,477,555)
Payments to employees	(13,012,026)	(301,096)	(2,776,931)	(331,940)	(16,421,993)	(5,723,256)
Payment to other funds for services provided	(7,104,657)	(2,512,331)	(1,617,053)	-	(11,234,041)	-
Net cash provided by operating activities	24,846,532	9,978,427	10,762,511	1,105,707	46,693,177	(1,596,140)
CASH FLOWS FROM NONCAPITAL						
FINANCING ACTIVITIES:						
Transfers from other funds	-	-	-	174,612	174,612	-
Transfers (to) other funds	(7,299,331)	(8,925,063)	(8,560,532)	(102,253)	(24,887,179)	-
Net cash provided by (used for) noncapital financing activities	(7,299,331)	(8,925,063)	(8,560,532)	72,359	(24,712,567)	-
CASH FLOWS FROM CAPITAL AND						
RELATED FINANCING ACTIVITIES:						
Proceeds from sale of capital assets	-	-	-	-	-	10,263
Acquisition and construction of capital assets	(9,834,659)	259,731	(978,293)	(54,260)	(10,607,481)	(153,046)
Issuance of debt	1,518,557	-	-	-	1,518,557	-
Principal payments on bonds, loans, notes and leases	(8,036,276)	-	(346,201)	(584,533)	(8,967,010)	(66,103)
Interest payments on bonds, loans, notes and leases	(3,403,530)	-	(61,393)	(169,078)	(3,634,001)	-
Capital grants and contributions for purchase of capital assets	11,443,782	-	-	-	11,443,782	-
Net cash used for capital and related financing activities	(8,312,126)	259,731	(1,385,887)	(807,871)	(10,246,153)	(208,886)
CASH FLOWS FROM INVESTING						
ACTIVITIES:						
Interest received	605,876	31,581	34,161	21,516	693,134	40,656
Net cash provided by investing activities	605,876	31,581	34,161	21,516	693,134	40,656
Net increase (decrease) in cash, cash equivalents, and investments	9,840,951	1,344,676	850,253	391,711	12,427,591	(1,764,370)
EQUITY IN POOLED CASH, CASH EQUIVALENTS, AND INVESTMENTS:						
Beginning	82,226,888	3,198,935	7,664,409	2,130,263	95,220,495	12,901,879
Ending	\$ 92,067,839	\$ 4,543,611	\$ 8,514,662	\$ 2,521,974	\$ 107,648,086	\$ 11,137,509
Classified as:						
Unrestricted	\$ 37,769,065	\$ 4,260,783	\$ 8,044,363	\$ 2,064,323	\$ 52,138,534	\$ 11,137,509
Restricted	54,298,774	282,828	470,299	457,651	55,509,552	-
Total	\$ 92,067,839	\$ 4,543,611	\$ 8,514,662	\$ 2,521,974	\$ 107,648,086	\$ 11,137,509

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, 2022

	Business-Type Activities - Enterprise Funds					Governmental
	Water and Sewer System	Solid Waste Management	Stormwater Improvement	Nonmajor Enterprise	Totals	Internal Service Funds
RECONCILIATION OF OPERATING						
INCOME (LOSS) TO NET CASH PROVIDED						
BY OPERATING ACTIVITIES:						
Operating income (loss)	\$ 15,464,403	\$ 9,843,521	\$ 9,160,962	\$ 457,499	\$ 34,926,385	\$ (1,075,302)
Adjustments to reconcile operating						
income (loss) to net cash provided by						
operating activities:						
Depreciation and amortization	9,369,413	9,542	1,209,693	548,619	11,137,267	307,554
(Increase) decrease in:						
Accounts receivable (net)	681,455	67,284	70,563	-	819,302	-
Lease receivable	-	-	-	489,330	489,330	-
Inventory	(46,521)	-	-	1,460	(45,061)	41,869
Prepays	-	-	-	(16,415)	(16,415)	(1,207,729)
Deferred outflow amount for pensions	(475,868)	(13,846)	(102,585)	(20,674)	(612,973)	(224,475)
Deferred outflow amount for OPEB	24,911	454	5,371	460	31,196	9,101
Increase (decrease) in:						
Accounts payable and other liabilities	(1,235,274)	136,026	62,795	69,910	(966,543)	(823,464)
Contracts payable	120,688	-	46,197	-	166,885	-
Intergovernmental payable	(5,260)	(206)	(1,312)	(564)	(7,342)	(5,340)
Insurance claims payable	-	-	-	-	-	1,045,000
Unearned revenues	-	-	191,153	(13,023)	178,130	-
Deposits	226,205	-	-	32,796	259,001	-
Pollution remediation obligation	-	(28,396)	-	-	(28,396)	-
Landfill closure and post-closure	-	(72,491)	-	-	(72,491)	-
Compensated absences	(42,608)	13,909	(16,496)	17,117	(28,078)	(27,854)
Other post-employment benefits	(319,135)	(5,811)	(68,806)	(2,938)	(396,690)	(116,599)
Net pension liability	5,371,963	156,315	1,158,053	233,372	6,919,703	2,534,069
Deferred inflow amount for leases	-	-	-	(526,591)	(526,591)	-
Deferred inflow amount for pensions	(4,572,735)	(133,061)	(1,014,500)	(169,913)	(5,890,209)	(2,157,059)
Deferred inflow amount for OPEB	284,895	5,187	61,423	5,262	356,767	104,089
Total adjustments	9,382,129	134,906	1,601,549	648,208	11,766,792	(520,838)
Net cash provided by operating activities	\$ 24,846,532	\$ 9,978,427	\$ 10,762,511	\$ 1,105,707	\$ 46,693,177	\$ (1,596,140)
Noncash capital and related financing activities:						
Amortization of deferred amount on refunding	\$ 143,665	\$ -	\$ -	\$ 10,026	\$ 153,691	\$ -
Prior year construction-in-progress costs abandoned	\$ -	\$ -	\$ -	\$ 110,170	\$ 110,170	\$ -
Lease proceeds	\$ -	\$ -	\$ -	\$ 204,588	\$ 204,588	\$ -

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, 2022

	Police and Fire Pension Trust Fund	Police Asset Custodial Fund
ASSETS:		
Cash and cash equivalents	\$ 2,723,636	\$ 663,495
Investments, at fair value:		
Equities - stocks	147,599,440	-
Fixed income - bonds and notes	43,613,707	-
Receivables:		
Contributions	160,230	-
Accrued interest and dividends	43,444	-
Total assets	194,140,457	663,495
LIABILITIES:		
Accounts payable and other liabilities	476,795	-
Total liabilities	476,795	-
NET POSITION:		
Restricted for pensions	193,663,662	-
Restricted for criminal investigations	-	663,495
Total net position	\$ 193,663,662	\$ 663,495

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, 2022

	Police and Fire Pension Trust Fund	Police Asset Custodial Fund
ADDITIONS:		
Contributions:		
Employer	\$ 9,143,386	\$ -
Employee	1,944,561	-
Employer from state	1,134,302	-
Total contributions	12,222,249	-
Asset seizures	-	395,179
Investment income:		
Net appreciation in fair value of investments		
plan investments	(42,083,185)	-
Interest and dividends	2,731,612	-
Class action settlement	24,610	-
Total investment income	(39,326,963)	-
Less: Investment expense	(943,775)	-
Net investment income	(40,270,738)	-
Total additions	(28,048,489)	395,179
DEDUCTIONS:		
Benefit payments	17,684,199	-
Refunds on member contributions	305,345	-
Administrative expenses	303,895	-
Asset forfeitures	-	64,965
Assets released in adjudication	-	178,756
Total deductions	18,293,439	243,721
Change in net position	(46,341,928)	151,458
NET POSITION - beginning	240,005,590	512,037
NET POSITION - ending	\$ 193,663,662	\$ 663,495

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.

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.

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

Basis of Presentation – Fund Financial Statements

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

The City reports the following major governmental funds:

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation – Fund Financial Statements (Continued)

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.

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation – Fund Financial Statements (Continued)

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, fiduciary fund and custodial fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The 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 financed purchases are reported as other financing sources in governmental funds.

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

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.

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

E. Leases Receivable

The City has commercial lease agreements for buildings, land and equipment. The City’s commercial lease receivables are measured at the present value of lease payments expected to be received during the lease term at discount rates ranging from .21% to 1.71%, which is the discount rate stated in the contract or, in the absence of a stated rate, the City’s incremental borrowing rate. Subsequently, the lease receivable is reduced by the principal portion of lease payments received over the life of the lease term.

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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.

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:

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Capital Assets (Continued)

<u>Capital Asset Class</u>	<u>Lives in Years</u>
Buildings.....	10-50
Improvements.....	10-50
Infrastructure.....	15-50
Equipment.....	2-30
Right-of-use lease assets	2-20

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.

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Leases

Lease contracts that provide the City with control of a non-financial asset, such as land, buildings or equipment, for a period of time in excess of twelve months are reported as a leased asset with a related lease liability. The lease liability is recorded at the present value of future lease payments, including fixed payments, variable payments based on an index or fixed rate and reasonably certain residual guarantees. The intangible leased asset is recorded for the same amount as the related lease liability plus any prepayments and initial direct costs to place the asset in service. Leased assets are amortized over the shorter of the useful life of the asset or the lease term. The lease liability is reduced for lease payments made, less the interest portion of the lease payment.

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 three (3) items that qualify for reporting as deferred inflows of resources, which is the *deferred amount for pensions*, the *deferred amount for other post-employment benefits*, and the *deferred amount for leases*.

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.

The *deferred amounts related to leases* are associated with amounts owed to the City, as lessor, by entities leasing the City's capital assets as calculated in accordance with GASB Codification L20: *Leases*. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is recognized as revenue on a straight-line basis over the term of the lease.

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)

Pension 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, 2022.

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.

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

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2022

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Net Position (Continued)

	Government-wide		Water and Sewer System	Solid Waste Management	Stormwater Improvement	Nonmajor Enterprise	Internal Service Funds
	Governmental Activities	Business-type Activities					
Capital assets, net	\$ 118,037,676	\$ 178,952,138	\$ 150,993,555	\$ 61,104	\$ 20,340,140	\$ 7,557,339	\$ 664,962
Capital-related accounts payable	-	(750,782)	(576,556)	-	(174,226)	-	-
Contracts (retainage) payable	(161,805)	(480,843)	(422,692)	-	(58,151)	-	-
Capital-related debt outstanding	(38,729,123)	(118,109,279)	(112,001,165)	-	(1,462,059)	(4,646,055)	(86,840)
Portion of outstanding debt							
attributable to insurance costs	-	51,378	50,709	-	669	-	-
Deferred amounts on refunding	108,692	724,826	656,885	-	6,949	60,992	-
Unspent capital-related debt							
proceeds	8,571,353	-	-	-	-	-	-
Net investment in capital assets	<u>\$ 87,826,793</u>	<u>\$ 60,387,438</u>	<u>\$ 38,700,736</u>	<u>\$ 61,104</u>	<u>\$ 18,653,322</u>	<u>\$ 2,972,276</u>	<u>\$ 578,122</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, 2022.

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, 2021

Each taxing authority is notified of their respective valuations based on the assessment roll prepared by the property appraiser and approved by the State July 1, 2021

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 2021

All real and tangible personal property taxes are due and payable (levy date)..... November 1, 2021

The County mails Notice of Taxes to property owners on the assessment roll November 2021

Taxes are paid from November 2021 through March 2022, 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, 2022

Tax certificates are sold on all parcels with unpaid real property taxes (lien date)..... May 31, 2022

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 2022

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 21 for relevant disclosures. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recently Implemented 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 were previously 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. Additional information about the changes to the financial statements related to the implementation of this Statement can be found in Note 2.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Implemented Accounting Pronouncements (Continued)

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 Statement is being applied prospectively, therefore, there were no significant impacts of implementing this Statement.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. There were no significant impacts of implementing this Statement.

In May 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objectives of this Statement are to address financial reporting issues that result from the replacement of an Interbank Offered Rate (IBOR) by providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment and clarification of the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; replacing LIBOR as an appropriate benchmark interest rate for the evaluation of the effectiveness of an interest rate swap with a Secured Overnight Financing Rate or the Effective Federal Funds Rate; and providing exceptions to the lease modifications guidance in Statement 87 for lease contracts that are amended solely to replace an IBOR used to determine variable payments. There were no significant impacts of implementing this Statement.

Recently Issued Accounting Pronouncements

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

GASB Statement No. 96, *Subscriptions-Based Information Technology Arrangements*, 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 reporting periods beginning after June 15, 2022.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements (Continued)

GASB Statement No. 100, *Accounting Changes and Error Corrections*, This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

GASB Statement No. 101, *Compensated Absences*, The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

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

Note 2: ACCOUNTING CHANGES

In fiscal year 2022, the City implemented GASB Statement No. 87, *Leases*, which provides new guidance for the accounting and financial reporting of leases by governments. GASB Statement No. 87 establishes a single model for lease accounting based on the foundational principal that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. In accordance with generally accepted accounting principles, the implementation of this statement required the restatement of the September 30, 2021 fund balance/net position for the cumulative effect of recording the right-to-use leased assets, the respective lease liabilities, the lease receivables and the respective deferred inflows for the lease receivables as of September 30, 2021.

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2022

Note 2: ACCOUNTING CHANGES (Continued)

<i>September 30, 2021</i>	Government-wide Statements		
	Governmental Activities	Business-type Activities	Total
Net position, as previously reported	\$ 84,502,221	\$ 138,719,886	\$ 223,222,107
Lease receivable	-	2,520,990	2,520,990
Right-to-use lease assets	448,529	107,277	555,806
Lease liabilities	(448,529)	(107,277)	(555,806)
Deferred amount for leases	-	(2,520,990)	(2,520,990)
Net position, as restated	\$ 84,502,221	\$ 138,719,886	\$ 223,222,107

<i>September 30, 2021</i>	Water and Sewer System	Halifax Harbor	Daytona Beach Pier	Information Technology
	Net position, as previously reported	\$ 103,225,032	\$ 117,469	\$ 4,366,749
Lease receivable	-	786,052	1,734,938	-
Right-to-use lease assets	107,277	-	-	152,943
Lease liabilities	(107,277)	-	-	(152,943)
Deferred amount for leases	-	(786,052)	(1,734,938)	-
Net position, as restated	\$ 103,225,032	\$ 117,469	\$ 4,366,749	\$ 377,485

Note 3: DEFICIT NET POSITION, STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

The following funds had a deficit net position at fiscal year-end September 30, 2022.

Fleet Maintenance Fund – The Fleet Maintenance Fund had a deficit net position of \$4,987 at September 30, 2022. This deficit is primarily due to increased supply costs in excess of charges to the user funds. The deficit will be reduced in the next fiscal year through an adjustment to service charges.

Employment Services Fund – The Employment Services Fund had a deficit net position of \$5,598 at September 30, 2022. 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.

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2022

Note 3: DEFICIT NET POSITION, STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

Consolidated Insurance Fund – The Consolidated Insurance Fund had a deficit net position of \$2,202,541 at September 30, 2022. Workers’ compensation and general liability claims paid plus the actuarial adjustment exceeded prior fiscal year funding from user funds by approximately \$2 million, a trend which has been taking place since the pandemic. Funding provided by user funds will be evaluated and adjusted to include amortization of this deficit over a reasonable period of time.

Note 4: DEPOSITS AND INVESTMENTS

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

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

Interest Rate Risk – Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment’s fair value. The City’s investment policy limits investments to those having a maturity, at the time of purchase, of less than ten (10) years. There were no investments that exceeded this maximum maturity at September 30, 2022. The City utilizes “duration” as a measurement of interest rate risk and as of September 30, 2022, the combined cash and investment portfolios had a weighted average duration of 2.01 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.

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2022

Note 4: DEPOSITS AND INVESTMENTS (Continued)

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, 2022, 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.

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, 2022:

Portfolio	Fair Value	Duration (Years)	Weighted Average Rating Moody's/S&P	Percent Distribution
Cash Deposits	\$ 186,491,567	-		79.06%
PFM Prime Money Market Fund	-	-		0.00%
First American Treasury Money Market Fund	152,857	-	Aaa/AAAm	0.06%
US Treasury Notes	24,142,204	2.19	Aaa/AA+	10.23%
US Instrumentalities:				
Federal Home Loan Bank	7,065,437	2.07	Aaa/AA+	3.00%
Federal Home Loan Mortgage Corporation	4,080,375	3.04	Aaa/AA+	1.73%
Federal National Mortgage Association	5,394,716	2.72	Aaa/AA+	2.29%
Federal Farm Credit Bank	5,406,793	1.56	Aaa/AA+	2.29%
Municipal Bonds:				
Florida State Board of Education	1,799,720	3.67	Aaa/AAA	0.76%
State of Wisconsin	1,361,610	3.58	Aa1/AA+	0.58%
Total	\$ 235,895,279			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, 2022

Note 4: 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, 2022. 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	\$ 24,142,204	\$ 24,142,204
US Instrumentalities:		
Federal Home Loan Bank	7,065,437	7,065,437
Federal Home Loan Mortgage Corporation	4,080,375	4,080,375
Federal National Mortgage Association	5,394,716	5,394,716
Federal Farm Credit Bank	5,406,793	5,406,793
Municipal Bonds:		
Florida State Board of Education	1,799,720	1,799,720
State of Wisconsin	1,361,610	1,361,610
Subtotal	49,250,855	49,250,855
First American Treasury Money Market Fund	152,857	N/A
PFM Prime Money Market Fund	-	N/A
Cash Deposits	186,491,567	N/A
Total	\$ 235,895,279	\$ 49,250,855

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2022

Note 4: DEPOSITS AND INVESTMENTS (Continued)

The City has the following recurring fair value measurements as of September 30, 2022:

- 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, 2022. 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 5: RECEIVABLES

Below is the detail of receivables, including applicable allowances for uncollectible accounts, at September 30, 2022:

Description	Receivables	(Less) Allowance for Uncollectibles	Receivables (Net)
General Fund	\$ 4,040,317	\$ 578,241	\$ 3,462,076
Redevelopment Trust	114,396	-	114,396
Nonmajor governmental funds	363,545	228,123	135,422
Total - Governmental Funds	4,518,258	806,364	3,711,894
Proprietary Funds:			
Water and Sewer System	11,030,555	1,992,898	9,037,657
Solid Waste Management	3,639,335	636,612	3,002,723
Stormwater Improvement	1,923,381	184,880	1,738,501
Total - Proprietary Funds	16,593,271	2,814,390	13,778,881
Fiduciary Funds:			
Police and Fire Pension Trust	203,674	-	203,674
Total	\$ 21,315,203	\$ 3,620,754	\$ 17,694,449

Receivables in the General Fund consist mainly of utility taxes and franchise fees due to the City for taxes and fees billed as of September 30, 2022.

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.

Note 5: RECEIVABLES (Continued)

An estimated unbilled revenue amount is recorded within the General Fund of \$126,665, Water and Sewer System Fund of \$3,736,393, Solid Waste Management Fund of \$1,626,028, and Stormwater Improvement Fund of \$1,098,531 and represents services rendered but not yet billed as of the end of the fiscal year.

Note 6: NOTES RECEIVABLE

The following is a summary of notes receivable at September 30, 2022:

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 was to be amortized over 57 months and repaid in equal monthly installments of \$2,083 through December 2018, at which time a balloon payment was due in the amount of \$161,396. The remaining principal balance owed at September 30, 2022 was \$114,396, for which a monthly payment of \$2,000 payment has been made consistently since the beginning of fiscal year 2022.

Note 7: LEASE RECEIVABLES

The City is the lessor of various properties, including commercial real estate, land and equipment. The City accounts for leases in accordance with GASB Codification L20: *Leases*. The agreements are made up of various noncancellable agreements which expire between the years 2023 and 2027. Most leases include increases of a minimum percentage or escalate on some other basis.

Halifax Harbor Fund – The City owns and operates a commercial plaza of approximately 39,500 square feet at the Halifax Harbor Marina through a management contract with an independent management firm. The Halifax Harbor Plaza has a mixture of retail, office, and restaurant space with a number of tenants and for varying lease periods with no period longer than five (5) years, not including lease-renewal options. Lessees pay a base rent amount plus common area maintenance fees. For the fiscal year September 30, 2022, the Halifax Harbor Fund recognized \$230,816 of lease revenue and \$1,549 of lease interest.

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. For the fiscal year September 30, 2022, the Daytona Beach Pier Fund recognized \$301,728 of lease revenue and \$12,681 of lease interest.

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2022

Note 7: LEASES RECEIVABLE (Continued)

The following is a schedule by years of minimum future revenues from noncancellable agreements:

<i>Year ending September 30,</i>	Business-Type Activities			Total Future Minimum Lease Payments
	Principal	Interest		
2023	\$ 525,619	\$ 11,763		\$ 537,382
2024	477,764	8,802		486,566
2025	394,356	6,006		400,362
2026	371,866	3,381		375,247
2027	262,055	806		262,861
Total	\$ 2,031,660	\$ 30,758		\$ 2,062,418

Note 8: INTERFUND BALANCES AND TRANSFERS

The following is a summary of interfund receivable and payable balances at September 30, 2022:

Due To/From Other Funds:

Receivable Fund	Payable Fund	Amount
General Fund	Total nonmajor governmental funds	\$ 1,244,000

\$1,244,000 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.

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2022

Note 8: INTERFUND BALANCES AND TRANSFERS (Continued)

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	\$ 9,283,196	\$ -	\$ 3,218,985	\$ 4,790,987	\$ 1,098,612	\$ -	\$ 174,612	
Redevelopment Trust	2,892,771	-	-	-	2,892,771	-	-	
Nonmajor governmental	12,451,966	11,286,820	-	403,455	761,691	-	-	
Total - governmental funds	24,627,933	11,286,820	3,218,985	5,194,442	4,753,074	-	174,612	
Proprietary Funds:								
Water and Sewer System	7,299,331	7,299,331	-	-	-	-	-	
Solid Waste Management	8,925,063	8,925,063	-	-	-	-	-	
Stormwater Improvement	8,560,532	8,560,532	-	-	-	-	-	
Nonmajor Enterprise	102,253	102,253	-	-	-	-	-	
Total - proprietary funds	24,887,179	24,887,179	-	-	-	-	-	
Total	\$ 49,515,112	\$ 36,173,999	\$ 3,218,985	\$ 5,194,442	\$ 4,753,074	\$ -	\$ 174,612	

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 2022. 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, 2022

Note 9: CAPITAL ASSETS

Fiscal Year Activity – Capital asset activity for the fiscal year ended September 30, 2022 was as follows:

Description	Beginning Balance*	Increases	Decreases	Ending Balance
Governmental activities:				
(Includes internal service funds)				
Capital assets, not being depreciated/amortized:				
Land	\$ 28,921,471	\$ 1,651,039	\$ (30,203)	\$ 30,542,307
Construction in progress	2,218,460	3,178,540	(2,082,507)	3,314,493
Total capital assets, not being depreciated/amortized	31,139,931	4,829,579	(2,112,710)	33,856,800
Capital assets, being depreciated/amortized:				
Buildings	65,107,492	2,644,737	(86,364)	67,665,865
Equipment	40,695,314	3,311,558	(2,869,887)	41,136,985
Improvements and infrastructure	97,954,574	2,002,354	(86,208)	99,870,720
Right-to-use lease assets				
Equipment	448,529	602,820	-	1,051,349
Total capital assets, being depreciated/amortized	204,205,909	8,561,469	(3,042,459)	209,724,919
Less accumulated depreciation/amortization for:				
Buildings	(33,835,380)	(1,676,858)	86,364	(35,425,874)
Equipment	(31,844,994)	(2,840,092)	2,624,151	(32,060,935)
Improvements and infrastructure	(54,607,948)	(3,247,892)	86,063	(57,769,777)
Right-to-use lease assets				
Equipment	-	(287,457)	-	(287,457)
Total accumulated depreciation/amortization	(120,288,322)	(8,052,299)	2,796,578	(125,544,043)
Total capital assets, being depreciated/amortized, net	83,917,587	509,170	(245,881)	84,180,876
Governmental activities capital assets, net	\$ 115,057,518	\$ 5,338,749	\$ (2,358,591)	\$ 118,037,676

* September 30, 2021 balance is restated with the implementation of GASB Statement No. 87. See Note 2.

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2022

Note 9: CAPITAL ASSETS (Continued)

Description	Beginning Balance*	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated/amortized:				
Land	\$ 6,428,187	\$ -	\$ -	\$ 6,428,187
Construction in progress	10,090,609	9,257,426	(3,373,972)	15,974,063
Total capital assets, not being depreciated/amortized	16,518,796	9,257,426	(3,373,972)	22,402,250
Capital assets, being depreciated/amortized:				
Buildings	62,670,666	5,579	-	62,676,245
Equipment	151,505,356	3,066,260	(1,011,068)	153,560,548
Improvements and infrastructure	180,032,936	1,547,596	(2,711)	181,577,821
Right-to-use lease assets				
Land	-	204,588	-	204,588
Infrastructure	107,277	-	-	107,277
Total capital assets, being depreciated/amortized	394,316,235	4,824,023	(1,013,779)	398,126,479
Less accumulated depreciation/amortization for:				
Buildings	(46,679,157)	(1,195,188)	-	(47,874,345)
Equipment	(121,559,090)	(3,362,772)	988,961	(123,932,901)
Improvements and infrastructure	(63,187,176)	(6,549,308)	2,711	(69,733,773)
Right-to-use lease assets				
Land	-	(4,884)	-	(4,884)
Infrastructure	-	(30,688)	-	(30,688)
Total accumulated depreciation/amortization	(231,425,423)	(11,142,840)	991,672	(241,576,591)
Total capital assets, being depreciated/amortized, net	162,890,812	(6,318,817)	(22,107)	156,549,888
Business-type activities capital assets, net	\$ 179,409,608	\$ 2,938,609	\$ (3,396,079)	\$ 178,952,138

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, 2022.

Project Description	Project Budget	Cumulative Amount Spent
Governmental activities:		
Halifax River Greenway Trail	\$ 2,798,290	\$ 1,653,715
Streets and Sidewalk Improvement Program	2,581,827	412,108
Park Renovations/Improvements	3,815,880	494,961
Beach Street Streetscape Improvements	1,180,215	194,154
Golf Course Equipment Purchase	737,037	441,764
ADA Improvements	144,739	117,798
Total construction in progress – governmental activities	\$ 11,257,988	\$ 3,314,500

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2022

Note 9: CAPITAL ASSETS (Continued)

Project Description	Project Budget	Cumulative Amount Spent
Business-type activities:		
Wastewater treatment plant facilities improvements	\$ 6,742,229	\$ 6,244,878
Brennan WTP Filters	7,294,703	5,458,108
Lift Station & Fore Main Replacement	14,964,359	1,923,165
Beach Street water and stormwater improvements	1,398,997	695,698
Potable water tank and pump station	14,332,536	583,413
SCADA Eval, Design & Implmentation	3,950,000	398,136
Bethune WRF Process Upgrades	1,251,492	5,905
Utility Improvements	2,274,086	286,599
Lime Sledge Disposal Process	2,030,000	24,183
Reg Dewatering Building Improvement	400,000	15,168
LPGA Pond #6 Weir Replacement	174,782	173,905
Regional WRF Truck Scale	34,876	33,413
Derbyshire Neighborhood Sidewalks	138,000	131,492
Total construction in progress – business-type activities	\$ 54,986,060	\$ 15,974,063

Depreciation Expense – Depreciation expense was charged to individual functions and programs for the fiscal year ended September 30, 2022 as follows:

Function/Program:	Depreciation Expense
Governmental activities:	
General government	\$ 2,937,328
Public safety	2,398,408
Transportation	701,193
Culture and recreation	1,696,325
Subtotal	7,733,254
Capital assets held by internal service funds are charged to the various functions based on their usage of the assets	307,554
Transfers between funds of prior years' accumulated depreciation	11,491
Total depreciation expense – governmental activities	\$ 8,052,299
Business-type activities:	
Water and sewer system	\$ 9,369,413
Solid waste management	9,542
Stormwater improvement	1,209,693
Halifax Harbor	267,235
Main Street Pier	281,384
Transfers between funds of prior years' accumulated depreciation	5,573
Total depreciation expense – business-type activities	\$ 11,142,840

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2022

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, 2022:

Description	Original Amount Issued	Principal Outstanding at September 30, 2022	Interest Rate	Final Maturity
Governmental activities:				
General Obligation Refunding Bonds:				
Series 2012	\$ 18,810,000	\$ 8,810,000	2% - 3.375%	2029
Total - governmental activities	\$ 18,810,000	\$ 8,810,000		
Business-type activities:				
Utility System Refunding revenue Bonds:				
Series 2012	\$ 54,450,000	\$ 24,335,000	0.5% - 5%	2033
Total - business-type activities	\$ 54,450,000	\$ 24,335,000		

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, 2022 was \$8,810,000.

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2022

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				
Ending	Principal		Interest	Total
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	1,295,000		134,056	1,429,056
2028-2032	2,725,000		138,713	2,863,713
	8,810,000		1,190,902	10,000,902
Unamortized Premium	110,015		-	110,015
Total	\$ 8,920,015	\$	1,190,902	\$ 10,110,917

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, 2022 was \$24,335,000.

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2022

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				
Ending	Principal		Interest	Total
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	2,440,000		800,383	3,240,383
2028-2032	12,235,000		2,231,876	14,466,876
2033-2037	2,735,000		68,375	2,803,375
	24,335,000		7,012,609	31,347,609
Unamortized				
Premium	2,061,496		-	2,061,496
Total	\$ 26,396,496	\$	7,012,609	\$ 33,409,105

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, 2022 was \$20,475,000.

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
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	2,270,000	236,060	2,508,087
2028-2032	9,595,000	428,065	10,023,065
Total	\$ 20,475,000	\$ 2,092,365	\$ 22,577,490

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 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, 2022 was \$1,065,000.

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

Notes and Loans Payable: (Continued)

Capital Improvement Revenue Note, Series 2017 (Continued)

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, 2022 was \$6,994,000.

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, 2022 was \$4,470,000.

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, 2022 was \$2,390,322.

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, 2022 was \$5,860,000.

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, 2022 was \$157,590.

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, 2022 was \$568,668.

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, 2022 was \$15,133,504.

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, 2022 was \$2,283,509.

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 2022 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, 2022 was \$42,330,537.

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2022

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

Water and Sewer System Fund (Continued)

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, 2022 was \$2,847,275.

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 \$6,547,651 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, 2022 was \$6,956,200.

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 \$3,861,283 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 \$3,861,283, the City has drawn down \$3,861,283 with the first payment to be paid beginning June 15, 2023 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, 2022 was \$3,831,283.

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 Ending	Notes and Loans Payable							Total
	Governmental Activities		Business-Type Activities					
	Bank Notes		Bank Notes		State Revolving Fund Loans			
	Principal	Interest	Principal	Interest	Principal	Interest		
2023	\$ 2,986,997	\$ 521,339	\$ 3,029,000	\$ 496,049	\$ 4,082,390	\$ 428,327	\$ 11,544,102	
2024	3,068,471	447,245	3,325,000	386,609	4,048,533	399,091	11,674,949	
2025	3,145,854	371,144	3,391,000	272,190	4,074,376	373,292	11,627,856	
2026	2,377,000	305,435	1,257,000	195,613	4,100,804	346,909	8,582,761	
2027	2,427,000	250,521	1,304,000	157,241	4,127,825	323,630	8,590,217	
2028-2032	9,925,000	439,853	5,018,000	278,066	21,066,331	1,173,151	37,900,401	
2033-2037	-	-	-	-	21,032,506	402,385	21,434,891	
2038-2042	-	-	-	-	11,575,804	13,320	11,589,124	
Total	\$ 23,930,322	\$ 2,335,537	\$ 17,324,000	\$ 1,785,768	\$ 74,108,569	\$ 3,460,105	\$ 122,944,301	

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2022

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

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	\$ 2,496,478	\$ 4,835,387	\$ 824,984	17%
Tax Increment	Note Series 2020	22,567,365	3,906,564	2,507,835	0%
	Note Series 2017	1,202,016	555,772	172,037	31%
		<u>23,769,381</u>	<u>4,462,336</u>	<u>2,679,872</u>	<u>60%</u>
Utility System Operating Revenues	Bond Series 2012	31,347,609		4,090,275	
	Note Series 2016	6,696,798		294,814	
	Note Series 2017	7,367,541		2,549,625	
	State Revolving Fund Loans	76,771,417		3,338,601	
		<u>122,183,365</u>	<u>25,060,025</u>	<u>10,273,315</u>	<u>41%</u>
Marina Operating Revenues	Note Series 2017	5,045,429	809,644	724,079	89%
Stormwater Operating Revenues	State Revolving Fund Loans	797,257	10,341,916	370,736	4%
Totals		<u>\$ 154,291,910</u>	<u>\$ 45,509,308</u>	<u>\$ 14,872,986</u>	

Financed Purchases – Governmental Activities:

Fire – Pumper Trucks: Commencing March 2015, the City entered into a financing agreement with U.S. Bancorp Government Leasing and Finance, Inc. for the purchase of two (2) fire pumper trucks valued at \$755,366. The General Fund is responsible for all payments which are due semi-annually, including interest at 2.041%, for a term of 10 years. The remaining principal balance at September 30, 2022 was \$168,011.

Fire – Aerial Apparatus: Commencing December 2015, the City entered into a financing agreement with The Bancorp Bank for one (1) Sutphen SP-70 aerial fire apparatus valued at \$838,116. The General Fund is responsible for all payments which are due in annual installments, including interest at 1.70%, for a term of 10 years. The remaining principal balance at September 30, 2022 was \$352,286.

Fire – Pumper & Rescue Unit: Commencing February 2017, the City entered into a financing 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 General Fund is responsible for all payments which are due in annual installments, including interest at 1.96%, for a term of 7 years. The remaining principal balance at September 30, 2022 was \$164,282.

Fire – E-One Pumper: Commencing December 2017, the City entered into a financing agreement with Branch Banking and Trust Company (“BB&T”) for one 2017 E-One Pumper valued at \$450,000. The General Fund is responsible for all payments which are due in annual installments, including interest at 2.3% for a term of 10 years. The remaining principal balance at September 30, 2022 was \$282,178.

I.T. Computer Equipment: Commencing September 2020, the City entered into a financing 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 General Fund is responsible for all payments which are due in annual installments, including interest at 1.80%, for a term of five (5) years. The remaining principal balance at September 30, 2022 was \$216,196.

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2022

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

Financed Purchases – Governmental Activities: (Continued)

Police Vehicles: Commencing May 2021, the City entered into a financing agreement with Truist Bank for twenty police/patrol vehicles for a total value of \$860,198. The General Fund is responsible for all payments which are due in annual installments, including interest at 1.18%, for a term of three (3) years. The remaining principal balance at September 30, 2022 was \$576,115.

Public Safety Radios, Vehicles and Equipment: Commencing April 2022, the City entered into a financing agreement with Truist Bank for radios, vehicles and equipment for the public safety department for a total value of \$1,400,500. The General Fund is responsible for all payments, which are due in annual installments, including interest at 2.62% for a term of five (5) years. The remaining principal balance at September 30, 2022 was \$1,400,500.

Police Vehicles: Commencing September 2022, the City entered into a financing agreement with Truist Bank for forty police vehicles for a total of \$1,954,415. The General Fund is responsible for all payments, which are due in annual installments, including interest at 3.47% for a term of four (4) years. The remaining principal balance at September 30, 2022 was \$1,954,415.

Annual debt service requirements to maturity for the City’s financed purchases are as follows:

		Financed Purchases		
		Governmental activities		
Fiscal Year	Ending	Principal	Interest	Total
2023	\$	1,389,945	\$ 111,030	\$ 1,500,975
2024		1,418,111	82,865	1,500,976
2025		983,673	54,068	1,037,741
2026		932,302	30,767	963,069
2027		340,206	8,239	348,445
2028-2032		49,746	1,144	50,890
Total	\$	5,113,983	\$ 288,113	\$ 5,402,096

Lease Liabilities

Governmental Activities: The City has entered into lease agreements to obtain the right-to-use vehicles and office equipment. An initial lease liability was recorded in the amount of \$448,529 during the current fiscal year. The lease agreements have monthly or quarterly payments ranging from \$77 to \$15,313, with agreements expiring in fiscal year 2024 through 2027. As of September 30, 2022, the value of the lease liability was \$764,803.

Business-type Activities: The City has entered into lease agreements to obtain the land improvements and equipment. An initial lease liability was recorded in the amount of \$107,277 during the current fiscal year. The lease agreements have monthly or annual payments ranging from \$3,267 to \$4,920, with agreements expiring in fiscal year 2027 through 2042. As of September 30, 2022, the value of the lease liability was \$280,217.

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2022

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

Lease Liabilities (Continued)

The following is a schedule of minimum future lease payments from lease agreements as of September 30:

Fiscal Year Ending	Governmental Activities		Business-type Activities		Total
	Principal	Interest	Principal	Interest	
2023	\$ 355,695	\$ 2,879	\$ 42,593	\$ 2,955	\$ 404,122
2024	315,490	1,437	42,491	2,607	362,025
2025	87,714	354	50,034	2,231	140,333
2026	3,915	96	47,350	1,865	53,226
2027	1,989	16	14,870	1,573	18,448
2028-2032	-	-	23,091	6,675	29,766
2033-2037	-	-	28,260	4,483	32,743
2038-2042	-	-	31,528	1,812	33,340
Total	\$ 764,803	\$ 4,782	\$ 280,217	\$ 24,201	\$ 1,074,003

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, 2022:

Description	Beginning Balance *	Additions	Reductions	Ending Balance	Due in One Year
Governmental activities (Includes internal service funds):					
Bonds, loans and notes:					
General obligation bonds	\$ 9,920,000	\$ -	\$ (1,110,000)	\$ 8,810,000	\$ 1,145,000
Premium	110,182	-	(167)	110,015	-
Total bonds payable (net)	10,030,182	-	(1,110,167)	8,920,015	1,145,000
Direct borrowings:					
Notes	26,841,726	-	(2,911,404)	23,930,322	2,986,997
Financed purchases	2,445,160	3,354,915	(686,092)	5,113,983	1,389,945
Total bonds, loans and notes	39,317,068	3,354,915	(4,707,663)	37,964,320	5,521,942
Lease liabilities	448,529	602,819	(286,545)	764,803	355,695
Net pension liability	46,371,987	69,013,783	-	115,385,770	-
Insurance claims payable	9,589,000	5,154,533	(4,109,533)	10,634,000	2,110,000
Other liabilities:					
Compensated absences	7,315,492	5,567,594	(4,806,179)	8,076,907	2,604,349
Other post-employment benefits	4,743,153	245,730	(1,577,477)	3,411,406	-
Total other liabilities	12,058,645	5,813,324	(6,383,656)	11,488,313	2,604,349
Total - governmental activities	\$ 107,785,229	\$ 83,939,374	\$ (15,487,397)	\$ 176,237,206	\$ 10,591,986

* September 30, 2021 balance is restated with the implementation of GASB Statement No. 87. See Note 2.

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2022

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

Changes in Long-Term Debt and Liabilities (Continued)

Description	Beginning Balance *	Additions	Reductions	Ending Balance	Due in One Year
Business-type activities					
Bonds, loans and notes:					
Revenue bonds payable (net)	\$ 27,200,000	\$ -	\$ (2,865,000)	\$ 24,335,000	\$ 3,055,000
Premium	2,388,456	-	(326,960)	2,061,496	-
Notes	20,292,000	-	(2,968,000)	17,324,000	3,029,000
State Revolving Fund loans	75,692,369	1,518,557	(3,102,360)	74,108,566	4,082,390
Total bonds, loans and notes	125,572,825	1,518,557	(9,262,320)	117,829,062	10,166,390
Net pension liability	5,226,637	6,919,703	-	12,146,340	-
Lease liabilities	107,277	204,588	(31,648)	280,217	42,593
Other liabilities:					
Landfill closure and post-closure	265,539	-	(72,491)	193,048	-
Pollution remediation	69,605	-	(28,396)	41,209	-
Compensated absences	1,785,153	761,087	(789,165)	1,757,075	733,074
Other post-employment benefits	1,232,505	73,195	(469,885)	835,815	-
Total other liabilities	3,352,802	834,282	(1,359,937)	2,827,147	733,074
Total - business type activities	\$ 134,152,264	\$ 9,272,542	\$ (10,622,257)	\$ 132,802,549	\$ 10,899,464

At September 30, 2022, the following long-term liabilities for internal service funds are included as part of the above totals for governmental activities: net pension liability of \$4,618,874, insurance claims payable of \$10,634,000, compensated absences of \$772,706, and other post-employment benefits of \$244,152. 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, 2022

Note 11: DISCOUNT, PREMIUM, PREPAID BOND INSURANCE COSTS AND DEFERRED AMOUNT ON REFUNDING

At September 30, 2022, 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)	\$ 287,519	\$ (110,015)
Deferred amount on refunding	1,237,489	(1,128,797)	108,692
Total governmental activities	\$ 839,955	\$ (841,278)	\$ (1,323)
Business-type activities:			
Bond (premium)	\$ (6,311,785)	\$ 4,250,289	\$ (2,061,496)
Prepaid insurance costs - bonds	209,183	(157,805)	51,378
Deferred amount on refunding	2,458,687	(1,733,861)	724,826
Total business-type activities	\$ (3,643,915)	\$ 2,358,623	\$ (1,285,292)

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, 2022, the amount of these liabilities discounted at 2.5 percent was \$10,634,000; the current portion of this amount was \$2,110,000.

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2022

Note 12: RISK MANAGEMENT (Continued)

Self-Insurance Program (Continued)

Changes in the reported claims liability since October 1, 2020, were as follows:

Fiscal Year Ending	Balance at October 1,	Current Year Claims and Changes in Estimates	Claims Paid	Balance at September 30,
2022	\$ 9,589,000	\$ 5,154,533	\$ (4,109,533)	\$ 10,634,000
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

At September 30, 2022, the Consolidated Insurance Fund held cash and investments of \$7,369,472 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.

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.

Note 12: RISK MANAGEMENT (Continued)

Self-Insurance Program (Continued)

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 \$193,048 at September 30, 2022, 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.

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, 2022, investments of \$211,934 (fair value) were held for these purposes. These investments are reported as restricted assets in the Solid Waste Management Fund. Additionally, during the landfill's operational period, 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 \$70,894 at September 30, 2022.

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 \$41,209, 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, 2022.

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.

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, 2022, the City abated 2021 property taxes to seven businesses at three locations totaling \$172,543.

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
MissionSquare Retirement	N/A	<ul style="list-style-type: none"> • MissionSquare Retirement 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.

Defined Benefit Pension Plans

Florida Retirement System (FRS) Defined Benefit Pension

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.

Note 17: RETIREMENT PLANS (Continued)

Defined Benefit Pension Plans (Continued)

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

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.

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, 2021 through June 30, 2022 and from July 1, 2022 through September 30, 2022, respectively, were as follows: Regular 10.82% and 11.91%; Special Risk 25.89% and 27.83%; Senior Management Service 29.01% and 31.57%; Elected Officials 51.42% and 57.00%; DROP participants 18.34% and 18.6%.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2022, the City reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2022, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2022. 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.

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2022

Note 17: RETIREMENT PLANS (Continued)

Defined Benefit Pension Plans (Continued)

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

	FRS		HIS	
Net Pension Liability	\$	28,790,131	\$	9,468,757
Proportionate share:				
At current measurement date		0.0774%		0.0894%
At prior measurement date		0.0749%		0.0863%
Pension expense (benefit)	\$	4,663,342	\$	716,915

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,367,365	\$ -	\$ 287,399	\$ (41,663)
Changes of assumptions	3,545,625	-	542,755	(1,464,811)
Net difference between projected and actual earnings on pension plan investments	1,901,009	-	13,709	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,449,783	(51,064)	795,995	(7,149)
Employer contributions subsequent to the measurement date	979,689	-	154,839	-
Total	\$ 10,243,471	\$ (51,064)	\$ 1,794,697	\$ (1,513,623)

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2022

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 (Continued)

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	
2023	\$	2,211,053	\$	30,297
2024		829,145		16,410
2025		(737,017)		7,574
2026		6,541,030		16,410
2027		368,507		37,870
Thereafter		-		17,674
Total	\$	9,212,718	\$	126,235

Actuarial Assumptions

The total pension liability for both FRS and HIS plans were measured as of June 30, 2022. The FRS liability was determined by an actuarial valuation dated July 1, 2022, 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:

	FRS	HIS
Inflation	2.40%	2.40%
Salary increases	3.25%	3.25%
Investment rate of return	6.70%	N/A
Municipal bond index note	N/A	3.54%
Discount rate	6.70%	3.54%

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, 2022 were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

Note 17: RETIREMENT PLANS (Continued)

Defined Benefit Pension Plans (Continued)

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

Actuarial Assumptions (Continued)

The following changes in key actuarial assumptions occurred in 2022:

FRS: Decrease the discount rate used to determine the total pension liability from 6.80% to 6.70%.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability increased from 2.16% to 3.54%.

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.

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return
Cash	1.0%	2.6%	1.1%
Fixed income	19.8%	4.4%	3.2%
Global equity	54.0%	8.8%	17.8%
Real estate	10.3%	7.4%	15.7%
Private equity	11.1%	12.0%	26.3%
Strategic investments	3.8%	6.2%	7.8%
	<u>100.0%</u>		

Discount Rate

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

Health Insurance Subsidy (HIS)

The HIS Plan is essentially funded on a pay-as-you go basis, the depletion date is considered to be immediate, 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.

Note 17: RETIREMENT PLANS (Continued)

Defined Benefit Pension Plans (Continued)

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

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 (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
Employer's proportionate share of the net pension liability	\$ 49,790,551	\$ 28,790,131	\$ 11,231,280	\$ 10,833,035	\$ 9,468,757	\$ 8,339,844

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.

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2022

Note 17: RETIREMENT PLANS (Continued)

Defined Benefit Pension Plans (Continued)

Police Officers and Firefighters Defined Benefit Pension Plan (Continued)

Plan Membership: Membership in the Plan consisted of the following at October 1, 2021, the most recent actuarial valuation date:

	Plan Membership
Actives	309
Service Retirees	315
DROP Retirees	11
Beneficiaries	37
Disability Retirees	60
Terminated Vested	96
Total members	828

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.

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

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2022

Note 17: RETIREMENT PLANS (Continued)

Defined Benefit Pension Plans (Continued)

Police Officers and Firefighters Defined Benefit Pension Plan (Continued)

obligation is met or exceeded. Authority to establish and amend contribution requirements rests with the City Commission.

Benefits Provided (Continued)

For the fiscal year ended September 30, 2022, 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	\$	9,152,654
Member		1,903,373
State		1,134,302
Buy-Back		41,188
Total contributions	\$	12,231,517

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, 2022, 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, 2022, the annual money-weighted rate of return on pension plan investments was 21.50%.

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2022

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: The City's net pension liability for the Plan was measured as of September 30, 2022, 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, 2022, along with the changes from the prior year were as follows:

	Total Pension Liability (a)	Pension Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at September 30, 2021	\$ 274,973,584	\$ 239,617,605	\$ 35,355,979
Changes for the fiscal year:			
Service cost	3,636,174	-	3,636,174
Interest	20,332,406	-	20,332,406
Difference between expected and actual experience	453,287	-	453,287
Changes of assumptions	-	-	-
Changes of benefit terms	1,483,761	-	1,483,761
Contributions - employer	-	9,143,386	(9,143,386)
Contributions - member	-	1,134,302	(1,134,302)
Contributions - State	-	1,903,373	(1,903,373)
Contributions - Buy Back	41,188	41,188	-
Net investment income	-	(39,882,844)	39,882,844
Benefit payments, including refunds of member contributions	(17,989,544)	(17,989,544)	-
Administrative Expenses	-	(309,832)	309,832
Net change	7,957,272	(45,959,971)	53,917,243
Balance at September 30, 2022	\$ 282,930,856	\$ 193,657,634	\$ 89,273,222

Plan fiduciary net position as a percentage of the total pension liability: 68.45%

For the fiscal year ended September 30, 2022, the City recognized pension expense of \$13,664,824.

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2022

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, 2022, 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	\$ 4,411,808	\$ -
Changes of Assumptions	992,348	-
Net difference between projected and actual earnings on pension plan investments	25,479,377	-
Total	\$ 30,883,533	\$ -

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)
2023	\$	7,356,212
2024		6,144,386
2025		5,857,681
2026		11,525,254
Total	\$	30,883,533

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2022

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, 2021
Measurement date	September 30, 2022
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, 2022 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:

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2022

Note 17: RETIREMENT PLANS (Continued)

Defined Benefit Pension Plans (Continued)

Police Officers and Firefighters Defined Benefit Pension Plan (Continued)

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Plan net pension liability	\$ 120,604,027	\$ 89,273,222	\$ 63,128,379

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, 2022 totaled \$1,135,310. Employee contributions totaled \$54,946 during the same period.

MissionSquare 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 MissionSquare Retirement. 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, 2022, there were a total of 13 employees participating in the plan with a covered payroll of \$1,134,831. Employees do not contribute into this plan. The City contributed 11.91% effective July 1, 2022 of covered employees' gross wages for general employees. City contributions for the fiscal year ending September 30, 2022 totaled \$118,183.

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2022

Note 17: RETIREMENT PLANS (Continued)

Pension Expense Summary:

The total of the City’s pension expense for the fiscal year ended September 30, 2022 is as follows:

Plan Description	Pension Expense
Defined Benefit Plans:	
FRS Pension Plan	\$ 4,663,342
Retiree Health Insurance Subsidy Program (HIS)	716,915
Police Officers' and Firefighters' Pension Plan	13,664,824
Total defined benefit pension expense	19,045,081
Defined Contribution Plan:	
FRS Investment Plan	1,135,310
ICMA Deferred Compensation Plan	118,183
Total defined contribution pension expense	1,253,493
Total Pension Expense	\$ 20,298,574

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.

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2022

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

The City selected an interest discount rate of 4.59% 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, 2022. 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, 2021, OPEB membership consisted of the following:

Active Members	854
Retirees (including surviving spouses)	<u>140</u>
Total	<u>994</u>
 Active Members Eligible for Benefits	 84

Actuarial Assumptions and Other Inputs – The total OPEB liability in the September 30, 2022 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, 2021 to September 30, 2022 were based on a valuation as of October 1, 2021 and projected to year end September 30, 2022. This valuation was based on census information provided in September 2021, reflected plan costs (rates) and decrement tables (assumptions) for turnover, disability and retirement based on the Florida Retirement System Pension Plan actuarial valuation report with issue date of December 1, 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-2021.

Valuation date	October 1, 2021
Actuarial cost method	Entry Age Normal as a Level Percentage of Payroll
Discount rate	4.59%

Assumed healthcare cost trend rates:

	Year	Age <u>Pre-65</u>	Age <u>Post-65</u>
Year 1 Trend	October 1, 2022	7.0%	7.0%
Ultimate Trend	October 1, 2032 & Later	4.5%	4.5%
Grading Per Year	-	0.25%	0.25%

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2022

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

At September 30, 2022 the City of Daytona Beach reported a Total OPEB liability of \$4,247,221. The GASB 75 information has been provided as of the year ended September 30, 2022.

<i>Change in Net OPEB Liability</i>	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance Recognized as of Beginning of Year (End of Prior Year)	\$ 5,975,657	\$ -	\$ 5,975,657
Changes Recognized for Fiscal Year			
Service Cost	52,678	-	52,678
Interest	266,247	-	266,247
Changes in Assumptions	(1,697,207)	-	(1,697,207)
Benefit Payments	(350,154)	(350,154)	-
Contributions from employer	-	350,154	(350,154)
Net Changes	(1,728,436)	-	(1,728,436)
Balance Recognized as of End Year - September 30, 2021	\$ 4,247,221	\$ -	\$ 4,247,221

The liability decrease is due to changes in the discount rate from 2.29% to 4.59% 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 4.59%, 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 (3.59%)	Current Discount Rate (4.59%)	1% Increase (5.59%)
Total OPEB Liability	\$ 4,623,202	\$ 4,247,221	\$ 3,924,031

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	\$ 3,844,185	\$ 4,247,221	\$ 4,723,529

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2022

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, 2022, the City of Daytona Beach recognized an OPEB expense of \$299,627. 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	\$ 692,468	\$ (1,561,934)
Total	\$ 692,468	\$ (1,561,934)

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
2023	\$ (19,298)
2024	(19,298)
2025	(19,298)
2026	(19,298)
2027	(42,856)
Thereafter	(749,418)
Total	\$ (869,466)

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.

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.

Note 19: UNION AGREEMENTS (Continued)

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, 2022 and, accordingly, has not recorded an asset retirement obligation for this matter.

Note 21: SUBSEQUENT EVENTS

Receivables – Hurricane Ian

In late September 2022, Hurricane Ian arrived in the state of Florida as a powerful category 5 hurricane on the Saffir-Simpson Hurricane Wind Scale and is the third-costliest weather disaster on record as it caused widespread damage across Cuba, Florida, and the Carolinas. Along the coast, the storm surge caused extensive impact to seawalls and many people were evacuated due to rising floodwaters. The City incurred debris removal expenditures and various city-owned properties sustained damage. The water and sewer utility system had some minor damage however customers did not lose service. Since the storm occurred in Daytona Beach on September 29, 2022, the Federal Emergency Management Agency (FEMA) had not obligated any work authorizations. Subsequent to September 30, 2022, work authorizations for emergency protective measures including debris removal/monitoring and force account labor in the amount of \$5,500,000 were approved by FEMA and work authorizations for repairs to city-owned properties are still pending approval.

Note 21: SUBSEQUENT EVENTS (Continued)

Receivables – Hurricane Ian (Continued)

Insurance claims in excess of \$1,100,000.00 were submitted for damage to city-owned properties. Any unreimbursed portions will be covered by the City's General Fund unassigned fund balance. It is anticipated that FEMA will reimburse seventy-five (75) percent of the total claim less insurance proceeds, the State of Florida will reimburse an additional twelve and a half (12.5) percent, and the City will be responsible for the remaining twelve and a half (12.5) percent of the claim. The current estimate of unreimbursed claims is approximately \$687,500.

Receivables – Hurricane Nicole

In early November 2022, Hurricane Nicole crossed the same region in Florida devastated six weeks earlier by Hurricane Ian. Despite being relatively weak category 1 storm, Hurricane Nicole's large size produced widespread heavy rainfall and strong winds. Nearly 50 coastal condominiums, single-family homes and hotels in Volusia County which were previously damaged by Hurricane Ian collapsed or were put at danger of collapsing due to severe beach erosion caused by the two storms. The storm surge combined with the incoming high tide and persistent rain resulted in flooding in the coastal, downtown, and mid-town areas of the City on November 10, 2022. While electrical outages were widespread, the water and sewer utility system were not adversely impacted, and its customers did not lose service. Estimated emergency protective measure costs are \$2,000,000 and work authorizations are still pending approval by the Federal Emergency Management Agency (FEMA). Any unreimbursed portions will be covered by the City's General Fund unassigned fund balance. It is anticipated that the city will be responsible for approximately 12.5 percent of the claim with a current estimate of unreimbursed claims totaling \$250,000.

Grants – Hurricane Ian and Hurricane Nicole Community Recovery Relief Grants

In November 2022 City Commission authorized three community recovery relief grants to provide the community access to recovery funds due to the devastation caused by Hurricane Ian and Hurricane Nicole. Both storms forced many residents to evacuate homes and businesses amidst widespread flooding and water inundation into their structures. The Residential Recovery Assistance Grant and SHIP Housing Rehabilitation Grant Programs would provide eligible moderate- and low-income city residents up to \$9,000 for reimbursement of costs such as mortgage payment and rent assistance, insurance deductibles, mold remediation (for owner occupied homes), and relocation assistance. The Small Business Recovery Assistance Grant Program would provide eligible city small businesses (i.e., businesses with a city business tax receipt who have 50 or fewer employees), up to \$3,000 for reimbursement of business-related losses. The General Fund provided \$2 million and SHIP Fund provided \$500,000 for the funding of these grants.

Note 21: SUBSEQUENT EVENTS (Continued)

Long-Term Debt – Issuance of Utility System Refunding Revenue Note Series 2023 – Water and Sewer System Fund

The City and Truist Commercial Equity, Inc. executed a Series 2023 Note and the Loan Agreement, dated January 12, 2023, for the Utility System Refunding Revenue Note Series 2023 in the principal sum of \$21,330,000. The proceeds of the Series 2023 loan were used to refund the Utility System Refunding and Improvement Revenue Bonds Series 2012 in the aggregate principal amount of \$21,280,000; and pay the costs of issuance of the Series 2023 Note. The interest rate of the Series 2023 loan is 3.46 percent with a final maturity on November 1, 2032 and is payable from and secured by a lien on the Net Revenues of the city's water utility and sewer utility systems.

Long-Term Debt – Defeasance of Utility System Refunding and Improvement Revenue Bonds Series 2012 – Water and Sewer System Fund

A notice of defeasance with a call for early redemption and payment on January 23, 2023 was provided to holders of the Utility System Refunding and Improvement Revenue Bonds Series 2012 on January 12, 2023. The deposit to the account with the escrow agent on January 23, 2023 was funded from proceeds of the Utility System Refunding Revenue Note Series 2023 and cash previously accumulated to pay debt service on the Series 2012 bonds.

Long-Term Debt – State Revolving Fund Loans – Water and Sewer System Fund

On December 8, 2022, the City executed amendment 1 to a loan agreement with the Florida Department of Environmental Protection for funding from the State Revolving Fund program for construction costs related to the Beach Street force main. Funding was reduced to a total of \$7,186,623 due to improved market conditions and the financing interest rate is zero percent with a 20-year term secured by a pledge of Water & Sewer utility revenue to be paid semi-annually with a semiannual loan payment amount of \$183,057.90 starting August 15, 2022.

On February 10, 2023, the City executed amendment 1 to a loan agreement with the Florida Department of Environmental Protection for funding from the State Revolving Fund program for construction costs of the Heineman Street potable water ground storage tank and pump station project. The additional financing of \$4,596,456 is at a financing interest rate of zero percent with a 20-year term secured by a pledge of Water & Sewer utility revenue to be paid semi-annually and brings the total loan amount for this project to \$11,985,546. The loan has a multi-year draw down period and, as of June 21, 2023, a total of \$2,746,253 has been draw down.

On April 12, 2023, the City executed final amendment 4 to a loan agreement with the Florida Department of Environmental Protection for funding from the State Revolving Fund program for final construction costs related to the biosolids sludge dewatering project at the Westside Regional WRF. The total amount of the loan to be repaid is \$4,147,875 at a financing interest rate of zero percent with a 20-year term secured by a pledge of Water & Sewer utility revenue to be paid semi-annually. The semiannual loan payment amount was revised to \$103,696.88 and is due starting on September 15, 2023.

Note 21: SUBSEQUENT EVENTS (Continued)

On April 24, 2023, the City executed amendment 1 to a loan agreement with the Florida Department of Environmental Protection for funding from the State Revolving Fund program which annulled the LPGA Boulevard force main project. Since no funds were drawn down, the semiannual loan payment in the amount of \$231,642 which was due starting on September 15, 2024 is removed.

On May 29, 2023, the City executed a new loan agreement with the Florida Department of Environmental Protection for funding from the State Revolving Fund program for the design and construction costs of the Wastewater Reclamation In-Plant pump station and head works project with an estimated cost of \$45,978,195. Due to a maximum funding limitation of \$20 million annually, this first agreement is in the amount of \$19,771,394 at a financing interest rate of 0.20 percent with a 20-year term secured by a pledge of Water & Sewer utility revenue to be paid semi-annually. As of the date of this report, no funds have been drawn down. The estimated completion date is scheduled for October 15, 2025 with the first semiannual loan payment due on April 15, 2026.

Contract – Wholesale Agreement with City of South Daytona – Water and Sewer System Fund

On May 3, 2023, the City executed interlocal agreement with the City of South Daytona to provide water, wastewater, and reuse water services to South Daytona on a wholesale basis with a term ending date of December 31, 2042. The agreement updates the volumetric service rates for consistency with the wholesale rates established in the Comprehensive Utility Rate Study prepared by the utility rate consultant in 2021. It also sets capacity reserves for water and wastewater and requires the City of South Daytona to purchase additional capacity in the future as needed for growth.

Contract – Incentive Agreement Grant – Framework Group LLC

On November 2, 2022, the CRA executed an acquisition, redevelopment, and economic development grant agreement between the CRA, the City of Daytona Beach, and Framework Group LLC. The agreement provides for the transfer of city-owned property located at 544 Orange Avenue to Framework Group LLC in exchange for Framework's redevelopment of the property as a mixed-income, multi-family, affordable housing project containing 62 residential rental units inclusive of a minimum of 24 affordable housing rental units with the CRA providing an incentive grant equal to 70 percent of the ad-valorem tax increment on the property not to exceed \$655,000 over the 10-year term of the grant, payable from the Redevelopment Trust Fund.

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 Nine Fiscal Years (In Thousands)

Florida Retirement System Pension Plan

<i>Plan Sponsor Measurement Date June 30,</i>	2022	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability	7.7400%	0.0749%	0.0672%	0.0657%	0.0639%	0.0652%	0.0650%	0.0669%	0.0671%
Proportionate share of the net pension liability	\$ 28,790	\$ 5,661	\$ 29,106	\$ 22,617	\$ 19,239	\$ 19,280	\$ 16,413	\$ 8,639	\$ 4,092
* Covered payroll	\$ 32,760	\$ 30,905	\$ 29,703	\$ 27,296	\$ 26,370	\$ 24,762	\$ 23,934	\$ 22,672	\$ 22,270
Proportionate share of the net pension liability as a percentage of covered payroll	88%	18%	98%	83%	73%	78%	69%	38%	18%
Plan fiduciary net position as a percentage of the total pension liability	83%	96%	79%	83%	84%	84%	85%	92%	96%

Health Insurance Subsidy Program

<i>Plan Sponsor Measurement Date June 30,</i>	2022	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability	0.0894%	0.0863%	0.0834%	0.0811%	0.0792%	0.0794%	0.0771%	0.0746%	0.0749%
Proportionate share of the net pension liability	\$ 9,469	\$ 10,582	\$ 10,183	\$ 9,075	\$ 8,379	\$ 8,489	\$ 8,989	\$ 7,612	\$ 7,005
* Covered payroll	\$ 32,760	\$ 30,905	\$ 29,703	\$ 27,296	\$ 26,370	\$ 24,762	\$ 23,934	\$ 22,672	\$ 22,270
Proportionate share of the net pension liability as a percentage of covered payroll	29%	34%	34%	33%	32%	34%	38%	34%	31%
Plan fiduciary net position as a percentage of the total pension liability	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

Note: The City implemented GASB No. 68 for the fiscal year ended September 30, 2015, including a restatement as of September 30, 2014. Information for prior years is not * GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68 and No. 73*, was implemented during fiscal year 2017. Covered payroll shown includes the payroll for defined benefit plan active members, members in DROP and investment plan members.

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

Florida Retirement System Pension Plan

<i>City Year Ended September 30,</i>	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 3,487	\$ 2,953	\$ 2,396	\$ 2,061	\$ 1,820	\$ 1,697	\$ 1,662	\$ 1,609	\$ 1,665
Contributions in relation to the contractually required contribution	(3,487)	(2,953)	(2,396)	(2,061)	(1,820)	(1,697)	(1,662)	(1,609)	(1,665)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
* Covered payroll	\$ 31,572	\$ 31,003	\$ 29,868	\$ 27,271	\$ 26,319	\$ 25,673	\$ 24,608	\$ 22,845	\$ 22,264
Contributions as a percentage of covered payroll	11.04%	9.52%	8.02%	7.56%	6.92%	6.61%	6.76%	7.04%	7.48%

Health Insurance Subsidy Program

<i>City Year Ended September 30,</i>	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 567	\$ 511	\$ 491	\$ 452	\$ 429	\$ 420	\$ 405	\$ 310	\$ 264
Contributions in relation to the contractually required contribution	(567)	(511)	(491)	(452)	(429)	(420)	(405)	(310)	(264)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
* Covered payroll	\$ 31,572	\$ 31,003	\$ 29,868	\$ 27,271	\$ 26,319	\$ 25,673	\$ 24,608	\$ 22,845	\$ 22,264
Contributions as a percentage of covered payroll	1.80%	1.65%	1.64%	1.66%	1.63%	1.64%	1.65%	1.36%	1.19%

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

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

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability									
Service cost	\$ 3,636	\$ 3,349	\$ 3,513	\$ 3,381	\$ 3,316	\$ 3,105	\$ 3,060	\$ 3,107	\$ 2,905
Interest	20,332	19,483	18,768	18,337	18,050	16,816	16,282	15,930	15,353
Changes of benefit terms	1,484	-	-	(30)	-	-	-	-	2,647
Differences between expected and actual experience	453	5,353	3,488	1,292	(1,580)	4,300	2,424	(208)	(83)
Changes of assumptions	-	-	2,481	-	-	6,834	-	-	-
Contributions - Buy Back	41	31	28	33	39	-	-	-	-
Benefit payments, including refunds of employee contributions	(17,989)	(19,341)	(17,819)	(17,026)	(15,054)	(14,573)	(14,783)	(13,418)	(13,236)
Net change in total pension liability	7,957	8,875	10,459	5,987	4,771	16,482	6,983	5,411	7,586
Total pension liability-beginning	274,974	266,099	255,640	249,653	244,882	228,400	221,417	216,006	208,420
Total pension liability-ending (a)	\$ 282,931	\$ 274,974	\$ 266,099	\$ 255,640	\$ 249,653	\$ 244,882	\$ 228,400	\$ 221,417	\$ 216,006
Plan fiduciary net position									
Contributions-employer	\$ 9,143	\$ 8,661	\$ 8,110	\$ 8,021	\$ 7,794	\$ 6,709	\$ 6,102	\$ 6,524	\$ 6,075
Contributions-member	1,903	1,913	1,860	1,757	1,677	1,643	1,612	1,601	1,695
Contributions-state	1,134	1,082	1,059	984	937	813	904	706	845
Contributions - Buy Back	41	31	28	33	39	-	-	-	-
Net investment income	(39,883)	43,882	24,899	7,557	13,601	15,868	11,893	(4,438)	14,975
Benefit payments, including refunds of employee contributions	(17,989)	(19,341)	(17,819)	(17,026)	(15,054)	(14,572)	(14,783)	(13,418)	(13,236)
Administrative expense	(309)	(282)	(293)	(315)	(382)	(213)	(229)	(224)	(277)
Other	-	-	-	-	1,010	(85)	47	(821)	1,074
Net change in plan fiduciary net position	(45,960)	35,946	17,844	1,011	9,622	10,163	5,546	(10,070)	11,151
Plan fiduciary net position-beginning	239,618	203,672	185,828	184,817	175,195	165,032	159,486	169,556	158,405
Plan fiduciary net position-ending (b)	\$ 193,658	\$ 239,618	\$ 203,672	\$ 185,828	\$ 184,817	\$ 175,195	\$ 165,032	\$ 159,486	\$ 169,556
Net pension liability-ending (a) - (b)	\$ 89,273	\$ 35,356	\$ 62,427	\$ 69,812	\$ 64,836	\$ 69,687	\$ 63,368	\$ 61,931	\$ 46,450
Plan fiduciary net position as a percentage of the total pension liability	68%	87%	77%	73%	74%	72%	72%	72%	78%
* Covered payroll	\$ 19,655	\$ 19,451	\$ 18,764	\$ 16,843	\$ 16,917	\$ 16,114	\$ 15,578	\$ 15,553	\$ 15,027
City's net pension liability as a percentage of covered payroll	454%	182%	333%	414%	383%	432%	407%	398%	309%

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

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

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 10,287	\$ 9,740	\$ 9,322	\$ 8,869	\$ 8,685	\$ 7,522	\$ 7,005	\$ 7,230	\$ 8,115	\$ 8,005
Contributions in relation to the actuarially determined contribution	10,278	9,743	9,169	9,005	8,732	7,522	7,005	7,230	8,115	8,005
Contribution deficiency (excess)	\$ 9	\$ (3)	\$ 153	\$ (136)	\$ (47)	\$ -	\$ -	\$ -	\$ -	\$ -
* Covered payroll	\$ 19,655	\$ 19,451	\$ 18,764	\$ 16,843	\$ 16,917	\$ 16,114	\$ 15,578	\$ 15,553	\$ 15,027	\$ 15,139
Contributions as a percentage of covered payroll	52%	50%	49%	53%	52%	47%	45%	46%	54%	53%

Notes to Schedule:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal cost method.												
Amortization method	New UAAL amortization bases are amortized over 15 years.												
Remaining amortization period	Bases established prior to the valuation date are adjusted proportionally to match the Expected Unfunded Actuarial Accrued Liability as of the valuation date, in order to align prior year bases with the portion of the current year UAAL associated with prior year sources.												
Asset valuation method	All assets are valued at market value with an adjustment to uniformly spread actuarial investment gains and losses.												
Inflation	2.75%												
Investment rate of return	7.50% net of pension plan investment expense, including inflation.												
Salary increases	Service based.												
	<table border="1"> <thead> <tr> <th>Service</th> <th>Rate</th> </tr> </thead> <tbody> <tr> <td>< 5</td> <td>5.00%</td> </tr> <tr> <td>5 - 9</td> <td>4.50%</td> </tr> <tr> <td>10 - 14</td> <td>4.00%</td> </tr> <tr> <td>15 - 19</td> <td>3.50%</td> </tr> <tr> <td>20 +</td> <td>3.00%</td> </tr> </tbody> </table>	Service	Rate	< 5	5.00%	5 - 9	4.50%	10 - 14	4.00%	15 - 19	3.50%	20 +	3.00%
Service	Rate												
< 5	5.00%												
5 - 9	4.50%												
10 - 14	4.00%												
15 - 19	3.50%												
20 +	3.00%												

Retirement rates

Annual retirement rates are as follows:

After First Eligibility for Normal Retirement	Police		Fire	
	%		%	
0 - 1	35		20	
2 - 4	20		30 - 40	
5	35		50	
6 - 9	50		50	
10	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

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 Five 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.

	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Total OPEB liability					
Service cost	\$ 52,678	\$ 58,333	\$ 56,359	\$ 29,453	\$ 26,485
Interest cost	266,247	137,178	139,543	174,342	215,674
Changes in assumptions	(1,697,207)	(21,485)	778,161	361,885	-
Benefit payments	(350,154)	(377,386)	(382,717)	(480,122)	(540,288)
Net change in total OPEB liability	(1,728,436)	(203,360)	591,346	85,558	(298,129)
Total OPEB liability - beginning	5,975,657	6,179,017	5,587,671	5,502,113	5,800,242
Total OPEB liability - ending (a)	\$ 4,247,221	\$ 5,975,657	\$ 6,179,017	\$ 5,587,671	\$ 5,502,113
Plan fiduciary net position					
Contributions - employer	\$ 350,154	\$ 377,386	\$ 382,717	\$ 480,122	\$ 540,288
Benefit payments	(350,154)	(377,386)	(382,717)	(480,122)	(540,288)
Net change in plan fiduciary net position	-	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-	-
Plan fiduciary net position - ending (b)	\$ -	\$ -	\$ -	\$ -	\$ -
Total OPEB liability - ending (a) - (b)	\$ 4,247,221	\$ 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%	0.00%
Covered employee payroll	\$ 45,492,696	\$ 46,129,977	\$ 46,129,977	\$ 41,723,453	\$ 41,723,453
Total OPEB liability as a percentage of covered employee payroll	9.34%	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, 2022.

The following are the discount rates used in each period:

10/1/2018	3.90%
10/1/2019	3.10%
10/1/2020	2.26%
10/1/2021	2.29%
10/1/2022	4.59%

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.

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

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 financed purchase agreements.

City of Daytona Beach, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2022

	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	\$ 310,860	\$ 1,006,664	\$ 221,073	\$ 169,773	\$ 916,440
Receivables(net):					
Accounts	-	-	-	-	-
Taxes	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-
Intergovernmental receivable	499,731	-	-	-	133,119
Restricted equity in pooled cash, cash equivalents, and investments	-	-	-	-	-
Total assets	\$ 810,591	\$ 1,006,664	\$ 221,073	\$ 169,773	\$ 1,049,559
LIABILITIES:					
Accounts payable and other liabilities	\$ 32,891	\$ 20,000	\$ -	\$ -	\$ -
Contracts payable	-	-	-	-	-
Due to other funds	368,000	-	-	-	-
Intergovernmental payable	332	-	-	-	-
Deposits	2,436	-	-	-	-
Unearned revenue	-	939,682	-	-	-
Total liabilities	403,659	959,682	-	-	-
FUND BALANCES:					
Non-Spendable:					
Prepays	-	-	-	-	-
Restricted:					
Debt covenants	-	-	-	-	-
General government	-	-	-	-	-
Public safety	-	-	221,073	169,773	-
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	1,049,559
Economic environment	406,932	46,982	-	-	-
Human services	-	-	-	-	-
Cultural and recreation	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	406,932	46,982	221,073	169,773	1,049,559
Total liabilities and fund balances	\$ 810,591	\$ 1,006,664	\$ 221,073	\$ 169,773	\$ 1,049,559

City of Daytona Beach, Florida
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
September 30, 2022

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	\$ 17,042,047	\$ 3,846,395	\$ 8,925,093	\$ 1,770,120	\$ 3,241,448
Receivables(net):					
Accounts	104,402	-	-	-	-
Taxes	-	-	-	-	-
Prepaid Expenses	175	-	-	-	-
Intergovernmental receivable	-	-	-	-	-
Restricted equity in pooled cash, cash equivalents, and investments	-	-	-	-	-
Total assets	\$ 17,146,624	\$ 3,846,395	\$ 8,925,093	\$ 1,770,120	\$ 3,241,448
LIABILITIES:					
Accounts payable and other liabilities	\$ 168,727	\$ -	\$ 80,269	\$ -	\$ 3,978
Contracts payable	-	-	2,459	-	-
Due to other funds	-	-	-	-	-
Intergovernmental payable	2,383	-	-	-	-
Deposits	-	-	-	-	-
Unearned revenue	579,392	-	-	-	-
Total liabilities	750,502	-	82,728	-	3,978
FUND BALANCES:					
Non-Spendable:					
Prepays	175	-	-	-	-
Restricted:					
Debt covenants	-	-	-	-	-
General government	-	-	-	-	-
Public safety	16,395,947	-	-	1,770,120	3,237,470
Physical environment	-	-	-	-	-
Transportation	-	3,846,395	-	-	-
Economic environment	-	-	-	-	-
Human services	-	-	-	-	-
Cultural and recreation	-	-	8,842,365	-	-
Unassigned	-	-	-	-	-
Total fund balances	16,396,122	3,846,395	8,842,365	1,770,120	3,237,470
Total liabilities and fund balances	\$ 17,146,624	\$ 3,846,395	\$ 8,925,093	\$ 1,770,120	\$ 3,241,448

City of Daytona Beach, Florida
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
September 30, 2022

	Special Revenue Funds					Total Special Revenue Funds
	General Government Impact Fees	Grants	Emergency Management Grants	COVID Local Fiscal Recovery		
ASSETS:						
Equity in pooled cash, cash equivalents, and investments	\$ 9,831,065	\$ 569,174	\$ 150,935	\$ 841,214	\$	48,842,301
Receivables(net):						
Accounts	-	21,762	-	-		126,164
Taxes	-	-	-	-		-
Prepaid Expenses	-	-	-	-		175
Intergovernmental receivable	-	1,236,215	2,014,642	-		3,883,707
Restricted equity in pooled cash, cash equivalents, and investments	-	-	-	-		-
Total assets	\$ 9,831,065	\$ 1,827,151	\$ 2,165,577	\$ 841,214	\$	52,852,347
LIABILITIES:						
Accounts payable and other liabilities	\$ -	\$ 281,186	\$ 83,041	\$ 131,662		801,754
Contracts payable	-	127,225	-	-		129,684
Due to other funds	-	461,000	415,000	-		1,244,000
Intergovernmental payable	-	-	-	-		2,715
Deposits	-	-	-	-		2,436
Unearned revenue	-	908,381	-	709,552		3,137,007
Total liabilities	-	1,777,792	498,041	841,214		5,317,596
FUND BALANCES:						
Non-Spendable:						
Prepays	-	-	-	-		175
Restricted:						
Debt covenants	-	-	-	-		-
General government	9,831,065	-	-	-		9,831,065
Public safety	-	-	-	-		21,794,383
Physical environment	-	-	1,667,536	-		1,667,536
Transportation	-	-	-	-		4,895,954
Economic environment	-	-	-	-		453,914
Human services	-	-	-	-		-
Cultural and recreation	-	49,359	-	-		8,891,724
Unassigned	-	-	-	-		-
Total fund balances	9,831,065	49,359	1,667,536	-		47,534,751
Total liabilities and fund balances	\$ 9,831,065	\$ 1,827,151	\$ 2,165,577	\$ 841,214	\$	52,852,347

City of Daytona Beach, Florida
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
September 30, 2022

	Debt Service Funds				
	General	Capital	Capital		Total
	Obligation	Improvement	Financing		Debt
	Refunding Bonds	Revenue Notes			Service
					Funds
ASSETS:					
Equity in pooled cash, cash equivalents, and investments	\$ -	\$ -	\$ -	\$ -	-
Receivables(net):					
Accounts	-	-	-	-	-
Taxes	9,258	-	-	-	9,258
Prepaid Expenses	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-
Restricted equity in pooled cash, cash equivalents, and investments	530,499	112,369	71,971	-	714,839
Total assets	\$ 539,757	\$ 112,369	\$ 71,971	\$ -	724,097
LIABILITIES:					
Accounts payable and other liabilities	\$ -	\$ -	\$ -	\$ -	-
Contracts payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Intergovernmental payable	-	-	-	-	-
Deposits	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	-	-	-	-	-
FUND BALANCES:					
Non-Spendable:					
Prepays	-	-	-	-	-
Restricted:					
Debt covenants	539,757	112,369	71,971	-	724,097
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	-	-	-
Human services	-	-	-	-	-
Cultural and recreation	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	539,757	112,369	71,971	-	724,097
Total liabilities and fund balances	\$ 539,757	\$ 112,369	\$ 71,971	\$ -	724,097

City of Daytona Beach, Florida
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
September 30, 2022

	Total Nonmajor Governmental Funds
ASSETS:	
Equity in pooled cash, cash equivalents, and investments	\$ 48,842,301
Receivables(net):	
Accounts	126,164
Taxes	9,258
Prepaid Expenses	175
Intergovernmental receivable	3,883,707
Restricted equity in pooled cash, cash equivalents, and investments	714,839
Total assets	\$ 53,576,444
LIABILITIES:	
Accounts payable and other liabilities	\$ 801,754
Contracts payable	129,684
Due to other funds	1,244,000
Intergovernmental payable	2,715
Deposits	2,436
Unearned revenue	3,137,007
Total liabilities	5,317,596
FUND BALANCES:	
Non-Spendable:	
Prepays	175
Restricted:	
Debt covenants	724,097
General government	9,831,065
Public safety	21,794,383
Physical environment	1,667,536
Transportation	4,895,954
Economic environment	453,914
Human services	-
Cultural and recreation	8,891,724
Unassigned	-
Total fund balances	48,258,848
Total liabilities and fund balances	\$ 53,576,444

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, 2022

	Special Revenue Funds				
	Community	Local	Law	Federal	Transportation
	Development	Housing Assistance	Enforcement Trust	Shared Property Forfeitures	5-Cent Gas Tax
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 788,737
Licenses and permits	-	-	-	-	-
Intergovernmental	581,473	208,121	-	106,357	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	72,048	-	-
Special assessments/impact fees	-	-	-	-	-
Income on investments	1,041	3,231	767	458	2,713
Miscellaneous	26,698	120,012	-	-	-
Total revenues	609,212	331,364	72,815	106,815	791,450
EXPENDITURES:					
Current operating:					
General government	-	-	-	-	-
Public safety	-	-	156,483	22,296	-
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	660,336	331,364	-	-	-
Materials & Supplies	-	-	-	-	-
Human services	-	-	-	-	-
Cultural and recreation	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	660,336	331,364	156,483	22,296	-
Excess (deficiency) of revenues over (under) expenditures	(51,124)	-	(83,668)	84,519	791,450
OTHER FINANCING					
SOURCES (USES):					
Payment to refunded note escrow age	-	-	-	-	-
Issuance of debt	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers (out)	-	-	-	-	(346,428)
Total other financing sources (uses)	-	-	-	-	(346,428)
Net change in fund balances	(51,124)	-	(83,668)	84,519	445,022
FUND BALANCES:					
Beginning	458,056	46,982	304,741	85,254	604,537
Ending	\$ 406,932	\$ 46,982	\$ 221,073	\$ 169,773	\$ 1,049,559

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, 2022

	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	7,328,801	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	642,642	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Special assessments/impact fees	-	1,467,951	3,679,836	922,088	1,564,881
Income on investments	78,672	12,421	28,073	5,571	10,334
Miscellaneous	140,172	-	-	-	-
Total revenues	8,190,287	1,480,372	3,707,909	927,659	1,575,215
EXPENDITURES:					
Current operating:					
General government	68,615	-	-	-	-
Public safety	3,981,962	-	-	-	3,978
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	-	-	-
Materials & Supplies	-	-	-	-	-
Human services	-	-	-	-	-
Cultural and recreation	-	-	-	-	-
Capital outlay	186,741	2,789	270,787	-	435,135
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	4,237,318	2,789	270,787	-	439,113
Excess (deficiency) of revenues over (under) expenditures	3,952,969	1,477,583	3,437,122	927,659	1,136,102
OTHER FINANCING SOURCES (USES):					
Payment to refunded note escrow agent	-	-	-	-	-
Issuance of debt	-	-	-	-	-
Transfers in	-	-	149,606	-	-
Transfers (out)	-	-	(265,657)	-	-
Total other financing sources (uses)	-	-	(116,051)	-	-
Net change in fund balances	3,952,969	1,477,583	3,321,071	927,659	1,136,102
FUND BALANCES:					
Beginning	12,443,153	2,368,812	5,521,294	842,461	2,101,368
Ending	\$ 16,396,122	\$ 3,846,395	\$ 8,842,365	\$ 1,770,120	\$ 3,237,470

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, 2022

	Special Revenue Funds				Total Special Revenue Funds
	General Government Impact Fees	Grants	Emergency Management Grants	COVID Local Fiscal Recovery	
	REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 788,737
Licenses and permits	-	-	-	-	7,328,801
Intergovernmental	-	1,686,942	219,741	11,813,622	14,616,256
Charges for services	-	-	-	-	642,642
Fines and forfeitures	-	-	-	-	72,048
Special assessments/impact fees	2,864,059	-	-	-	10,498,815
Income on investments	32,554	-	-	-	175,835
Miscellaneous	-	1,547,236	-	-	1,834,118
Total revenues	2,896,613	3,234,178	219,741	11,813,622	35,957,252
EXPENDITURES:					
Current operating:					
General government	-	-	83,040	-	151,655
Public safety	-	204,269	-	-	4,368,988
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	-	526,802	1,518,502
Materials & Supplies	-	0	-	-	-
Human services	-	400,000	-	-	400,000
Cultural and recreation	-	305,850	-	-	305,850
Capital outlay	502,056	1,721,639	-	-	3,119,147
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	502,056	2,631,758	83,040	526,802	9,864,142
Excess (deficiency) of revenues over					
(under) expenditures	2,394,557	602,420	136,701	11,286,820	26,093,110
OTHER FINANCING					
SOURCES (USES):					
Payment to refunded note escrow agent	-	-	-	-	-
Issuance of debt	-	-	-	-	-
Transfers in	-	-	150,000	-	299,606
Transfers (out)	-	(553,061)	-	(11,286,820)	(12,451,966)
Total other financing sources (uses)	-	(553,061)	150,000	(11,286,820)	(12,152,360)
Net change in fund balances	2,394,557	49,359	286,701	-	13,940,750
FUND BALANCES:					
Beginning	7,436,508	-	1,380,835	-	33,594,001
Ending	\$ 9,831,065	\$ 49,359	\$ 1,667,536	\$ -	\$ 47,534,751

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, 2022

	Debt Service Funds				Total Debt Service Funds
	General	Capital			
	Obligation	Improvement	Capital		
	Refunding Bonds	Revenue	Financing		
	Notes				
REVENUES:					
Taxes	\$ 1,460,599	\$ -	\$ -	\$ -	\$ 1,460,599
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Special assessments/impact fees	-	-	-	-	-
Income on investments	2,688	388	430	-	3,506
Miscellaneous	-	-	-	-	-
Total revenues	1,463,287	388	430	-	1,464,105
EXPENDITURES:					
Current operating:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	-	-	-
Materials & Supplies	-	-	-	-	-
Human services	-	-	-	-	-
Cultural and recreation	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	1,110,000	2,911,404	906,534	-	4,927,938
Interest and fiscal charges	316,042	593,452	42,078	-	951,572
Total expenditures	1,426,042	3,504,856	948,612	-	5,879,510
Excess (deficiency) of revenues over					
(under) expenditures	37,245	(3,504,468)	(948,182)	-	(4,415,405)
OTHER FINANCING					
SOURCES (USES):					
Payment to refunded note escrow agent	-	-	-	-	-
Issuance of debt	-	-	-	-	-
Transfers in	-	3,504,856	948,612	-	4,453,468
Transfers (out)	-	-	-	-	-
Total other financing sources (uses)	-	3,504,856	948,612	-	4,453,468
Net change in fund balances	37,245	388	430	-	38,063
FUND BALANCES:					
Beginning	502,512	111,981	71,541	-	686,034
Ending	\$ 539,757	\$ 112,369	\$ 71,971	\$ -	\$ 724,097

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, 2022

		Total Nonmajor Governmental Funds
REVENUES:		
Taxes	\$	2,249,336
Licenses and permits		7,328,801
Intergovernmental		14,616,256
Charges for services		642,642
Fines and forfeitures		72,048
Special assessments/impact fees		10,498,815
Income on investments		179,341
Miscellaneous		1,834,118
Total revenues		37,421,357
EXPENDITURES:		
Current operating:		
General government		151,655
Public safety		4,368,988
Physical environment		-
Transportation		-
Economic environment		1,518,502
Materials & Supplies		-
Human services		400,000
Cultural and recreation		305,850
Capital outlay		3,119,147
Debt service:		
Principal		4,927,938
Interest and fiscal charges		951,572
Total expenditures		15,743,652
Excess (deficiency) of revenues over (under) expenditures		21,677,705
OTHER FINANCING		
SOURCES (USES):		
Payment to refunded note escrow agent		-
Issuance of debt		-
Transfers in		4,753,074
Transfers (out)		(12,451,966)
Total other financing sources (uses)		(7,698,892)
Net change in fund balances		13,978,813
FUND BALANCES:		
Beginning of year		34,280,035
Ending	\$	48,258,848

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, 2022

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,018,528	\$ 2,471,638	\$ 581,473	\$ (1,890,165)
Income on investments	-	-	1,041	1,041
Miscellaneous	-	26,698	26,698	-
Total revenues	1,018,528	2,498,336	609,212	(1,889,124)
EXPENDITURES:				
Current operating:				
Economic environment	1,018,528	2,787,181	660,336	2,126,845
Capital outlay	-	-	-	-
Total expenditures	1,018,528	2,787,181	660,336	2,126,845
Excess (deficiency) of revenues over (under) expenditures	-	(288,845)	(51,124)	237,721
OTHER FINANCING SOURCES:				
Budgetary reserves, net	-	288,824	-	(288,824)
Total other financing sources	-	288,824	-	(288,824)
Net change in fund balance	-	(21)	(51,124)	(51,103)
FUND BALANCE:				
Beginning	458,056	458,056	458,056	-
Ending	\$ 458,056	\$ 458,035	\$ 406,932	\$ (51,103)

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, 2022

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Intergovernmental	\$ 464,897	\$ 658,552	\$ 208,121	\$ (450,431)
Income on investments	-	-	3,231	3,231
Miscellaneous	-	80,012	120,012	40,000
Total revenues	464,897	738,564	331,364	(407,200)
EXPENDITURES:				
Current operating:				
Economic environment	464,897	738,564	331,364	407,200
Total expenditures	464,897	738,564	331,364	407,200
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
OTHER FINANCING SOURCES:				
Budgetary reserves, net	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balance	-	-	-	-
FUND BALANCE:				
Beginning	46,982	46,982	46,982	-
Ending	\$ 46,982	\$ 46,982	\$ 46,982	\$ -

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, 2022

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Intergovernmental	\$ 464,897	\$ 658,552	\$ 208,121	\$ (450,431)
Income on investments	-	-	3,231	3,231
Miscellaneous	-	80,012	120,012	40,000
Total revenues	464,897	738,564	331,364	(407,200)
EXPENDITURES:				
Current operating:				
Economic environment	464,897	738,564	331,364	407,200
Total expenditures	464,897	738,564	331,364	407,200
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
OTHER FINANCING SOURCES:				
Budgetary reserves, net	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balance	-	-	-	-
FUND BALANCE:				
Beginning	46,982	46,982	46,982	-
Ending	\$ 46,982	\$ 46,982	\$ 46,982	\$ -

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, 2022

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 106,357	\$ 106,357
Income on investments	-	-	458	458
Total revenues	-	-	106,815	106,815
EXPENDITURES:				
Current operating:				
Public safety	-	39,735	22,296	17,439
Total expenditures	-	39,735	22,296	17,439
Excess (deficiency) of revenues over (under) expenditures	-	(39,735)	84,519	124,254
OTHER FINANCING SOURCES:				
Budgetary reserves, net		39,735	-	(39,735)
Total other financing sources	-	39,735	-	(39,735)
Net change in fund balance	-	-	84,519	84,519
FUND BALANCE:				
Beginning	85,254	85,254	85,254	-
Ending	\$ 85,254	\$ 85,254	\$ 169,773	\$ 84,519

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, 2022

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Taxes	\$ 806,453	\$ 806,453	\$ 788,737	\$ (17,716)
Income on investments	-	-	2,713	2,713
Total revenues	806,453	806,453	791,450	(15,003)
EXPENDITURES:				
Current operating:				
Transportation	15,000	15,000	-	15,000
Capital outlay	445,025	46,195	-	46,195
Total expenditures	460,025	61,195	-	61,195
Excess (deficiency) of revenues over (under) expenditures	346,428	745,258	791,450	46,192
OTHER FINANCING SOURCES (USES):				
Budgetary reserves, net	-	(398,829)	-	398,829
Transfers (out)	(346,428)	(346,428)	(346,428)	-
Total other financing sources (uses)	(346,428)	(745,257)	(346,428)	398,829
Net change in fund balance	-	1	445,022	445,021
FUND BALANCE:				
Beginning	604,537	604,537	604,537	-
Ending	\$ 604,537	\$ 604,538	\$ 1,049,559	\$ 445,021

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, 2022

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Licenses and permits	\$ 4,190,794	\$ 4,190,794	\$ 7,328,801	\$ 3,138,007
Income on investments	1,062	1,062	78,672	77,610
Charges for services	363,714	363,714	642,642	278,928
Miscellaneous	-	-	140,172	140,172
Total revenues	4,555,570	4,555,570	8,190,287	3,634,717
EXPENDITURES:				
Current operating:				
General government	81,639	81,639	68,615	13,024
Public safety	4,233,059	5,050,044	3,981,962	1,068,082
Capital outlay	-	1,451,082	186,741	1,264,341
Total expenditures	4,314,698	6,582,765	4,237,318	2,345,447
Excess (deficiency) of revenues over (under) expenditures	240,872	(2,027,195)	3,952,969	5,980,164
OTHER FINANCING SOURCES (USES):				
Budgetary reserves, net	(240,872)	2,027,195	-	(2,027,195)
Total other financing sources (uses)	(240,872)	2,027,195	-	(2,027,195)
Net change in fund balance	-	-	3,952,969	3,952,969
FUND BALANCE:				
Beginning	12,443,153	12,443,153	12,443,153	-
Ending	\$ 12,443,153	\$ 12,443,153	\$ 16,396,122	\$ 3,952,969

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, 2022

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Special assessments/impact fees	\$ -	\$ 1,075,115	\$ 1,467,951	\$ 392,836
Income on investments	-	-	12,421	12,421
Total revenues	-	1,075,115	1,480,372	405,257
EXPENDITURES:				
Current operating:				
Capital outlay	-	3,381,638	2,789	3,378,849
Total expenditures	-	3,381,638	2,789	3,378,849
Excess (deficiency) of revenues over (under) expenditures	-	(2,306,523)	1,477,583	3,784,106
OTHER FINANCING SOURCES (USES):				
Budgetary reserves, net	-	2,306,523	-	(2,306,523)
Total other financing sources (uses)	-	2,306,523	-	(2,306,523)
Net change in fund balance	-	-	1,477,583	1,477,583
FUND BALANCE:				
Beginning	2,368,812	2,368,812	2,368,812	-
Ending	\$ 2,368,812	\$ 2,368,812	\$ 3,846,395	\$ 1,477,583

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, 2022

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Special assessments/impact fees	\$ -	\$ 1,970,397	\$ 3,679,836	\$ 1,709,439
Income on investments	-	-	28,073	28,073
Total revenues	-	1,970,397	3,707,909	1,737,512
EXPENDITURES:				
Current operating:				
Capital outlay	-	5,780,620	270,787	5,509,833
Total expenditures	-	5,780,620	270,787	5,509,833
Excess (deficiency) of revenues over (under) expenditures	-	(3,810,223)	3,437,122	7,247,345
OTHER FINANCING SOURCES (USES):				
Budgetary reserves, net	265,657	4,075,880	-	(4,075,880)
Transfers (in)	-	-	149,606	149,606
Transfers (out)	(265,657)	(265,657)	(265,657)	-
Total other financing sources (uses)	-	3,810,223	(116,051)	(3,926,274)
Net change in fund balance	-	-	3,321,071	3,321,071
FUND BALANCE:				
Beginning	5,521,294	5,521,294	5,521,294	-
Ending	\$ 5,521,294	\$ 5,521,294	\$ 8,842,365	\$ 3,321,071

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, 2022

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Special assessments/impact fees	\$ -	\$ 669,624	\$ 922,088	\$ 252,464
Income on investments	-	-	5,571	5,571
Total revenues	-	669,624	927,659	258,035
EXPENDITURES:				
Current operating:				
Capital outlay	-	1,200,000	-	1,200,000
Total expenditures	-	1,200,000	-	1,200,000
Excess (deficiency) of revenues over (under) expenditures	-	(530,376)	927,659	1,458,035
OTHER FINANCING SOURCES:				
Budgetary reserves, net	-	530,189	-	(530,189)
Total other financing sources	-	530,189	-	(530,189)
Net change in fund balance	-	(187)	927,659	927,846
FUND BALANCE:				
Beginning	842,461	842,461	842,461	-
Ending	\$ 842,461	\$ 842,274	\$ 1,770,120	\$ 927,846

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, 2022

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Special assessments/impact fees	\$ -	\$ 1,136,160	\$ 1,564,881	\$ 428,721
Income on investments	-	-	10,334	10,334
Total revenues	-	1,136,160	1,575,215	439,055
EXPENDITURES:				
Current operating:				
Public safety	-	3,978	3,978	-
Capital outlay	-	3,233,549	435,135	2,798,414
Total expenditures	-	3,237,527	439,113	2,798,414
Excess (deficiency) of revenues over (under) expenditures	-	(2,101,367)	1,136,102	3,237,469
OTHER FINANCING SOURCES:				
Budgetary reserves, net	-	2,101,367	-	(2,101,367)
Total other financing sources	-	2,101,367	-	(2,101,367)
Net change in fund balance	-	-	1,136,102	1,136,102
FUND BALANCE:				
Beginning	2,101,368	2,101,368	2,101,368	-
Ending	\$ 2,101,368	\$ 2,101,368	\$ 3,237,470	\$ 1,136,102

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, 2022

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Special assessments/impact fees	\$ -	\$ 2,079,374	\$ 2,864,059	\$ 784,685
Income on investments	-	-	32,554	32,554
Total revenues	-	2,079,374	2,896,613	817,239
EXPENDITURES:				
Current operating:				
Capital outlay	-	9,515,882	502,056	9,013,826
Total expenditures	-	9,515,882	502,056	9,013,826
Excess (deficiency) of revenues over (under) expenditures	-	(7,436,508)	2,394,557	9,831,065
OTHER FINANCING SOURCES (USES):				
Budgetary reserves, net	-	7,436,508	-	(7,436,508)
Total other financing sources (uses)	-	7,436,508	-	(7,436,508)
Net change in fund balance	-	-	2,394,557	2,394,557
FUND BALANCE:				
Beginning	7,436,508	7,436,508	7,436,508	-
Ending	\$ 7,436,508	\$ 7,436,508	\$ 9,831,065	\$ 2,394,557

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, 2022

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ 4,195,486	\$ 1,686,942	\$ (2,508,544)
Miscellaneous	400,000	2,761,583	1,547,236	(1,214,347)
Total revenues	400,000.00	6,957,069	3,234,178	(3,722,891)
EXPENDITURES:				
Current operating:				
Public safety	-	698,744	204,269	494,475
Transportation	-	-	-	-
Human services	-	400,000	400,000	-
Cultural and recreation	-	305,850	305,850	-
Capital outlay	400,000	4,999,415	1,721,639	3,277,776
Total expenditures	400,000.00	6,404,009	2,631,758	3,772,251
Excess (deficiency) of revenues over (under) expenditures	-	553,060	602,420	49,360
OTHER FINANCING SOURCES (USES):				
Transfers (out)	-	(553,060)	(553,061)	(1)
Total other financing sources (uses)	-	(553,060)	(553,061)	(1)
Net change in fund balance	-	-	49,359	49,359
FUND BALANCE:				
Beginning	-	-	-	-
Ending	\$ -	\$ -	\$ 49,359	\$ 49,359

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, 2022

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ 1,308,540	\$ 219,741	\$ (1,088,799)
Total revenues	-	1,308,540	219,741	(1,088,799)
EXPENDITURES:				
Current operating:				
General Government	-	150,000	83,040	66,960
Capital outlay	-	1,420,060	-	1,420,060
Total expenditures	-	1,570,060	83,040	1,487,020
Excess (deficiency) of revenues over (under) expenditures	-	(261,520)	136,701	398,221
OTHER FINANCING SOURCES (USES):				
Budgetary reserves, net	-	111,520	-	(111,520)
Transfers in	-	150,000	150,000	-
Total other financing sources (uses)	-	261,520	150,000	(111,520)
Net change in fund balance	-	-	286,701	286,701
FUND BALANCE:				
Beginning	1,380,835	1,380,835	1,380,835	-
Ending	\$ 1,380,835	\$ 1,380,835	\$ 1,667,536	\$ 286,701

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, 2022

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ 12,523,174	\$ 11,813,622	\$ (709,552)
Total revenues	-	12,523,174	11,813,622	(709,552)
EXPENDITURES:				
Current operating:				
Economic environment	-	1,236,354	526,802	709,552
Total expenditures	-	1,236,354	526,802	709,552
Excess (deficiency) of revenues over (under) expenditures	-	11,286,820	11,286,820	-
OTHER FINANCING SOURCES (USES):				
Transfers (out)	-	(11,286,820)	(11,286,820)	-
Total other financing sources (uses)	-	(11,286,820)	(11,286,820)	-
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
General Obligation Refunding Bonds Debt Service Fund
For the Fiscal Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Taxes	\$ 1,429,620	\$ 1,429,620	\$ 1,460,599	\$ 30,979
Income on investments	-	-	2,688	2,688
Total revenues	1,429,620	1,429,620	1,463,287	33,667
EXPENDITURES:				
Debt service:				
Principal	1,110,000	1,110,000	1,110,000	-
Interest and fiscal charges	319,613	319,613	316,042	3,571
Total expenditures	1,429,613	1,429,613	1,426,042	3,571
Excess of revenues over expenditures	7	7	37,245	37,238
OTHER FINANCING SOURCES (USES):				
Budgetary reserves, net	(7)	(7)	-	7
Total other financing sources (uses)	(7)	(7)	-	7
Net change in fund balance	-	-	37,245	37,245
FUND BALANCE:				
Beginning	502,512	502,512	502,512	-
Ending	\$ 502,512	\$ 502,512	\$ 539,757	\$ 37,245

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, 2022

	Original	Final	Actual Amounts	Variance
REVENUES:				
Income on investments	\$ -	\$ -	\$ 388	\$ 388
Total revenues	-	-	388	388
EXPENDITURES:				
Debt service:				
Principal	2,911,404	2,911,404	2,911,404	-
Interest and fiscal charges	593,452	593,452	593,452	-
Total expenditures	3,504,856	3,504,856	3,504,856	-
Excess (deficiency) of revenues over (under) expenditures	(3,504,856)	(3,504,856)	(3,504,468)	388
OTHER FINANCING SOURCES (USES):				
Transfers in	2,892,771	2,892,771	3,504,856	612,085
Total other financing sources (uses)	2,892,771	2,892,771	3,504,856	612,085
Net change in fund balance	(612,085)	(612,085)	388	612,473
FUND BALANCE:				
Beginning	111,981	111,981	111,981	-
Ending	\$ (500,104)	\$ (500,104)	\$ 112,369	\$ 612,473

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, 2022

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Income on investments	\$ -	\$ -	\$ 430	\$ 430
Total revenues	-	-	430	430
EXPENDITURES:				
Debt service:				
Principal	402,012	686,094	906,534	(220,440)
Interest and fiscal charges	30,673	40,173	42,078	(1,905)
Total expenditures	432,685	726,267	948,612	(222,345)
Excess (deficiency) of revenues over (under) expenditures	(432,685)	(726,267)	(948,182)	(221,915)
OTHER FINANCING SOURCES (USES):				
Budgetary reserves, net	2	2	-	(2)
Transfers in	432,683	726,265	948,612	222,347
Total other financing sources (uses)	432,685	726,267	948,612	222,345
Net change in fund balance	-	-	430	430
FUND BALANCE:				
Beginning	71,541	71,541	71,541	-
Ending	\$ 71,541	\$ 71,541	\$ 71,971	\$ 430



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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, 2022

	Halifax Harbor	Daytona Beach Pier	Total Nonmajor Enterprise Funds
ASSETS:			
Current assets:			
Equity in pooled cash, cash equivalents, and investments	\$ 1,688,708	\$ 375,615	\$ 2,064,323
Accrued Interest Receivable	128	968	1,096
Lease Receivable	586,524	1,445,136	2,031,660
Inventory	42,594	-	42,594
Prepays	16,596	114,128	130,724
Total current assets	2,334,550	1,935,847	4,270,397
Noncurrent assets:			
Restricted equity in pooled cash, cash equivalents, and investments	457,651	-	457,651
Capital assets:			
Non-depreciable	38,603	-	38,603
Depreciable (net)	3,617,134	3,727,702	7,344,836
Right-to-use leased assets (net)	-	173,900	173,900
Total noncurrent assets	4,113,388	3,901,602	8,014,990
Total assets	6,447,938	5,837,449	12,285,387
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred amount on refunding	60,992	-	60,992
Deferred amount on other post-employment benefits	869	475	1,344
Deferred amount for pensions	139,458	9,134	148,592
Total deferred outflows of resources	201,319	9,609	210,928
LIABILITIES:			
Current liabilities:			
Accounts payable and other liabilities	159,280	3,846	163,126
Intergovernmental payable	16,396	2,097	18,493
Unearned revenues	78,870	-	78,870
Compensated absences	10,594	10,042	20,636
Lease liability	-	39,000	39,000
Notes payable	575,000	-	575,000
Payable from restricted assets:			
Accrued interest	65,669	101	65,770
Total current liabilities	905,809	55,086	960,895
Noncurrent liabilities:			
Deposits	112,363	-	112,363
Compensated absences	63,372	24,689	88,061
Other post-employment benefits	4,174	-	4,174
Net pension liability	354,559	54,313	408,872
Lease liability	-	137,055	137,055
Notes payable	3,895,000	-	3,895,000
Total noncurrent liabilities	4,429,468	216,057	4,645,525
Total liabilities	5,335,277	271,143	5,606,420
DEFERRED INFLOWS OF RESOURCES:			
Deferred amount on other post-employment benefits	2,234	3,077	5,311
Deferred amount for posts	21,195	3,338	24,533
Deferred amounts for leases	561,189	1,433,210	1,994,399
Total deferred inflows of resources	584,618	1,439,625	2,024,243
NET POSITION (DEFICIT):			
Net investment in capital assets (deficit)	(753,271)	3,725,547	2,972,276
Restricted:			
Debt covenants	391,983	-	391,983
Unrestricted	1,090,650	410,743	1,501,393
Total net position (deficit)	\$ 729,362	\$ 4,136,290	\$ 4,865,652

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, 2022

	Halifax Harbor	Daytona Beach Pier	Total Nonmajor Enterprise Funds
OPERATING REVENUES:			
Charges for services	\$ 3,844,788	\$ 720,641	\$ 4,565,429
Lease revenue	230,816	301,728	532,544
Other receipts	6,191	332	6,523
Total operating revenues	4,081,795	1,022,701	5,104,496
OPERATING EXPENSES:			
Personnel services	192,948	201,678	394,626
Contractual services	1,892,363	839,190	2,731,553
Materials and supplies	956,021	16,178	972,199
Depreciation	267,235	250,696	517,931
Amortization	-	30,688	30,688
Total operating expenses	3,308,567	1,338,430	4,646,997
Operating income (loss)	773,228	(315,729)	457,499
NONOPERATING REVENUES (EXPENSES):			
Income on investments	8,603	13,881	22,484
Interest expense	(169,938)	(970)	(170,908)
Total nonoperating revenues (expenses)	(161,335)	12,911	(148,424)
Income (loss) before transfers	611,893	(302,818)	309,075
Transfers in	-	174,612	174,612
Transfers (out)	-	(102,253)	(102,253)
Change in net position	611,893	(230,459)	381,434
NET POSITION (DEFICIT):			
Beginning	117,469	4,366,749	4,484,218
Ending	\$ 729,362	\$ 4,136,290	\$ 4,865,652

City of Daytona Beach, Florida
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended September 30, 2022

	Halifax Harbor	Daytona Beach Pier	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers	\$ 4,037,246	\$ 1,010,443	\$ 5,047,689
Other receipts	6,191	332	6,523
Payments to suppliers	(2,840,088)	(776,477)	(3,616,565)
Payments to employees	(176,133)	(155,807)	(331,940)
Net cash provided by (used for) operating activities	1,027,216	78,491	1,105,707
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfer from other funds	-	174,612	174,612
Transfer (to) other funds	-	(102,253)	(102,253)
Net cash provided by (used for) noncapital financing activities	-	72,359	72,359
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Principal payments on bonds, loans and notes	(556,000)	-	(556,000)
Principal payments on lease liability	-	(28,533)	(28,533)
Interest payments on bonds, loans, notes and leases	(168,209)	(869)	(169,078)
Acquisition and construction of capital assets	-	(54,260)	(54,260)
Net cash (used for) capital and related financing activities	(724,209)	(83,662)	(807,871)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	8,603	12,913	21,516
Net cash provided by investing activities	8,603	12,913	21,516
Net increase (decrease) in cash and cash equivalents	311,610	80,101	391,711
EQUITY IN POOLED CASH, CASH EQUIVALENTS, AND INVESTMENTS:			
Beginning	1,834,749	295,514	2,130,263
Ending	\$ 2,146,359	\$ 375,615	\$ 2,521,974
Classified as:			
Unrestricted	\$ 1,688,708	\$ 375,615	\$ 2,064,323
Restricted	457,651	-	457,651
Total	\$ 2,146,359	\$ 375,615	\$ 2,521,974

City of Daytona Beach, Florida
Combining Statement of Cash Flows (Continued)
Nonmajor Enterprise Funds
For the Fiscal Year Ended September 30, 2022

	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)	\$ 773,228	\$ (315,729)	\$ 457,499
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and amortization	267,235	281,384	548,619
(Increase) decrease in:			
Lease receivable	199,528	289,802	489,330
Inventories	1,460	-	1,460
Prepays	(1,578)	(14,837)	(16,415)
Deferred outflow amount for pensions	(13,847)	(6,827)	(20,674)
Deferred outflow amount for OPEB	193	267	460
Increase (decrease) in:			
Accounts payable and other liabilities	(25,495)	95,405	69,910
Intergovernmental payable	1,113	(1,677)	(564)
Unearned revenues	(13,023)	-	(13,023)
Deposits	32,796	-	32,796
Compensated absences	7,478	9,639	17,117
Other post-employment benefits	(2,472)	(466)	(2,938)
Net pension liability	156,315	77,057	233,372
Deferred inflow amount for leases	(224,863)	(301,728)	(526,591)
Deferred inflow amount for OPEB	2,206	3,056	5,262
Deferred inflow amount for pensions	(133,058)	(36,855)	(169,913)
Total adjustments	253,988	394,220	648,208
Net cash provided by (used for) operating activities	\$ 1,027,216	\$ 78,491	\$ 1,105,707
Noncash capital and related financing activities:			
Amortization of deferred amount on refunding	\$ 10,026	\$ -	\$ 10,026
Prior year construction-in-progress costs abandoned	\$ -	\$ 110,170	\$ 110,170
Lease proceeds	\$ -	\$ 204,588	\$ 204,588



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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, 2022

	Fleet Maintenance	Employment Services	Property Maintenance	Information Technology
ASSETS:				
Current assets:				
Equity in pooled cash, cash equivalents, and investments	\$ 342,058	\$ 1,082,084	\$ 951,554	\$ 1,392,341
Inventory	131,107	-	-	-
Prepays	-	-	-	2,500
Total current assets	473,165	1,082,084	951,554	1,394,841
Noncurrent assets:				
Non-depreciable	-	-	-	-
Depreciable (net)	-	-	133,353	428,366
Right to use (net)	-	-	-	87,493
Total noncurrent assets	-	-	133,353	515,859
Total assets	473,165	1,082,084	1,084,907	1,910,700
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred amount for other post-employment benefits	2,987	6,199	13,170	16,285
Deferred amount for pensions	97,452	396,789	305,243	465,060
Total deferred outflows of resources	100,439	402,988	318,413	481,345
LIABILITIES:				
Current liabilities:				
Accounts payable and other liabilities	155,996	19,899	113,095	298,904
Intergovernmental payable	283	665	1,547	2,106
Insurance claims payable	-	-	-	-
Lease liability	-	-	-	64,185
Compensated absences	17,370	38,661	55,270	121,660
Total current liabilities	173,649	59,225	169,912	486,855
Noncurrent liabilities:				
Insurance claims payable	-	-	-	-
Compensated absences	51,530	126,380	65,290	200,019
Lease liability	-	-	-	22,655
Other post-employment benefits	43,669	33,808	60,151	59,255
Net pension liability	289,014	1,213,764	844,991	1,468,056
Total noncurrent liabilities	384,213	1,373,952	970,432	1,749,985
Total liabilities	557,862	1,433,177	1,140,344	2,236,840
DEFERRED INFLOWS OF RESOURCES:				
Deferred amount for other post-employment benefits	6,876	12,061	27,733	43,954
Deferred amount for pensions	13,853	67,852	32,462	45,152
Total deferred inflows of resources	20,729	79,913	60,195	89,106
NET POSITION (DEFICIT):				
Net investment in capital assets	-	-	134,006	428,366
Unrestricted	(4,987)	(28,018)	68,775	(362,267)
Total net position (deficit)	\$ (4,987)	\$ (28,018)	\$ 202,781	\$ 66,099

City of Daytona Beach, Florida
Combining Statement of Net Position (Continued)
Internal Service Funds
September 30, 2022

	Consolidated Insurance	Totals
ASSETS:		
Current assets:		
Equity in pooled cash, cash equivalents, and investments	\$ 7,369,472	\$ 11,137,509
Inventory	-	131,107
Prepays	2,495,857	2,498,357
Total current assets	9,865,329	13,766,973
Noncurrent assets:		
Non-depreciable	-	-
Depreciable (net)	15,750	577,469
	-	87,493
Total noncurrent assets	15,750	664,962
Total assets	9,881,079	14,431,935
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred amount for other post-employment benefits	6,794	45,435
Deferred amount for pensions	246,171	1,510,715
Total deferred outflows of resources	252,965	1,556,150
LIABILITIES:		
Current liabilities:		
Accounts payable and other liabilities	697,038	1,284,932
Intergovernmental payable	951	5,552
Insurance claims payable	2,110,000	2,110,000
Due to other funds	-	64,185
Compensated absences	44,207	277,168
Total current liabilities	2,852,196	3,741,837
Noncurrent liabilities:		
Insurance claims payable	8,524,000	8,524,000
Compensated absences	52,319	495,538
	-	22,655
Other post-employment benefits	47,269	244,152
Net pension liability	803,049	4,618,874
Total noncurrent liabilities	9,426,637	13,905,219
Total liabilities	12,278,833	17,647,056
DEFERRED INFLOWS OF RESOURCES:		
Deferred amount for other post-employment benefits	14,779	105,403
Deferred amount for pensions	42,973	202,292
Total deferred inflows of resources	57,752	307,695
NET POSITION:		
Net investment in capital assets	15,750	578,122
Unrestricted	(2,218,291)	(2,544,788)
Total net position	\$ (2,202,541)	\$ (1,966,666)

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, 2022

	Fleet Maintenance	Employment Services	Property Maintenance	Information Technology
OPERATING REVENUES:				
Charges for services	\$ 2,978,450	\$ 917,136	\$ 1,906,066	\$ 5,182,499
Other receipts	-	-	3,552	150
Total operating revenues	2,978,450	917,136	1,909,618	5,182,649
OPERATING EXPENSES:				
Personnel services	333,744	778,586	1,268,555	2,390,206
Contractual services	876,687	153,867	565,667	2,552,375
Materials and supplies	1,785,671	10,011	56,429	330,840
Depreciation	-	-	80,235	159,486
Amortization	-	-	-	65,450
Total operating expenses	2,996,102	942,464	1,970,886	5,498,357
Operating income (loss)	(17,652)	(25,328)	(61,268)	(315,708)
NONOPERATING REVENUE:				
Income on investments	987	2,908	3,359	4,677
Interest expense	-	-	-	(355)
Gain (loss) on disposal of capital assets	10,263	-	(144)	-
Total other financing sources	11,250	2,908	3,215	4,322
Income (loss) before capital grants, contributions and transfers	(6,402)	(22,420)	(58,053)	(311,386)
Capital grants and contributions	-	-	-	-
NET POSITION (DEFICIT):				
Beginning	1,415	(5,598)	260,834	377,485
Ending	\$ (4,987)	\$ (28,018)	\$ 202,781	\$ 66,099

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, 2022

	Consolidated Insurance	Totals
OPERATING REVENUES:		
Charges for services	\$ 6,599,655	\$ 17,583,806
Other receipts	17,163	20,865
Total operating revenues	6,616,818	17,604,671
OPERATING EXPENSES:		
Personnel services	1,073,437	5,844,528
Contractual services	6,093,594	10,242,190
Materials and supplies	102,750	2,285,701
Depreciation	2,383	242,104
Amortization	-	65,450
Total operating expenses	7,272,164	18,679,973
Operating income (loss)	(655,346)	(1,075,302)
NONOPERATING REVENUE:		
Income on investments	28,725	40,656
Interest expense	-	(355)
Gain (loss) on disposal of capital assets	-	10,119
Total other financing sources	28,725	50,420
Income (loss) before capital grants, contributions and transfers	(626,621)	(1,024,882)
Capital grants and contributions	-	-
NET POSITION (DEFICIT):		
Beginning	(1,575,920)	(941,784)
Ending	\$ (2,202,541)	\$ (1,966,666)

City of Daytona Beach, Florida
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended September 30, 2022

	Fleet Maintenance	Employment Services	Property Maintenance	Information Technology
CASH FLOWS FROM				
OPERATING ACTIVITIES:				
Receipts from customers	\$ 2,978,450	\$ 917,136	\$ 1,906,066	\$ 5,182,499
Other receipts	-	-	3,552	150
Payments to suppliers	(2,557,724)	(171,353)	(567,006)	(2,748,806)
Payments to employees	(317,334)	(734,881)	(1,273,876)	(2,310,386)
Net cash provided by (used by) operating activities	103,392	10,902	68,736	123,457
CASH FLOWS FROM NONCAPITAL				
FINANCING ACTIVITIES:				
Transfers (to) other funds	-	-	-	-
Net cash provided by (used for) noncapital financing activities	-	-	-	-
CASH FLOWS FROM CAPITAL AND				
RELATED FINANCING ACTIVITIES:				
Proceeds from sale of capital assets	10,263	-	-	-
Acquisition and construction of capital assets	-	-	(17,111)	(135,935)
Principal payments on lease liability	-	-	-	(66,103)
Net cash provided by (used for) capital and related financing activities	10,263	-	(17,111)	(202,038)
CASH FLOWS FROM INVESTING				
ACTIVITIES:				
Interest received	987	2,908	3,359	4,677
Net cash provided by investing activities	987	2,908	3,359	4,677
Net increase (decrease) in equity in pooled cash, cash equivalents, and investments	114,642	13,810	54,984	(73,904)
EQUITY IN POOLED CASH,				
CASH EQUIVALENTS, AND				
INVESTMENTS:				
Beginning	227,416	1,068,274	896,570	1,466,245
Ending	\$ 342,058	\$ 1,082,084	\$ 951,554	\$ 1,392,341

City of Daytona Beach, Florida
Combining Statement of Cash Flows (Continued)
Internal Service Funds
For the Fiscal Year Ended September 30, 2022

	Consolidated	Totals
	Insurance	
CASH FLOWS FROM		
OPERATING ACTIVITIES:		
Receipts from customers	\$ 6,599,655	\$ 17,583,806
Other receipts	17,163	20,865
Payments to suppliers	(7,432,666)	(13,477,555)
Payments to employees	(1,086,779)	(5,723,256)
Net cash provided by (used by)		
operating activities	(1,902,627)	(1,596,140)
CASH FLOWS FROM NONCAPITAL		
FINANCING ACTIVITIES:		
Transfers (to) other funds	-	-
Net cash provided by (used for)		
noncapital financing activities	-	-
CASH FLOWS FROM CAPITAL AND		
RELATED FINANCING ACTIVITIES:		
Proceeds from sale of capital assets	-	10,263
Acquisition and construction of capital assets	-	(153,046)
Principal payments on lease liability	-	(66,103)
Net cash provided by (used for) capital and related financing activities		
	-	(208,886)
CASH FLOWS FROM INVESTING		
ACTIVITIES:		
Interest received	28,725	40,656
Net cash provided by investing activities		
	28,725	40,656
Net increase (decrease) in equity in pooled cash, cash equivalents, and investments		
	(1,873,902)	(1,764,370)
EQUITY IN POOLED CASH, CASH EQUIVALENTS, AND INVESTMENTS:		
Beginning	9,243,374	12,901,879
Ending	\$ 7,369,472	\$ 11,137,509

City of Daytona Beach, Florida
Combining Statement of Cash Flows (Continued)
Internal Service Funds
For the Fiscal Year Ended September 30, 2022

	Fleet Maintenance	Employment Services	Property Maintenance	Information Technology
RECONCILIATION OF OPERATING				
INCOME (LOSS) TO NET CASH				
PROVIDED BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ (17,652)	\$ (25,328)	\$ (61,268)	\$ (315,708)
Adjustments to reconcile operating				
income (loss) to net cash provided				
by operating activities:				
Depreciation and amortization	-	-	80,235	224,936
(Increase) decrease in:				
Inventory	41,869	-	-	-
Prepays	-	-	-	6,260
Deferred amount for pensions	(11,310)	(41,344)	(44,857)	(91,078)
Deferred amount for OPEB	594	1,041	2,394	3,797
Increase (decrease) in:				
Accounts payable and				
other liabilities	63,016	(6,897)	55,574	131,110
Intergovernmental payable	(251)	(578)	(484)	(2,961)
Insurance claims payable	-	-	-	-
Compensated absences	8,945	16,000	(34,904)	19,352
Other post-employment benefits	(7,606)	(13,344)	(30,678)	(48,640)
Net pension liability	127,694	466,743	506,374	1,028,159
Deferred amount for pensions	(108,697)	(397,304)	(431,037)	(875,191)
Deferred amount for OPEB	6,790	11,913	27,387	43,421
Total adjustments	121,044	36,230	130,004	439,165
Net cash provided by (used by)				
operating activities	\$ 103,392	\$ 10,902	\$ 68,736	\$ 123,457

City of Daytona Beach, Florida
Combining Statement of Cash Flows (Continued)
Internal Service Funds
For the Fiscal Year Ended September 30, 2022

	Consolidated Insurance	Totals
RECONCILIATION OF OPERATING		
INCOME (LOSS) TO NET CASH		
PROVIDED BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ (655,346)	\$ (1,075,302)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	2,383	307,554
(Increase) decrease in:		
Inventory	-	41,869
Prepays	(1,213,989)	(1,207,729)
Deferred amount for pensions	(35,886)	(224,475)
Deferred amount for OPEB	1,275	9,101
Increase (decrease) in:		
Accounts payable and other liabilities	(1,066,267)	(823,464)
Intergovernmental payable	(1,066)	(5,340)
Insurance claims payable	1,045,000	1,045,000
Compensated absences	(37,247)	(27,854)
Other post-employment benefits	(16,331)	(116,599)
Net pension liability	405,099	2,534,069
Deferred amount for pensions	(344,830)	(2,157,059)
Deferred amount for pensions	14,578	104,089
Total adjustments	(1,247,281)	(520,838)
Net cash provided by (used by) operating activities	\$ (1,902,627)	\$ (1,596,140)



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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, 2022

	Downtown Development Authority	First Step Shelter, Inc.	Total Component Units
ASSETS:			
Equity in pooled cash, cash equivalents, and investments	\$ 53,904	\$ 1,141,226	\$ 1,195,130
Accounts receivable (net)	-	521,140	521,140
Deposits	-	19,145	19,145
Prepays	-	11,647	11,647
Depreciable assets, net of depreciation	-	125,782	125,782
Total assets	53,904	1,818,940	1,872,844
LIABILITIES:			
Accounts payable and other liabilities	3,653	306,117	309,770
Unearned revenue	-	13,100	13,100
Compensated absences	-	10,076	10,076
Total liabilities	3,653	329,293	332,946
NET POSITION:			
Net investment in capital assets	-	125,782	125,782
Unrestricted	50,251	1,363,865	1,414,116
Total net position	\$ 50,251	\$ 1,489,647	\$ 1,539,898

City of Daytona Beach, Florida
Combining Statement of Activities
Discretely Presented Component Units
For the Fiscal Year Ended September 30, 2022

	Downtown Development Authority	First Step Shelter, Inc.	Total Component Units
OPERATING REVENUES:			
Taxes	\$ 177,232	\$ -	\$ 177,232
Operating grants and contributions	101,295	2,386,051	2,487,346
Income on investments	238	323	561
Miscellaneous	6,255	-	6,255
Total operating revenues	285,020	2,386,374	2,671,394
OPERATING EXPENSES:			
Current operating:			
Downtown development	297,742	-	297,742
Human services	-	2,412,921	2,412,921
Total operating expenses	297,742	2,412,921	2,710,663
Change in net position	(12,722)	(26,547)	(39,269)
NET POSITION:			
Beginning	62,973	1,516,194	1,579,167
Ending	\$ 50,251	\$ 1,489,647	\$ 1,539,898

City of Daytona Beach, Florida
Combining Schedule of Deposits and Withdrawals
Redevelopment Trust Funds
For the Fiscal Year Ended September 30, 2022

	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	\$ 772,344	\$ 1,925,978	\$ 92,225	\$ 324,277	\$ 104,161	\$ 3,218,985
Volusia County	750,732	1,874,154	89,744	315,455	96,993	3,127,078
Halifax Hospital	133,086	331,874	15,892	55,878	17,949	554,679
East Volusia Mosquito Control	24,847	62,028	2,970	10,441	3,212	103,498
Ponce DeLeon Inlet and Port Authority	11,788	29,430	1,409	4,953	1,521	49,101
Volusia ECHO	27,933	69,656	3,335	11,728	3,767	116,419
Volusia Forever	27,917	69,656	3,335	11,726	3,683	116,317
Downtown Development Authority	101,295	-	-	-	-	101,295
Charges for services	-	23,260	-	-	-	23,260
Licenses and permits	88	11,377	-	-	-	11,465
Income on investments	4,461	36,821	5,655	5,730	2,824	55,491
Miscellaneous	-	7,412	-	24,000	-	31,412
Total deposits	1,854,491	4,441,646	214,565	764,188	234,110	7,509,000
WITHDRAWALS:						
Current operating:						
Personnel services	156,603	228,075	13,784	73,419	-	471,881
Professional services	1,762	6,792	250	3,185	76	12,065
Contractual services	1,134,542	210,221	43,873	19,839	47,563	1,456,038
Materials and supplies	1,262	5,972	-	417	-	7,651
Grants and subsidies	-	5,152	-	-	-	5,152
Capital outlay	180,327	3,123,908	-	-	-	3,304,235
Debt Service	-	-	-	-	-	-
Transfers to debt service funds	172,037	2,507,835	-	212,899	-	2,892,771
Total withdrawals	1,646,533	6,087,955	57,907	309,759	47,639	8,149,793
Excess (deficiency) of deposits over (under) withdrawals	207,958	(1,646,309)	156,658	454,429	186,471	(640,793)
FUND BALANCE:						
Beginning	838,074	11,531,225	1,481,491	1,329,528	635,803	15,816,121
Ending	\$ 1,046,032	\$ 9,884,916	\$ 1,638,149	\$ 1,783,957	\$ 822,274	\$ 15,175,328

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.

Contents

Page

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

Table 1 – Net Position by Component	171
Table 2 – Changes in Net Position	172
Table 3 – Fund Balances of Governmental Funds	174
Table 4 – Changes in Fund Balances of Governmental Funds	175

Revenue Capacity – These tables contain information to help the reader assess the City's most significant local revenue sources which are property tax revenues and water and sewer revenues.

Table 5 – Assessed Value and Estimated Actual Value of Taxable Property	176
Table 6 – Property Tax Rates – Direct and Overlapping Governments	177
Table 7 – Principal Property Taxpayers	178
Table 8 – Property Tax Levies and Collections	179
Table 9 – Water Produced and Consumed and Wastewater Treated	180
Table 10 – Water and Sewer Rates	181
Table 11 – Ten Largest Water and Sewer Customers	182

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

Table 12 – Ratios of Outstanding Debt by Type	183
Table 13 – Ratios of General Bonded Debt Outstanding	184
Table 14 – Governmental Activities Debt – Direct and Overlapping	185
Table 15 – Legal Debt Margin	186
Table 16 – Pledged Revenue Coverage	187

Demographic and Economic Information – These tables offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Table 17 – Demographic and Economic Statistics	188
Table 18 – Principal Employers	189

Operating Information – These tables contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.

Table 19 – Full Time Equivalent City Government Employees by Function/Program	190
Table 20 – Operating Indicators by Function	191
Table 21 – Capital Asset Statistics by Function/Program	192
Table 22 – Other Post-Employment Benefits (OPEB) Schedule of Statistical Information	193

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									
	2022	2021	2020	2019	2018	2017	2016	2015	2014 ¹
Governmental activities:									
Net investment in capital assets.....	\$ 87,826,793	\$ 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.....	63,432,616	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).....	(45,011,799)	(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.....	<u>\$ 106,247,610</u>	<u>\$ 84,502,221</u>	<u>\$ 57,818,175</u>	<u>\$ 51,398,143</u>	<u>\$ 36,648,215</u>	<u>\$ 27,579,796</u>	<u>\$ 27,327,376</u>	<u>\$ 14,282,655</u>	<u>\$ 6,381,246</u>
Business-type activities:									
Net investment in capital assets.....	\$ 60,387,438	\$ 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.....	59,666,199	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.....	37,226,761	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.....	<u>\$ 157,280,398</u>	<u>\$ 138,719,886</u>	<u>\$ 123,893,080</u>	<u>\$ 112,671,201</u>	<u>\$ 102,077,576</u>	<u>\$ 84,927,667</u>	<u>\$ 71,499,123</u>	<u>\$ 60,311,243</u>	<u>\$ 56,162,082</u>
Primary government:									
Net investment in capital assets.....	\$ 148,214,231	\$ 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.....	123,098,815	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).....	(7,785,038)	(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.....	<u>\$ 263,528,008</u>	<u>\$ 223,222,107</u>	<u>\$ 181,711,255</u>	<u>\$ 164,069,344</u>	<u>\$ 138,725,791</u>	<u>\$ 112,507,463</u>	<u>\$ 98,826,499</u>	<u>\$ 74,593,898</u>	<u>\$ 62,543,328</u>
Pre GASB Statement No. 68									
2014 2013									
Governmental activities:									
Net investment in capital assets.....								\$ 78,165,983	\$ 79,354,998
Restricted.....								14,693,531	15,839,211
Unrestricted (deficit).....								(29,574,464)	(36,828,469)
Total governmental activities net position.....								<u>\$ 63,285,050</u>	<u>\$ 58,365,740</u>
Business-type activities:									
Net investment in capital assets.....								\$ 29,434,415	\$ 24,836,529
Restricted.....								22,144,897	16,031,728
Unrestricted.....								9,952,652	10,475,661
Total business-type activities net position.....								<u>\$ 61,531,964</u>	<u>\$ 51,343,918</u>
Primary government:									
Net investment in capital assets.....								\$ 107,600,398	\$ 104,191,527
Restricted.....								36,838,428	31,870,939
Unrestricted (deficit).....								(19,621,812)	(26,352,808)
Total primary government net position.....								<u>\$ 124,817,014</u>	<u>\$ 109,709,658</u>

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses:										
Governmental activities:										
General government.....	\$ 20,310,253	\$ 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
Public safety.....	69,639,548	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
Physical environment.....	-	-	875,087	1,089,956	3,383,357	6,009,372	-	-	-	-
Transportation.....	12,875,107	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
Economic environment.....	4,766,191	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
Human services.....	807,741	661,205	804,993	2,529	508,592	1,753,902	540,138	78,972	37,412	153,105
Cultural and recreation.....	15,097,820	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
Interest on long-term debt.....	1,053,303	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
Total governmental activities expenses.....	124,549,963	98,281,725	109,361,147	96,884,626	93,552,794	92,157,475	78,648,353	75,211,968	75,409,131	72,566,713
Business-type activities:										
Water and sewer system.....	50,782,056	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
Solid waste management.....	12,288,926	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
Storm water improvement.....	6,253,307	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
Halifax Harbor.....	3,492,935	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
Cultural services.....	-	-	-	3,543,121	4,517,646	3,471,843	3,592,082	3,554,638	2,788,729	2,063,216
Municipal Golf Course.....	-	-	-	1,986,735	1,942,714	1,822,116	1,782,413	2,068,289	2,006,200	2,068,160
Florida Tennis Center.....	-	-	-	599,536	596,688	546,838	580,029	585,676	575,717	575,334
Municipal Stadium/Jackie Robinson Ballpark.....	-	-	-	175,748	350,857	364,654	486,014	380,920	366,545	294,106
Daytona Beach Pier.....	1,340,557	975,289	1,948,461	711,578	741,394	666,490	467,409	527,508	425,896	281,846
Total business-type activities expenses.....	74,157,781	64,929,074	64,021,878	67,847,342	63,784,945	60,772,225	58,890,950	61,786,379	56,873,473	56,700,679
Total primary government expenses.....	\$ 198,707,744	\$ 163,210,799	\$ 173,383,025	\$ 164,731,968	\$ 157,337,739	\$ 152,929,700	\$ 137,539,303	\$ 136,998,347	\$ 132,282,604	\$ 129,267,392
Program revenues:										
Governmental activities:										
Fees, fines, and charges for services:										
General government.....	\$ 13,697,582	\$ 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
Public safety.....	5,564,100	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
Transportation.....	1,518,121	743,205	701,615	783,637	629,049	442,249	820,460	133,564	1,697,748	320,411
Economic environment.....	741,154	492,691	528,952	650,860	1,021,559	777,830	682,020	661,149	677,257	-
Human services.....	-	-	-	-	-	-	-	-	4,496	-
Cultural and recreation.....	10,413,745	6,630,888	7,470,397	1,946,551	1,458,389	560,834	1,190,826	596,188	983,727	629,826
Operating grants and contributions.....	15,316,655	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
Capital grants and contributions.....	1,726,787	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
Total governmental activities program revenues.....	48,978,144	33,042,689	27,159,486	21,014,700	24,882,742	16,528,386	18,670,089	15,495,353	16,684,624	14,973,935

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

Table 2 (Continued)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Business-type activities:										
Fees, fines, and charges for services:										
Water and sewer system.....	\$ 62,342,598	\$ 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
Solid waste management.....	21,920,159	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
Storm water improvement.....	15,305,246	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
Halifax Harbor.....	4,075,604	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
Cultural services.....	-	-	-	3,531,723	3,515,051	2,853,193	2,894,245	2,707,998	2,186,758	1,742,310
Municipal Golf Course.....	-	-	-	1,519,859	1,468,945	1,368,576	1,626,009	1,834,737	1,754,061	1,867,080
Florida Tennis Center.....	-	-	-	454,101	399,868	435,979	479,957	460,547	474,138	482,380
Municipal Stadium/Jackie Robinson Ballpark.....	-	-	-	283,869	255,439	351,006	423,883	361,498	391,119	220,562
Daytona Beach Pier.....	1,022,369	785,005	594,116	979,207	986,184	804,898	969,817	944,424	930,910	872,425
Operating grants and contributions.....	-	-	-	98,781	65,763	72,854	151,475	435,595	166,378	667,957
Capital grants and contributions.....	11,443,782	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
Total business-type activities program revenues.....	116,109,758	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
Total primary government program revenue.....	\$ 165,087,902	\$ 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
Net (expense)/revenue:										
Governmental activities.....	\$ (75,571,819)	\$ (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)
Business-type activities.....	41,951,977	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
Total primary government net expense.....	\$ (33,619,842)	\$ (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)
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Property taxes.....	\$ 34,999,413	\$ 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
Gas taxes.....	1,882,705	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
Public service taxes.....	12,995,813	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
Sales taxes.....	4,927,098	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
Franchise taxes.....	7,708,997	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
Tax increment taxes.....	4,067,092	3,721,725	3,381,051	3,212,092	3,068,042	2,974,533	2,677,785	-	-	-
Other taxes.....	1,134,302	1,081,810	1,058,682	991,258	937,925	813,175	903,455	3,489,116	3,281,154	3,031,353
Intergovernmental revenues not restricted to specific programs.....	5,484,349	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
Investment earnings.....	(2,402,077)	63,560	2,188,981	2,767,495	843,607	404,539	347,629	390,887	175,957	64,110
Miscellaneous.....	1,806,949	969,525	1,709,696	1,104,048	1,239,546	2,485,416	1,042,203	95,905	1,350,500	694,932
Transfers.....	24,712,567	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
Total governmental activities.....	97,317,208	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
Business-type activities:										
Income on investments.....	694,102	500,292	535,839	790,992	620,629	517,045	522,150	557,846	526,721	54,841
Miscellaneous.....	627,000	128,273	111,737	511,045	407,550	938,753	811,592	1,203,256	1,120,843	752,377
Transfers.....	(24,712,567)	(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)
Total business-type activities.....	(23,391,465)	(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)
Total primary government.....	\$ 73,925,743	\$ 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
Changes in net position:										
Governmental activities.....	\$ 21,745,389	\$ 26,684,046	\$ 8,520,751	\$ 14,749,928	\$ 9,552,949	\$ 252,420	\$ 13,044,721	\$ 7,901,409	\$ 4,919,310	\$ 1,118,229
Business-type activities.....	18,560,512	14,826,806	9,121,160	10,593,625	17,294,134	13,428,544	11,187,880	4,149,161	10,188,046	5,041,076
Total primary government.....	\$ 40,305,901	\$ 41,510,852	\$ 17,641,911	\$ 25,343,553	\$ 26,847,083	\$ 13,680,964	\$ 24,232,601	\$ 12,050,570	\$ 15,107,356	\$ 6,159,305

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

Table 3

	Post GASB Statement No. 54									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Fund:										
Non-spendable.....	\$ 527,183	\$ 430,033	\$ 419,152	\$ 232,962	\$ 385,002	\$ 370,690	\$ 380,664	\$ 393,251	\$ 376,343	\$ 370,842
Restricted.....	-	-	792,530	267,489	258,549	331,932	333,837	367,343	322,376	254,142
Committed.....	-	-	-	-	-	-	-	-	-	-
Assigned.....	31,310,271	18,670,465	8,995,225	10,552,163	5,299,295	6,425,723	3,631,728	785,789	469,733	737,777
Unassigned.....	12,291,705	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
Total General Fund.....	\$ 44,129,159	\$ 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
All other governmental funds:										
Non-spendable.....	\$ 1,560	\$ -	\$ -	\$ -	\$ -	\$ 1,890	\$ -	\$ -	\$ 300,349	\$ 320,016
Restricted.....	63,432,616	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
Committed.....	-	-	-	-	-	-	-	-	-	-
Assigned.....	8,677,535	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
Unassigned.....	-	-	7,050	(1,595,581)	(2,881,458)	-	-	-	-	-
Total all other governmental funds.....	\$ 72,111,711	\$ 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

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

Table 4

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues:										
Taxes.....	\$ 52,090,381	\$ 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
Licenses and permits.....	15,152,390	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
Intergovernmental.....	28,428,468	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
Charges for services.....	11,269,075	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
Fines and forfeitures.....	1,399,741	818,052	467,320	501,464	519,410	566,132	608,225	694,122	2,277,592	2,081,279
Special assessments/impact fees.....	10,546,495	5,986,443	5,424,765	4,727,595	3,589,073	1,845,907	3,927,091	612,918	394,652	180,335
Income on investments.....	(2,442,733)	42,537	2,152,329	2,697,121	807,543	392,496	345,865	381,594	164,355	64,109
Miscellaneous.....	2,954,349	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
Total revenues	119,398,166	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
Expenditures:										
General government.....	17,616,579	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
Public safety.....	59,826,828	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
Physical Environment.....	-	-	875,087	1,089,956	3,383,357	6,009,372	-	-	-	-
Transportation.....	12,767,516	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
Economic environment.....	4,481,314	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
Human services.....	807,741	661,205	804,993	2,529	508,592	502,824	540,138	78,972	37,412	153,105
Culture and recreation.....	13,824,400	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
Capital outlay.....	9,765,067	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
Debt service:										
Principal.....	4,927,938	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
Interest and fiscal charges.....	951,572	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
Total expenditures.....	124,968,955	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
Excess (deficiency) of revenue over (under) expenditures.....	(5,570,789)	(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)
Other financing sources (uses):										
Capital-related debt issued.....	3,354,915	25,245,198	354,030	-	2,018,000	789,743	838,116	1,004,865	-	-
Payments to escrow agent.....	-	(19,190,000)	-	-	(1,555,899)	-	-	-	-	-
Proceeds from insurance recovery.....	150,606	103,779	216,050	149,486	345,460	-	-	-	-	-
Lease Proceeds.....	602,820	-	-	-	-	-	-	-	-	-
Transfers in.....	49,340,500	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
Transfers (out).....	(24,627,933)	(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)
Total other financing sources (uses).....	28,820,908	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
Net change in fund balances.....	\$ 23,250,119	\$ 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
Debt service expenditures as a percentage of noncapital expenditures.....	5.1%	7.5%	5.3%	6.2%	6.2%	6.2%	7.2%	7.2%	7.1%	7.5%

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
2022	\$ 4,192,275,849	\$ 2,303,566,925	\$ 289,206,786	\$ 75,672,937	\$ 464,029,954	\$ 1,384,890,921	\$ 379,025,370	\$ 853,498,854	\$ 9,942,167,596	\$ 3,695,528,542	\$ 6,246,639,054	5.76940
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

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 2021-22 data was obtained from the 2021 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 River Water Management District	Florida Inland Navigation District	Hospital District	Volusia County School District			Total School District	Daytona Beach Downtown Development Authority	Ponce DeLeon Inlet and Port Authority	Mosquito Control District	Total Special Districts	
										School District Required	School District Discretionary	School District Debt Service						
2022	5.53000	0.23940	5.76940	5.89860	0.40000	6.29860	0.21890	0.03200	0.95290	5.05400	0.74800	-	5.80200	1.00000	0.08450	0.17810	1.26260	20.33640
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

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 2021-22 data was obtained from the 2021 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, 2022			September 30, 2013		
		(2021 Tax Roll) Assessed Taxable Value	Rank	Percent to Total Assessed Value	(2013 Tax Roll) Assessed Taxable Value	Rank	Percent to Total Assessed Value
Florida Power & Light Company	Electric Utility	\$ 159,143,777	1	2.19%	\$ 72,060,271	3	1.4%
International Speedway Corporation	Sports/Entertainment	155,278,363	2	2.13%	87,911,116	2	1.7%
Ocean Walk I & II Condominium Association	Condominium	121,462,984	3	1.67%	92,925,349	1	1.8%
Daytona Beach Owner LP	Accommodations	62,627,938	4	0.86%			
Protogroup South Tower LLC	Condominium	59,826,805	5	0.82%			
Tomoka Town Center Phases, LLC	Regional Shopping Centers	59,110,094	6	0.81%			
Tanger Daytona, LLC	Regional Shopping Centers	52,890,340	7	0.73%			
Brown & Brown Realty Co	Diversified Insurance Agency	50,081,380	8	0.69%			
Trader Joes East, Inc	Retail Grocery	47,777,214	9	0.66%			
Volusia Mall, LLC	Regional Shopping Centers	46,028,359	10	0.63%	45,049,027	4	0.9%
Grand Seas Resort Partners	Accommodations	-	-	-	16,867,438	8	0.3%
Bellsouth Telecommunication, Inc	Telephone	-	-	-	21,783,112	7	0.4%
MSCI2007 IQ16 Lodging 100 LLC	Accommodations				43,741,150	5	0.8%
M-Elena Holding LLC	Regional Shopping Centers				24,754,972	6	0.5%
DK Gateway Andros LLC	Regional Shopping Centers				16,607,117	9	0.3%
Cole MT Daytona Beach FL LLC	Regional Shopping Centers				16,422,944	10	0.3%
Total		<u><u>\$ 814,227,254</u></u>		<u><u>11.18%</u></u>	<u><u>\$ 336,596,313</u></u>		<u><u>6.41%</u></u>

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
2022	\$ 34,543,914	\$ 32,536,163	94.19%	\$ 1,020,070	\$ 33,556,233	97.14%
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%

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 2021-22 collections are from the 2021 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
2022	4,651	4,220	458	0	0.00%	4,340	\$ 9.07	\$ 5.17	\$ 8.87	\$ 8.66
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

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

Table 10

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Water Service										
Single Family Resident Accounts (All Zones):										
Base Fee (All Meter Sizes)	\$	9.07								
<u>Water Consumption: per 1,000 Gallons</u>										
0 - 7,000 Gallons	\$	5.17								
7,000 - 14,000 Gallons	\$	6.47								
14,001 Gallons and Above	\$	8.06								
Multi Family Resident Accounts (All Zones):										
Base Fee (per Dwelling Unit)	\$	7.26								
<u>Water Consumption: per 1,000 per Dwelling Unit</u>										
0 - 6,000 Gallons	\$	5.17								
6,000 - 12,000 Gallons	\$	6.47								
12,001 Gallons and Above	\$	8.06								
Commercial / Non-Residential:										
Base Fee (Per Potable Service Line Size)										
<u>By Meter Size</u>										
3/4"	\$	9.07								
1"	\$	15.15								
1.5"	\$	30.23								
2"	\$	48.38								
3"	\$	90.77								
4"	\$	151.32								
6"	\$	302.55								
8"	\$	484.11								
10"	\$	695.97								
<u>Water Consumption (per 1,000 Gallons)</u>										
0 Gallons and Above	\$	5.60								
Wastewater Service										
Single Family Resident Accounts (All Zones):										
Base Fee (All Meter Sizes)	\$	8.87								
<u>Wastewater Usage: per 1,000 Gallons</u>										
0 Gallons and Above	\$	8.67								
Multi Family Resident Accounts (All Zones):										
Base Fee (per Dwelling Unit)	\$	7.09								
<u>Wastewater Usage: per 1,000 per Dwelling Unit</u>										
0 Gallons and Above	\$	8.67								
Commercial / Non-Residential:										
Base Fee (Per Potable Service Line Size)										
<u>By Meter Size</u>										
3/4"	\$	8.87								
1"	\$	14.80								
1.5"	\$	29.53								
2"	\$	47.27								
3"	\$	88.68								
4"	\$	147.81								
6"	\$	295.54								
8"	\$	472.89								
10"	\$	679.84								
<u>Wastewater Consumption (per 1,000 Gallons)</u>										
0 Gallons and Above	\$	9.52								
¹ Water Rates prior to 10/1/2021:										
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
3"-10".....	-	\$ 16.12	\$ 15.67	\$ 15.17	\$ 14.66	\$ 14.20	\$ 13.66	\$ 13.05	\$ 12.63	\$ 12.09
Usage rate (per 1,000 gallons).....	-	\$ 5.91	\$ 5.75	\$ 5.57	\$ 5.39	\$ 5.22	\$ 5.02	\$ 4.80	\$ 4.65	\$ 4.45
¹ Sewer Rates prior to 10/1/2021:										
Base rate.....										
Usage rate (per 1,000 gallons).....	-	\$ 10.18	\$ 9.90	\$ 9.59	\$ 9.27	\$ 8.98	\$ 8.64	\$ 8.26	\$ 8.00	\$ 7.66

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 A new rate structure took effect on 10/1/2021. It created three classes of customers (Single family, Multi family and Commercial), eliminated the 1,000 gallon minimum usage bill, and eliminated the three billing zones. Prior to the change to the new rate structure, the three billing zones were 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.

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

Table 11

Customer	Customer Type	September 30, 2022			September 30, 2013		
		Amount	Percent of Total Revenue	Rank	Amount	Percent of Total Revenue	Rank
City of South Daytona.....	Bulk	\$ 2,518,658	4.04%	1	\$ 2,473,929	6.17%	1
Florida Department of Corrections.....	Government	1,138,773	1.83%	4	1,313,603	3.27%	3
Halifax Medical Center.....	Hospital	1,442,744	2.31%	2	1,671,729	4.17%	2
City of Daytona Beach.....	Government	1,115,802	1.79%	5	1,021,533	2.55%	5
Embry-Riddle Aeronautical University.....	Educational Institution	1,173,554	1.88%	3	777,961	1.94%	9
Daytona International Speedway.....	Sports/Entertainment	1,048,995	1.68%	6			
Hilton/Daytona Beach Owner OP CO, LLC.....	Timeshare Investments	910,604	1.46%	7	915,310	2.28%	6
County of Volusia.....	Government		0.00%		1,084,970	2.70%	4
B Braun Medical, Inc.	Industrial	906,688	1.45%	8			
Florida Hospital Memorial Medical Center.....	Hospital	637,698	1.02%	9	829,402	2.07%	8
Bray & Gillespie, LLC.....	Timeshare Investments		0.00%				
Ocean Walk Condominium Association.....	Timeshare Investments	633,651	1.02%	10	881,345	2.20%	7
Laplaya Resort	Timeshare Investments				535,292	1.33%	10
MHC Financing LTD.....	Lender						
Total		\$ 11,527,167	18.49%		\$ 11,505,074	28.68%	

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						Percent					
	General	Capital	Notes and	Lease		Capital	Water, Sewer	Notes and	State		Lease	Total	Total Outstanding Debt	Percent of Personal Income	Per Capita	Personal Income	Population
	Obligation	Revenue	Financed	Purchases	Liabilities*	Revenue	& Stormwater	Financed	Revolving	Fund Loans							
2022	\$ 8,920,015	\$ -	\$ 29,044,305	\$ 764,803	\$ 38,729,123	\$ -	\$ 26,396,496	\$ 17,324,000	\$ 74,108,566	\$ 280,217	\$ 118,109,279	\$ 156,838,402	3.41 %	2,020	53,559	77,633	
2021	10,030,182	-	28,140,955	-	38,171,137	-	29,588,456	20,292,000	74,619,910	-	124,500,366	162,671,503	2.90	2,195	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	46,038,508	-	107,644,121	150,880,124	2.85	2,240	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	

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, 2020,2021 and 2022. 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.

* GASB Statement No. 87, *Leases*, was implemented in fiscal year 2022 and applied prospectively.

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		
2022	\$ 8,920,015	\$ 539,757	\$ 8,380,258	0.13%	\$ 108
2021	10,030,182	502,512	9,527,670	0.16%	129
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

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

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.....	\$ -	14.6225%	\$ -
Other debt:			
District School Board of Volusia County, Florida:			
State school bonds.....	45,000	14.6225	6,580
Sales tax revenue bonds.....	25,270,000	14.6225	3,695,106
Certificates of participation.....	273,070,000	14.6225	39,929,661
County of Volusia, Florida:			
Revenue bonds.....	53,640,000	14.6225	7,843,509
Notes payable.....	15,153,735	14.6225	2,215,855
Total overlapping debt.....			53,690,711
City direct debt.....			37,964,320
Total direct and overlapping debt.....			\$ 91,655,031

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Capital revenue bonds:										
Tax increment revenues.....	\$ 4,362,776	\$ 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
Less: operating expenses.....	782,656	407,517	304,869	391,517	662,523	695,998	870,030	754,600	683,815	639,645
Net revenue available for debt service	\$ 3,580,120	\$ 4,021,240	\$ 4,048,804	\$ 3,937,022	\$ 3,478,255	\$ 3,413,488	\$ 2,817,093	\$ 2,789,472	\$ 2,830,564	\$ 2,575,244
Debt service payments:										
Principal.....	\$ 2,035,000	\$ 1,875,000	\$ 1,510,000	\$ 1,465,000	\$ 1,425,000	\$ 1,380,000	\$ 1,340,000	\$ 1,300,000	\$ 1,255,000	\$ 1,230,000
Interest.....	472,835	377,257	1,001,428	1,047,931	1,091,281	1,133,356	1,174,156	1,213,756	1,258,356	1,295,756
Total debt service payments.....	\$ 2,507,835	\$ 2,252,257	\$ 2,511,428	\$ 2,512,931	\$ 2,516,281	\$ 2,513,356	\$ 2,514,156	\$ 2,513,756	\$ 2,513,356	\$ 2,525,756
Coverage (times).....	1.43	1.79	1.61	1.57	1.38	1.36	1.12	1.11	1.13	1.02
Water and sewer bonds:										
Charges for services and other.....	\$ 62,770,397	\$ 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
Less: operating expenses.....	37,936,581	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
Net revenue available for debt service.....	\$ 24,833,816	\$ 26,948,301	\$ 21,914,674	\$ 23,377,003	\$ 22,791,986	\$ 22,107,146	\$ 22,601,075	\$ 15,865,236	\$ 18,632,984	\$ 17,244,023
Debt service payments:										
Principal.....	\$ 2,865,000	\$ 2,695,000	\$ 2,525,000	\$ 2,460,000	\$ 4,240,000	\$ 4,075,000	\$ 3,920,000	\$ 3,805,000	\$ 3,530,000	\$ -
Interest.....	1,225,275	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
Total debt service payments.....	\$ 4,090,275	\$ 4,059,275	\$ 4,019,775	\$ 4,067,100	\$ 5,981,100	\$ 5,982,400	\$ 5,987,300	\$ 6,007,775	\$ 5,798,675	\$ 1,398,132
Coverage (times).....	6.07	6.64	5.45	5.75	3.81	3.70	3.77	2.64	3.21	12.33

Source: The City of Daytona Beach Finance Department.

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

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

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

Table 17

Fiscal Year Ended September 30,	Population ¹	Personal Income ²	Per Capita Personal Income ³	Median Household Income ⁴	Median HUD Rate ⁵	Area Unemployment Rate ⁶
2022	77,633	\$4,157,945,847	\$ 53,559	\$ 42,392	\$ 73,300	2.8 %
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

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.

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

Table 18

Employer ⁽¹⁾	September 30, 2022			September 30, 2013		
	Total Employees	Rank	Percent to Total City Employment	Total Employees	Rank	Percent to Total City Employment
⁽¹⁾ Volusia County School District.....	8,082	1	89.35 %	8,211	1	26.76
Advent Health Daytona Beach.....	7,675	2	84.85			
⁽¹⁾ Halifax Health.....	3,999	3	44.21	3,957	3	12.79
Walmart Associates.....	3,468	4	38.34			
⁽¹⁾ Volusia County, Florida.....	2,566	5	28.37	7,063	2	23.02
Embry-Riddle Aeronautical University.....	1,661	6	18.36	979	5	3.19
Daytona State College.....	1,464	7	16.19	1,797	4	5.86
Florida Hospital Healthcare Partner.....	1,409	8	15.58			
The City of Daytona Beach, Florida.....	944	9	10.44	808	6	2.63
SMA Healthcare	750	10	8.29			
Bethune Cookman University.....				600	7	1.96
International Speedway Corporation.....				400	10	1.30
Daytona Beach News Journal.....				400	8	1.30
Plaza Resort & Spa.....				400	9	1.30
Total.....	<u>32,018</u>		<u>353.99 %</u>	<u>24,615</u>		<u>80.11</u>
⁽²⁾ Estimated civilian labor force.....	<u>9,045</u>			<u>30,684</u>		

Sources: Volusia County Schools Demographics & Statistics
Volusia County Department of Economic Development.
Volusia County 2022 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 2022 estimate: US Bureau of Labor Statistics.
Source for 2013 estimate: 2013 CAFR

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

Table 19

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
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.....	15.7	16.8	16.8	16.8	15.0	13.0	14.5	13.5	13.0	8.0
Legal.....	10.0	10.0	10.0	10.0	10.0	10.0	9.0	8.0	8.0	8.0
Human resources.....	8.0	8.0	8.0	8.0	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.....	42.9	43.0	43.0	41.0	36.0	33.0	34.0	32.0	33.0	30.0
Redevelopment services.....	4.1	-	-	-	-	-	-	-	-	-
City clerk.....	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	5.0
Information technology.....	20.8	19.8	19.8	19.3	18.3	18.3	17.3	16.8	15.5	14.0
Finance.....	32.3	37.3	37.3	37.8	36.8	36.8	35.8	34.8	35.0	29.0
Police:										
Chief of Police.....	9.0	13.0	13.0	15.0	12.0	11.0	11.0	10.0	10.0	10.0
Operations.....	206.0	207.0	207.0	207.0	185.0	186.0	187.0	188.0	190.5	184.5
Support bureau.....	100.0	97.0	97.0	94.0	89.0	88.0	89.0	85.5	81.0	86.0
COPS Grant.....	-	-	-	-	10.0	10.0	10.0	10.0	-	-
Fire:										
Administration.....	15.0	12.0	12.0	12.0	10.0	9.0	9.0	9.0	9.0	9.0
Operations.....	99.0	101.0	101.0	101.0	99.0	100.0	100.0	97.0	97.0	97.0
Public works:										
Administration.....	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0
Engineering.....	25.5	26.5	26.5	26.5	24.5	23.5	19.8	16.8	18.0	18.0
Maintenance and other.....	81.0	88.5	88.5	90.5	91.5	89.0	89.5	89.5	84.0	84.0
Culture and recreation:										
Municipal Golf Course.....	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.2	3.2
Florida Tennis Center.....	5.1	3.6	3.6	3.6	3.5	3.5	3.5	3.5	3.5	3.5
Halifax Harbor.....	1.2	1.1	1.1	1.0	1.0	1.8	1.0	1.0	-	-
Cultural & Community Events.....	3.0	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	7.0	10.0	10.0	8.0	-	-
Recreation.....	48.0	30.5	30.5	29.5	33.0	28.5	28.5	25.5	49.3	40.3
Solid waste services.....	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	3.0	3.0
Water and wastewater services.....	183.0	168.0	168.0	168.0	162.0	152.3	153.6	151.7	151.5	151.5
Total.....	944.0	920.5	920.5	920.5	884.1	872.0	871.0	848.1	835.5	808.0

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Police:										
Physical arrests.....	6,320	7,214	7,697	9,183	8,762	8,475	7,924	8,087	8,472	8,959
Parking violations.....	336	181	422	539	792	636	541	510	718	1,038
Traffic violations.....	2,120	5,203	7,197	9,315	11,613	11,515	16,058	12,655	12,741	15,823
Fire:										
Emergency responses.....	20,689	20,789	18,081	18,410	21,838	22,055	21,443	21,042	19,459	18,516
Non-fire/EMS.....	14,161	16,085	15,686	15,100	17,388	18,406	16,446	16,083	15,696	13,303
*Inspections by engine companies.....	406	123	82	685	932	1,680	2,016	1,848	2,302	2,016
*Inspections by fire inspectors.....	528	603	660	1,015	993	987	1,012	982	803	1,286
Solid waste:										
Refuse collected (tons per day).....	217	207	208	211	209	223	201	171	162	159
Yard trash (tons per day).....	20	17	19	23	22	23	23	26	24	23
Recyclables collected (tons per day).....	5	5	5	5	6	5	5	5	5	5
Public works:										
Street construction (miles).....	1.5	-	0.5	-	1.2	-	0.9	-	0.7	-
**Street resurfacing (miles).....	25.0	4.3	-	1.5	2.2	5.2	3.2	1.5	0.5	-
Potholes repaired.....	100	158	1,722	1,248	1,017	830	931	788	871	550
Building development:										
Residential/single family permits issued.....	1,340	1,361	830	519	454	408	412	400	507	562
Commercial/multi-family permits issued.....	277	297	325	262	250	336	404	271	255	311
Miscellaneous permits issued.....	7,217	6,525	5,957	6,577	4,881	5,774	3,644	3,037	2,853	2,526
Water:										
New connections.....	1,001	1,069	692	419	402	180	188	186	167	96
Water main breaks.....	65	94	404	90	291	595	264	432	285	266
Average daily consumption (MGD).....	12.8	12.8	12.9	12.4	11.9	12.5	11.8	12.2	12.8	12.4
Peak daily consumption (MGD).....	13.5	13.8	16.8	16.3	12.6	15.2	13.7	14.2	14.2	13.9
Sewer:										
Average daily treatment (MGD).....	12.2	12.3	11.3	11.3	13.0	11.1	11.2	11.1	11.0	10.9
Utilities system:										
Number of customers.....	30,002	29,107	28,818	27,643	27,157	26,825	24,584	24,409	24,249	23,674

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General government:										
Area (square miles).....	68	68	68	68	68	68	68	68	68	68
Police:										
Stations.....	3	3	3	1	1	1	1	1	1	1
Patrol units (marked cars).....	182	305	186	166	166	170	163	153	149	149
Fire:										
Fire stations.....		7	7	7	7	7	7	7	7	7
Solid waste:										
Collection trucks.....	24	17	19	18	18	12	12	12	12	12
Public works:										
Paved streets (miles).....	242.2	305.0	305.5	305.0	305.0	302.9	302.9	302.9	302.9	301.5
Unpaved streets (miles).....	0.9	0.9	0.9	0.9	0.9	0.2	0.2	0.2	0.2	0.2
Streetlights.....	6,200	8,373	8,373	8,373	8,367	8,324	8,324	8,303	8,282	8,282
Traffic signals.....	148	140	145	136	136	136	136	136	135	135
Parks and recreation:										
Area (acres).....	858	858	858	858	858	858	858	858	858	858
Swimming pools.....	3	2	2	2	2	2	2	2	2	2
Tennis courts.....	16	38	38	38	38	36	36	36	36	36
Playgrounds.....	14	24	24	24	24	23	24	24	24	24
Recreation (community) centers.....	6	19	19	19	19	19	19	19	19	19
Shuffleboard/lawn bowling courts.....	0	4	4	4	4	5	5	5	5	5
Auditorium/Bandshell.....	1	4	4	4	4	4	4	4	4	4
Soccer/football fields.....	3	7	7	7	7	7	7	7	7	7
Baseball/softball diamonds.....	7	13	13	13	13	13	13	13	13	13
Basketball courts.....	21	26	26	26	26	26	26	26	26	22
18 hole golf courses.....	1	2	2	2	2	2	2	2	2	2
Marina boat slips.....	550	550	550	550	550	550	550	550	550	550
Boat ramps.....	8	18	18	18	18	18	18	18	18	18
Parks and picnic areas.....	32	38	38	38	38	38	38	38	38	38
Water:										
Water mains (miles).....	510	504	496	498	587	700	700	700	700	700
Fire hydrants.....	3309	3,232	2,666	2,529	3,018	2,897	2,884	2,866	2,840	2,450
Production capacity (MGD).....	24	24	24	24	24	24	24	24	24	24
Sewer:										
Sanitary sewers (miles).....	429	297	294	402	396	615	615	615	615	615
Storm sewers (miles).....	130	127	125	124	113	203	203	203	203	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, 2022

Table 22

	Number of Participants Included
Current retirees:	
Under age 65.....	61
Over age 65.....	79
Total current retirees.....	140
Active employees:	
Active employees not yet fully eligible for benefits.....	770
Active employees fully eligible for benefits.....	84
Total active employees.....	854
Total number of participants.....	994
Average age of active employees.....	44.5

Age and service distribution for active employees:

	Years of Service									
		0	5	10	15	20	25	30		Total Number of Active Employees
	Age	to 4	to 9	to 14	to 19	to 24	to 29	to 34		
Under 25	36	-	-	-	-	-	-	-	36	
25-29	73	20	-	-	-	-	-	-	93	
30-34	60	30	8	1	-	-	-	-	99	
35-39	37	23	22	11	-	-	-	-	93	
40-44	35	18	17	24	13	-	-	-	107	
45-49	32	16	11	17	15	-	-	-	91	
50-54	53	13	9	16	10	9	1	-	111	
55-59	38	19	6	15	10	11	9	-	108	
60-64	20	19	8	10	12	6	5	3	83	
65+	9	8	4	5	4	1	2	-	33	
Total	393	166	85	99	64	27	17	3	854	

Based on November 9, 2022 OPEB actuarial valuation report.



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Compliance Section



The City of Daytona Beach, Florida
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended September 30, 2022

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	\$ 7,352	\$ -
Community Development Block Grants	14.218	B-20-MC-12-0004	24,575	-
Community Development Block Grants	14.218	B-21-MC-12-0004	371,265	26,211
<i>Total CDBG - Entitlement Grants Cluster</i>			403,192	26,211
HOME Investment Partnerships Program	14.239	M-18-MC-12-0203	68,050	-
HOME Investment Partnerships Program	14.239	M-21-MC-12-0203	28,490	-
<i>Total HOME Investment Partnerships Program</i>			96,540	-
Total US Department of Housing and Urban Development			499,732	26,211
US Department of Justice				
Direct Programs:				
Bulletproof Vest Partnership Program	16.607	BV 2018-2021	22,296	-
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-0429	35,936	-
Edward Byrne Memorial Justice Assistance Grant Program:				
Justice Assistance Grant Program	16.738	2019-DJ-BX-0812	2,833	-
Justice Assistance Grant Program	16.738	2020-DJ-BX-0159	21,165	-
Justice Assistance Grant Program	16.738	15PBJA-21-GG-01371-JAGX	53,092	-
<i>Total Edward Byrne Memorial Justice Assistance Grant Program</i>			77,090	-
Equitable Sharing Program	16.922	n/a	22,316	-
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-2021-City of Daytona Beach Pol-00637	55,279	-
Total US Department of Justice			212,917	-
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 - Derbyshire Sidewalks	20.205	443236-1-58/68-1	532,776	-
Highway Planning and Construction - Fremont Ave	20.205	439971-2-58/68-01	6,563	-
Highway Planning and Construction - Beville Road Trail	20.205	439037-1-58/68-01	784,837	-
Highway Planning and Construction - Safe Routes to Schools	20.205	443394-1-38-01	62,883	-
<i>Total Highway Planning and Construction Cluster</i>			1,387,059	-
Total US Department of Transportation			1,387,059	-

The City of Daytona Beach, Florida
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended September 30, 2022

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	111-2020	11,813,622	-
Total US Department of the Treasury			11,813,622	-
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-U5-06-74-01-142	(67,358)	-
Disaster Grants - Public Assistance (Hurricane Irma)	97.036	17-PA-00-06-74-01-110	184,631	-
Disaster Grants - Public Assistance (Hurricane Dorian)	97.036	19-PA-00-06-74-01-152	89,695	-
Total US Department of Homeland Security			206,968	-
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:				
WRWRF Biosolids Dewatering Improvements	66.458	WW640980/CS-12000118-0	639,907	-
Total Clean Water State Revolving Funds Cluster			639,907	-
Drinking Water State Revolving Funds Cluster				
<i>Passed through Florida Department of Environmental Protection:</i>				
Capitalization Grants for Drinking Water State Revolving Funds:				
Heineman Water Tank	66.468	DW640990/FS-98452220-0	15,104	-
Total Drinking Water State Revolving Funds Cluster			15,104	-
Total US Environmental Protection Agency			655,011	-
Total Expenditures of Federal Awards			\$ 14,775,309	\$ 26,211

The City of Daytona Beach, Florida
Notes to the Schedule of Expenditures of Federal Awards
September 30, 2022

A. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Daytona Beach, Florida, under programs of the federal government for the year ended September 30, 2022. 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). 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 \$26,211 for the fiscal year ended September 30, 2022.

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, 2022.



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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, 2022, 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 29, 2023. 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.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing our opinions 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on 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, Rigg & Ingram, L.L.C.

Melbourne, Florida
June 29, 2023



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Daytona Beach, Florida's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Daytona Beach, Florida's major federal programs for the year ended September 30, 2022. The City of Daytona Beach, Florida's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Daytona Beach, Florida complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirement referred to above and for the design, implementation, and maintenance of effective internal control or grant agreements applicable to the City of Daytona Beach, Florida's federal programs.

Auditors' Responsibility for the Audit Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Other Matters

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 for the year ended September 30, 2022.

Report on Internal Control over Compliance

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

internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies 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. Accordingly, this report is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida
June 29, 2023

**The City of Daytona Beach, Florida
Schedule of Findings and Questioned Costs
Fiscal Year Ended September 30, 2022**

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

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? ___ yes X none noted

Identification of major federal programs and state programs:

<u>Federal ALN</u>	<u>Federal Program or Cluster</u>
20.025	Highway Planning and Construction Cluster
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds

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, 2022**

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- Prior Findings and Questioned Costs for Federal Awards

No Prior Year Findings



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Independent Auditors’ Management Letter

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

Report on the Financial Statements

We have audited the financial statements of the City of Daytona Beach, Florida (the “City”) as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated June 29, 2023.

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 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 29, 2023, 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 2021-001	Review of Reports Over Operations of Halifax Harbor Marina	Resolved
2019-002	Unexpended Balance – Building Permits	Repeated

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:

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, 2022 exceeded the City's average operating budget for enforcing the Florida Building Code for the previous four (4) fiscal years by \$10,977,338.

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, 2022.

Recommendation: We recommend the City complete the action items presented to the Joint Legislative Audit Committee to reduce the unexpended building code balances in order to comply with Section 553.80(7) of the Florida Statutes.

Management's Response: *Management acknowledges the comment. Projects are underway as stated on the April 5, 2023 Spending Plan.*

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.

Specific Information (UNAUDITED)

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Downtown Development Authority reported the schedule below. This information has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Downtown Development Authority reported:

- | | |
|--|-----------------|
| a. The total number of District employees compensated in the last pay period of the District's fiscal year as | 0 |
| b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year as | 2 |
| c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency | \$0 |
| d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency | \$19,806 |
| e. Each construction project with a total cost of at least \$65,000 approved by the District that is scheduled to begin after October 1 of the fiscal year being reported, together with the total expenditures for such projects. | None |

- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final adopted budget under Section 189.016(6), Florida Statutes:

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
OPERATING REVENUES:				
Taxes	\$ 173,662	\$ 173,662	\$ 177,232	\$ 3,570
Operating grants and contributions	101,059	101,295	101,295	-
Income on investments	16	16	238	222
Miscellaneous	35,000	35,000	6,255	(28,745)
Appropriation	-	53,121	-	(53,121)
Total operating revenues	309,737	363,094	285,020	(78,074)
OPERATING EXPENSES:				
Current operating:				
Downtown development	309,737	363,094	297,742	65,352
Total operating expenses	309,737	363,094	297,742	65,352
Change in net position	-	-	(12,722)	(12,722)
NET POSITION:				
Beginning	62,973	62,973	62,973	-
Ending	\$ 62,973	\$ 62,973	\$ 50,251	\$ (12,722)

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the Downtown Development Authority reported:

- The millage rate or rates imposed by the District. **1.0 mils**
- The total amount of ad valorem taxes collected by or on behalf of the District. **\$177,232**
- The total amount of outstanding bonds issued by the District and the terms of such bonds as: **None**

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the Downtown Development Authority reported:

- The rate or rates of non-ad valorem special assessments imposed by the District as **None**
- The total amount of special assessments collected by or on behalf of the District as **None**
- The total amount of outstanding bonds issued by the District and the terms of such bonds as **None**

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 29, 2023



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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, 2022. 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

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, 2022.

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 29, 2023

