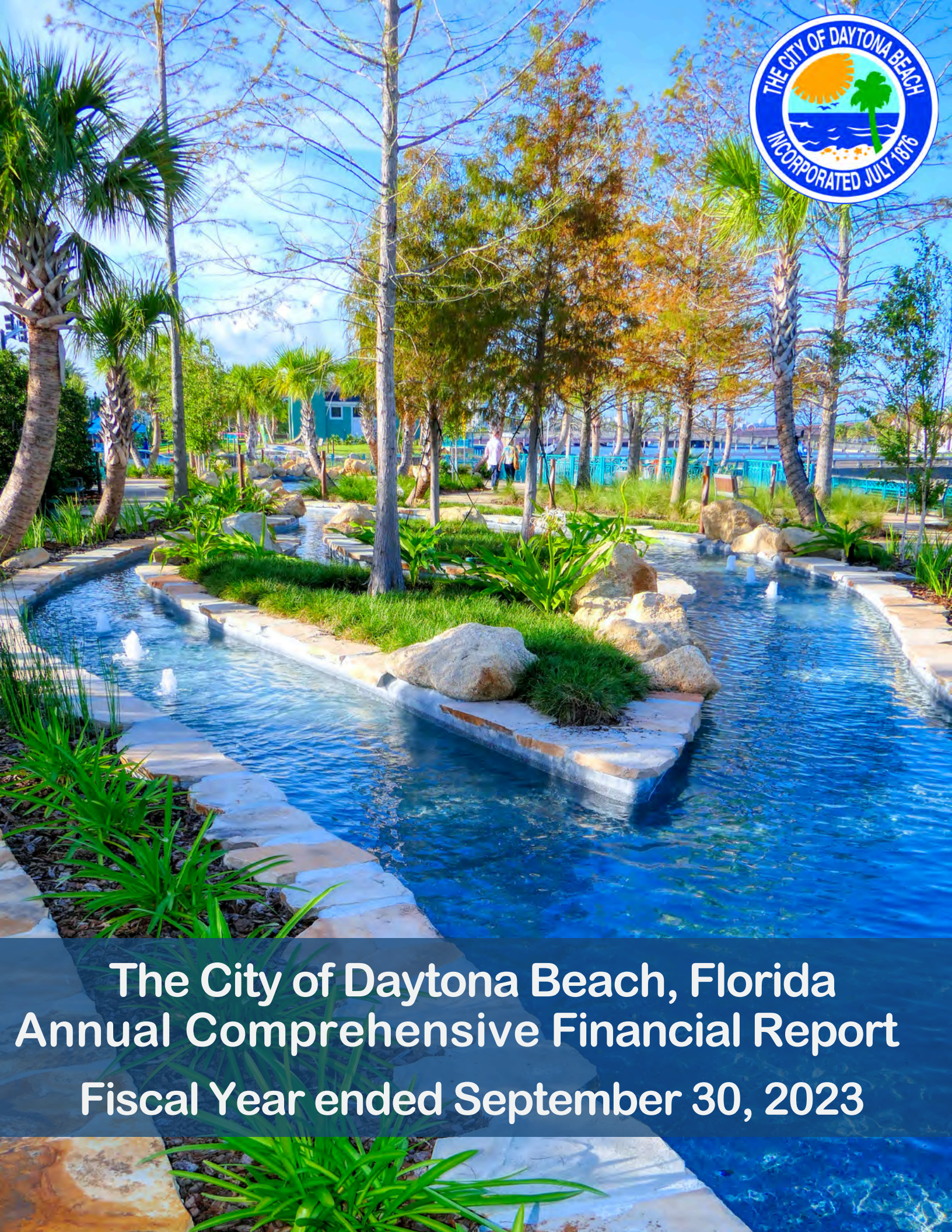


The City of Daytona Beach, Florida
Annual Comprehensive Financial Report
Fiscal Year ended September 30, 2023

City of Daytona Beach, Florida

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the year ended September 30, 2023

Prepared by: The Finance Department

Introduction Section

City of Daytona Beach, Florida
Table of Contents
September 30, 2023

Introductory Section **Page**

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

Financial Section

Independent Auditor's 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 45
  - Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds 46
  - Statement of Cash Flows – Proprietary Funds 47
  - Statement of Fiduciary Net Position – Fiduciary Funds 49
  - Statement of Changes in Fiduciary Net Position – Fiduciary Funds 50
- Notes to the Financial Statements 51

Required Supplementary Information:
- Schedule of the City's Proportionate Share of the Net Pension Liability – Florida Retirement System and Health Insurance Subsidy Program 119
- Schedule of City Contributions – Florida Retirement System and Health Insurance Subsidy Program 120
- Schedule of Changes in the City's Net Pension Liability and Related Ratios – Police and Fire Pension Trust Fund 121
- Schedule of City Contributions – Police and Fire Pension Trust Fund 122
- Schedule of Changes in the City's Total Other Post-Employment Benefit Liability and Related Ratios 123

Financial Section (Continued) **Page**

Combining and Individual Fund Statements and Schedules:
- Combining Balance Sheet – Nonmajor Governmental Funds 127
- Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds 132
- Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:
  - Community Development Special Revenue Fund 137
  - Local Housing Assistance Special Revenue Fund 138
  - Law Enforcement Trust Special Revenue Fund 139
  - Federal Shared Property Forfeitures Special Revenue Fund 140
  - Transportation 5-Cent Gas Tax Special Revenue Fund 141
  - Permit and License Special Revenue Fund 142
  - Road Impact Fees Special Revenue Fund 143
  - Recreation/Parks/Culture Impact Fees Special Revenue Fund 144
  - Fire/EMS Impact Fees Special Revenue Fund 145
  - Police Impact Fees Special Revenue Fund 146
  - General Government Impact Fees Special Revenue Fund 147
  - Grants Special Revenue Fund 148
  - Emergency Management Grants Special Revenue Fund 149
  - COVID Local Fiscal Recover Special Revenue Fund 150
  - General Obligation Refunding Bonds Debt Service Fund 151
  - Capital Improvement Revenue Notes Debt Service Fund 152
  - Capital Financing Debt Service Fund 153
- Combining Statement of Net Position – Nonmajor Enterprise Funds 156
- Combining Statement of Revenues, Expenses, and Changes in Net Position – Nonmajor Enterprise Funds 157
- Combining Statement of Cash Flows – Nonmajor Enterprise Funds 158
- Combining Statement of Net Position – Internal Service Funds 162
- Combining Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Funds 164
- Combining Statement of Cash Flows – Internal Service Funds 166
- Combining Statement of Net Position – Discretely Presented Component Units 172
- Combining Statement of Activities – Discretely Presented Component Units 173
- Combining Schedule of Deposits and Withdrawals – Redevelopment Trust Funds 174

City of Daytona Beach, Florida
Table of Contents
September 30, 2023

Statistical Section **Page**

Summary of Statistical Tables 175
Table 1 - Net Position by Component 177
Table 2 - Changes in Net Position 178
Table 3 - Fund Balances of Governmental Funds 180
Table 4 - Changes in Fund Balances of Governmental Funds 181
Table 5 - Assessed Value and Estimated Actual Value of Taxable Property 182
Table 6 - Property Tax Rates – Direct and Overlapping Governments 183
Table 7 - Principal Property Taxpayers 184
Table 8 - Property Tax Levies and Collections 185
Table 9 - Water Produced and Consumed and Wastewater Treated 186
Table 10 - Water and Sewer Rates 187
Table 11 - Ten Largest Water and Sewer Customers 188
Table 12 - Ratios of Outstanding Debt by Type 189
Table 13 - Ratios of General Bonded Debt Outstanding 190
Table 14 - Governmental Activities Debt – Direct and Overlapping 191
Table 15 - Legal Debt Margin 192
Table 16 - Pledged Revenue Coverage 193
Table 17 - Demographic and Economic Statistics 194
Table 18 - Principal Employers 195
Table 19 - Full-Time Equivalent City Government Employees by Function/Program 196
Table 20 - Operating Indicators by Function 197
Table 21 - Capital Asset Statistics by Function/Program 198
Table 22 - Other Post-Employment Benefits (OPEB) Schedule of Statistical Information 199

Compliance Section

Schedule of Expenditures of Federal Awards and State Financial Assistance 201
Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance 203
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* 205
Independent Auditor's 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 207
Schedule of Findings and Questioned Costs 210
Independent Auditor's Management Letter 217
Independent Accountant's Report on Compliance with Local Government Investment Policies 223

Corrective Action Plan



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June 28, 2024

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, 2023. 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, 2023. 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 more than 80,000 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, which consists 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 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 an 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 that 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 included in this report because the City's accountability does not extend beyond making appointments to its board. The City cannot impose its will on the Daytona Beach Housing Authority, nor does the City derive any financial benefit or burden from the relationship.

The Volusia County school system provides education and schools, and the Volusia County government provides ambulance, judicial, airport, library, and health services. The Volusia County school system and government are independent taxing authorities, and their financial data is not included in this report's financial statements.

Factors Affecting Financial Condition

Local economy. There is a continued interest in new housing opportunities within the city, which started before, during, and after the COVID-19 pandemic shutdown. Daytona Beach has gained more residents than any other Volusia County municipality and increased its population by 15.2% from 71,586 in 2020 to 82,485 in 2023, according to the 2023 Census. U.S. News recognized Daytona Beach as #49 in Best Places to Live in USA, #7 in Best Places to Live in Florida, #7 in Best Places to Retire, #8 in Fastest-Growing Places, #9 in Safest Places to Live. According to U.S. News," life in Daytona Beach is balanced by museums, theaters, performing arts centers, antique markets, restaurants, malls and colleges that combine to make Daytona Beach one of Florida's most well-rounded metro areas". In recent years, more than 10,000 single-family residential and apartment rental units have been recently completed or are 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 also actively pursued workforce housing prospects and have taken local legislative action to incentivize developers to address the area's affordable housing quandary.

The City's growth generates the entire Volusia County's growth, which means making smart planning choices now is more important than ever before. The City's financial picture 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 City continues its commitment to economic development. There is a focus on economic stability and business opportunity. The team works 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, live entertainment venues, 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, drawing more than 10 million tourists annually for family vacations and 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., one of the largest insurance companies 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 is 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 and 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.

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 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 Florida's local governments. The last legislative session included proposed changes that continue the erosion of home-rule capabilities and are an area of uncertainty and vulnerability for municipal governments throughout the state.

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 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 an unassigned fund balance on the General Fund Balance Sheet. On September 30, 2023, the General Fund unassigned fund balance is $22.2 million which is 19.4 percent of fiscal year 2023-24 budgeted operating expenditures of $114.3 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 2023 was another successful year for prioritizing citizen engagement, improving public spaces, 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.
- 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 hurricane assistance to affected homeowners and renters, roof replacement grants, and waiving permit and inspection fees in the city's core area.
- Introduced performance-rating kiosks in city hall to measure customer satisfaction by inviting residents to give feedback about their experience, based on a simple smiley-face and color-coded system.
- 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.
- Restructured redevelopment grants to help small businesses recover and succeed.
- Donated nearly $1.2 million to community organizations and youth sports.
- Completed a three-year project to improve amenities and functionality of the John H. Dickerson Center, James Huger Park and Campbell Aquatic Center, creating the Dickerson Recreation Complex. Improvements included new playground equipment, an outdoor basketball court, reconfiguration and additional parking, connecting sidewalks, improved exterior lighting, new exterior paint and upgraded landscaping.
- Continued city-wide resurfacing and ADA sidewalks improvements.
- Opened a police substation in the busy entertainment area near Seabreeze Boulevard. Began the project to add more security cameras and better lighting in the corridor.

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 2024 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 improving the features and amenities of various parks and recreation facilities. Complete new playground at Bethune Point park, new playground equipment at Cherry Center, Daisy Stocking park renovation and improvement, and Seabreeze boat ramp upgrades.
- 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 but privately managed Riverfront Esplanade that parallels Beach Street.
- Continue Beach Street Phase II Roadway construction.
- 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. Building a five-million-gallon water storage tank to provide an emergency water supply during peak demand periods.
- Start construction of Fire Station No. 1 replacement.
- Complete Parks and Recreation Master Plan.
- 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 that 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 2022-23,

no new agreements were created and no previously adopted agreements became eligible for the program. The City abated 2022 real estate and tangible property taxes to six businesses at three locations totaling $385,129.

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, 2022. This was the 51st 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 acknowledgment 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 supporting sound fiscal management practices with an emphasis on long-term financial stability and sustainability.

Respectfully submitted,

Deric C. Feacher
City Manager

Natalia Eckroth
Chief Financial Officer

Christine Aiken
Assistant Finance Director



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Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

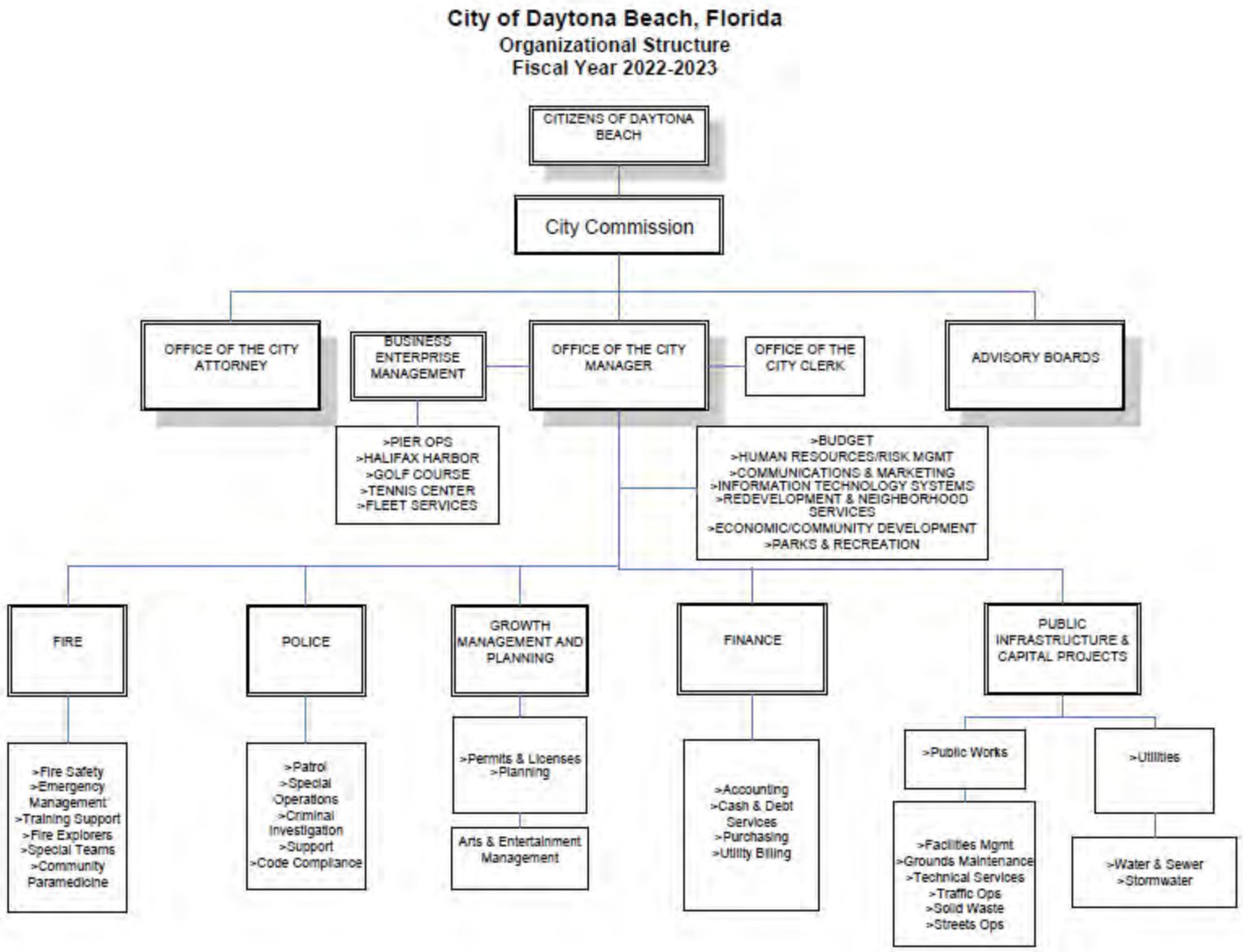
City of Daytona Beach
Florida

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morrill

Executive Director/CEO


City of Daytona Beach, Florida
Organizational Structure
Fiscal Year 2022-2023
CITIZENS OF DAYTONA BEACH
City Commission
OFFICE OF THE CITY ATTORNEY
BUSINESS ENTERPRISE MANAGEMENT
OFFICE OF THE CITY MANAGER
OFFICE OF THE CITY CLERK
ADVISORY BOARDS
>PIER OPS
>HALIFAX HARBOR
>GOLF COURSE
>TENNIS CENTER
>FLEET SERVICES
>BUDGET
>HUMAN RESOURCES/RISK MGMT
>COMMUNICATIONS & MARKETING
>INFORMATION TECHNOLOGY SYSTEMS
>REDEVELOPMENT & NEIGHBORHOOD SERVICES
>ECONOMIC/COMMUNITY DEVELOPMENT
>PARKS & RECREATION
FIRE
POLICE
GROWTH MANAGEMENT AND PLANNING
FINANCE
PUBLIC INFRASTRUCTURE & CAPITAL PROJECTS
>Fire Safety
>Emergency Management
>Training Support
>Fire Explorers
>Special Teams
>Community Paramedicine
>Patrol
>Special Operations
>Criminal Investigation
>Support
>Code Compliance
>Permits & Licenses
>Planning
Arts & Entertainment Management
>Accounting
>Cash & Debt Services
>Purchasing
>Utility Billing
>Public Works
>Utilities
>Facilities Mgmt
>Grounds Maintenance
>Technical Services
>Traffic Ops
>Solid Waste
>Streets Ops
>Water & Sewer
>Stormwater

City of Daytona Beach, Florida
Mayor, City Commissioners and City Officials
September 30, 2023

MAYOR AND COMMISSIONERS



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

CITY MANAGER
Deric C. Feacher

CHIEF FINANCIAL OFFICER
Natalia Eckroth

CITY ATTORNEY
Benjamin Gross

CITY CLERK
Letitia LaMagna



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Financial Section

CRI CARR RIGGS & INGRAM
CPAs and Advisors

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INDEPENDENT AUDITOR'S 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, 2023, 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, 2023, 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 85%, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As described in Note 2 to the financial statements, in fiscal year 2023, the City adopted new accounting guidance, GASB Statement No. 96 *Subscription-Based Information Technology Arrangements*. Additionally, fund balance as of September 30, 2022 has been restated to adjust prior year-end balances related to unavailable revenues in non-major governmental funds. Our opinion is not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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's basic financial statements. The 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 auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2024, 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 28, 2024

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, 2023. 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 2022-23 by $289.4 million (*net position*). Because the City has non-asset related debt and due to the impact of the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other than Pensions*, the unrestricted net position reflects a deficit of $15.8 million.

- For FY 2022-23, the City's total net position increased by $25.9 million, or 13.2 percent when compared to last fiscal year's net position. The governmental activities net position increased by $5.1 million. The business-type activities net position increased by $20.8 million.

- At the close of the fiscal year ended 09/30/2023, the City's governmental funds reported combined fund balances of $114.1 million, a decrease of $0.1 million after restatement from the prior fiscal year. Approximately $15.0 million of the governmental fund balance is available for spending at the City's discretion *(unassigned fund balance)*.

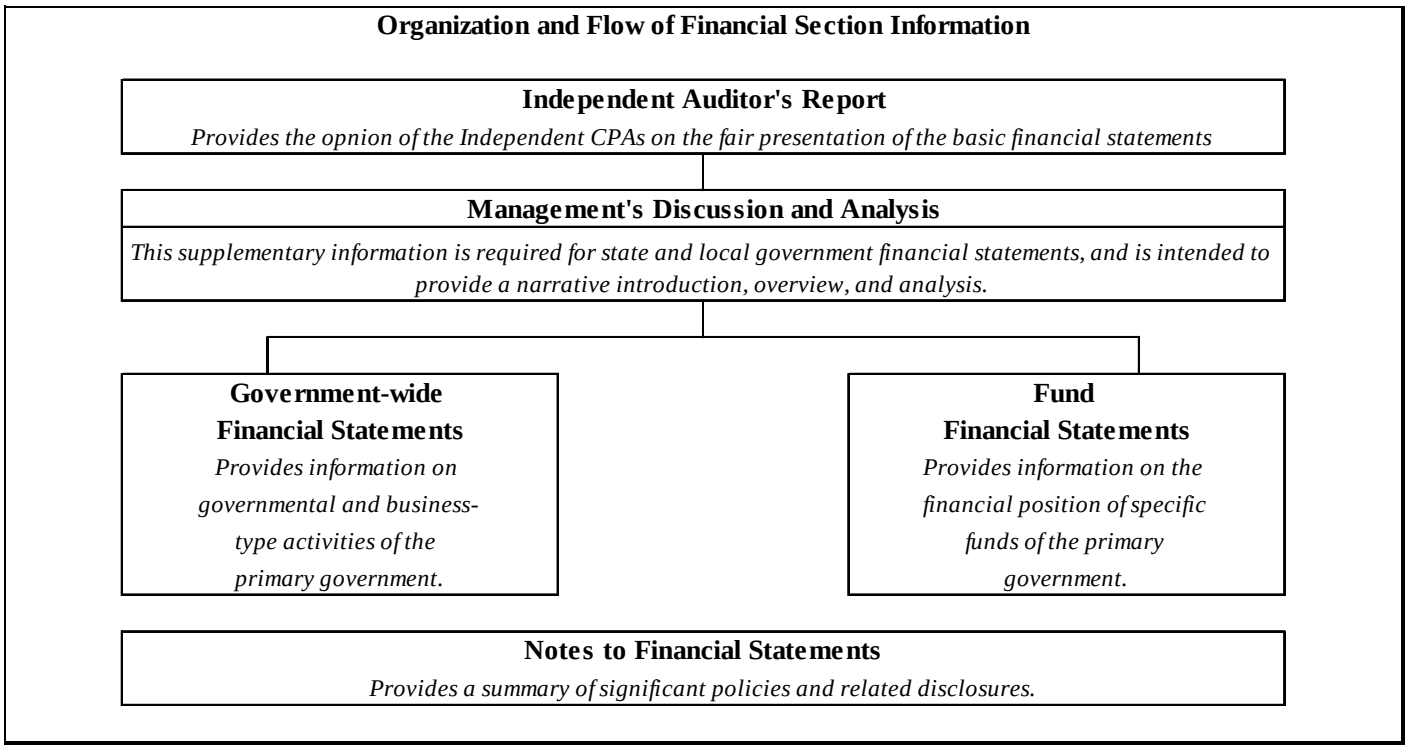
- At the end of FY 2022-23, the General Fund's unrestricted fund balance (the total of *committed, assigned, and unassigned* components of *fund balance*) was $44.2 million.

- In compliance with the City's Fiscal Integrity Principles Ordinance, segregated budgetary cash reserves (*unassigned fund balance*) in the General Fund on September 30, 2023, is 19.4 percent of the future year's (FY 2023-24) 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 2022-23 budget appropriation designated for capital renewal and replacement equal to 8 percent of the preceding fiscal year's revenues, which is the minimum amount required.

- The City's total outstanding long-term debt from bonds, loans and notes decreased by $3.8 million for FY2022-23 over FY2021-22. Governmental activities debt decreased $5.6 million, net of $2.1 million in new bank loan, leases, and subscriptions less principal retirement of $5.5 million. Business-type activities debt increased $3.5 million which is net of principal retirement of $35.6 million and new borrowing of $33.5 million, which include the refunding of the water and sewer bond, series 2012 into a capital improvement revenue note, series 2023, and for new utility projects, leases and subscriptions.

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 *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 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 45 – 48 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 held in trust that were seized by police officials and held in evidence 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 49 and 50 of this report.

Notes to the Financial Statements. The notes to the financial statements 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 51 – 117 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 119-123 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 budgetary comparison schedules can be found on pages 127 - 173 of this report.

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

As noted previously, net position over time may serve as a useful indicator of a government's financial position, 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 FY2023. The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of FY 2022-23 by $289.4 million, which is an increase of $25.9 million or 9.8 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 ($168.7 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 18.4% or $47.3 million for a balance at year-end of $609.3 million in total assets. This increase was primarily due to a combination of activities that took place in FY2023 which included: an increase in cash and cash equivalents of $13.5 million relating to an uptick in income on investments, charges for services and unspent loan proceeds at the end of the fiscal year, an increase in capital assets (less accumulated depreciation) of $32.4 million over the previous fiscal year.

Liabilities – Total government-wide liabilities increased by $14.8 million. This change is primarily attributable to increases in net pension liability, and deferred outflows amount for pensions.

Net Position – As noted previously, net position may serve as a useful indicator of a government's financial position over time. Approximately 58.3% 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 and right-to-use subscriptions), 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 $289.4 million. Total net position increased $25.9 million from last year. Net position of the City's governmental activities increased by $5.1 million and totaled $111.4 million at the end of the fiscal year. Of this amount, approximately 87.8% 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 $20.8 million, for a total of $178.0 million compared to $157.3 million in FY2021-22, primarily due to activities in the Water and Sewer System Fund.

The City implemented GASB Statement No. 96, *Subscription Based Information Technology Agreements* (SBITA), effective for the City's fiscal year beginning October 1, 2022 (see Note 2).

The following is a summary of net position for the years ended September 30, 2023, and 2022:

The City of Daytona Beach, Florida
Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Current and other assets	$140,646,857	$139,190,795	$139,297,423	$125,865,217	$279,944,280	$265,056,012
Capital assets	130,234,007	118,037,676	199,127,002	178,952,138	329,361,009	296,989,814
Total assets	270,880,864	257,228,471	338,424,425	304,817,355	609,305,289	562,045,826
Total deferred outflows of resources	34,472,493	39,633,088	4,407,626	4,814,599	38,880,119	44,447,687
Current liabilities	24,680,662	22,741,548	32,022,021	27,317,009	56,702,683	50,058,557
Long-term liabilities	167,285,128	165,645,220	128,623,576	122,140,708	295,908,704	287,785,928
Total liabilities	191,965,790	188,386,768	160,645,597	149,457,717	352,611,387	337,844,485
Total deferred inflows of resources	1,990,075	2,227,181	4,145,610	2,893,839	6,135,685	5,121,020
Net position:						
Net investment in capital assets	97,806,426	87,826,794	70,880,694	60,387,438	168,687,120	148,214,232
Restricted	70,023,679	63,432,615	66,552,114	59,666,199	136,575,793	123,098,814
Unrestricted (deficit)	(56,432,613)	(45,011,799)	40,608,036	37,226,761	(15,824,577)	(7,785,038)
Total net position	$111,397,492	$106,247,610	$178,040,844	$157,280,398	$289,438,336	$263,528,008

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 FY2023, the City's net position totaled $289.4 million, an increase of $25.9 million over the previous year. The City's total revenues increased by $14.7 million over FY2022 to a total of $253.7 million, primarily due to increases in income on investments, which rose by $10.8 million, given favorable market conditions; charges for services, which increased by $10.5 million being mainly due to business-type charges for utilities, stormwater, and solid waste; and a $4.6 million increase in property taxes due to increased property values. The City experienced a significant decline in the operating and capital grants revenues, which decreased by $16.4 million, because of the American Rescue Plan Act (ARPA) funding received in the prior year.

Government-wide expenses increased by $29.1 million or 14.6 percent during the reporting period, primarily due to expenditures relating to general government, public safety, and economic environment, and expenses related to water sewer system and solid waste management. General government expenses increased by $13.0 million and is largely due to expenditures for recovery activities relating to Hurricanes Ian and Nicole; public safety expenditures increased by $5.1 million or 7.3 percent over the previous year and is attributable to regular operations and wage increase. Economic environment expenditures rose by $3.7 million over the last fiscal year due to spending related to a community relief grant implemented by the City to assist residents and businesses affected by Hurricanes Ian and Nicole, and to foster other community development projects. Business-type

expenses relating to utility and solid waste management increased by $3.9 million due capital improvement and maintenance expenses at several of the City's pump stations and water treatment plants.

The following is a comparison of major revenue and expense categories for the fiscal years ending September 30, 2023, and 2022:

The City of Daytona Beach, Florida
Changes in Net Position

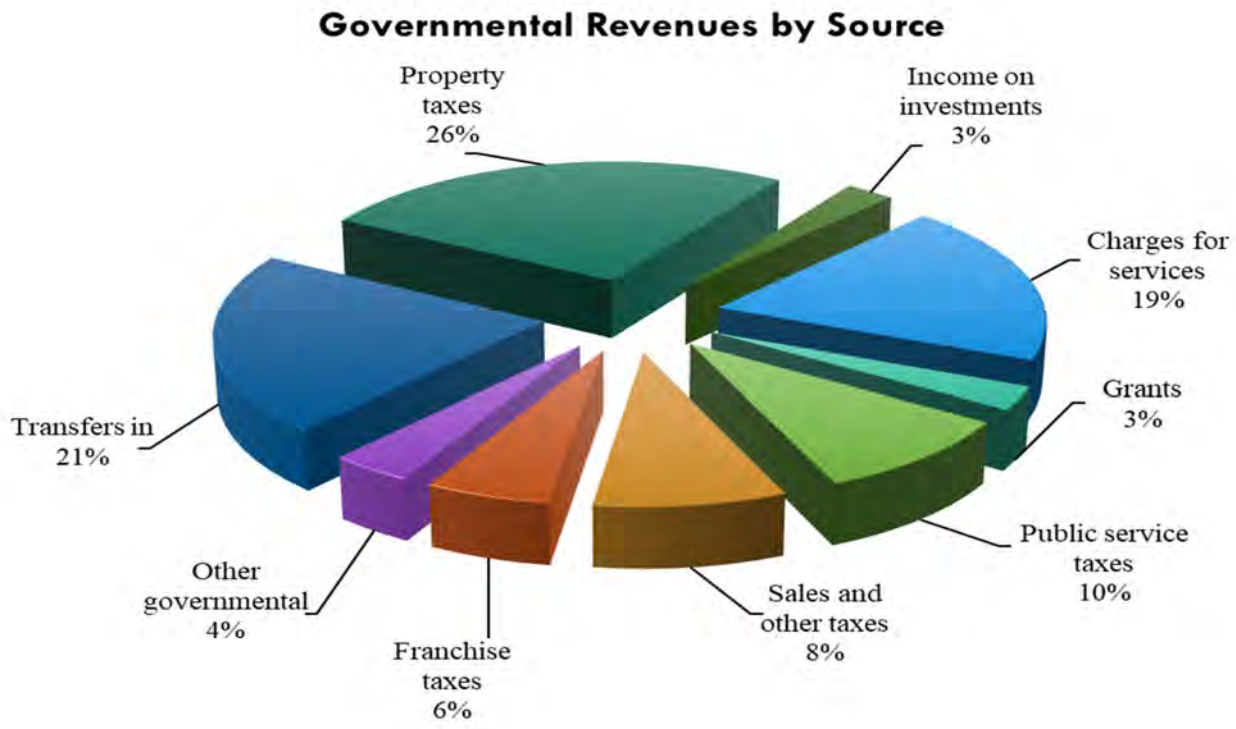
	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
REVENUES:						
Program revenues:						
Charges for services	$ 29,280,589	$ 31,934,702	$117,858,156	$104,665,976	$147,138,745	$136,600,678
Operating grants and contributions	3,937,336	15,316,655	-	-	3,937,336	15,316,655
Capital grants and contributions	313,484	1,726,787	7,852,817	11,443,782	8,166,301	13,170,569
General revenues:					-	-
Property taxes	39,661,044	34,999,413	-	-	39,661,044	34,999,413
Gas taxes	1,870,152	1,882,705	-	-	1,870,152	1,882,705
Public services taxes	14,568,751	12,995,813	-	-	14,568,751	12,995,813
Sales taxes	5,199,916	4,927,098	-	-	5,199,916	4,927,098
Franchise taxes	8,496,276	7,708,997	-	-	8,496,276	7,708,997
Tax increment taxes	4,570,838	4,067,092	-	-	4,570,838	4,067,092
Other taxes	1,393,607	1,134,302	-	-	1,393,607	1,134,302
Intergovernmental revenue not restricted to specific programs	5,628,782	5,484,349	-	-	5,628,782	5,484,349
Income on investments	4,014,122	(2,402,077)	5,115,231	694,102	9,129,353	(1,707,975)
Other general revenues	3,233,391	1,806,949	682,303	627,000	3,915,694	2,433,949
Total revenues	122,168,288	121,582,785	131,508,507	117,430,860	253,676,795	239,013,645
EXPENSES:						
General government	33,295,990	20,310,253	-	-	33,295,990	20,310,253
Public safety	74,740,759	69,639,548	-	-	74,740,759	69,639,548
Transportation	13,922,477	12,869,955	-	-	13,922,477	12,869,955
Economic environment	8,502,462	4,818,803	-	-	8,502,462	4,818,803
Human services	825,263	807,741	-	-	825,263	807,741
Culture and recreation	17,503,451	15,050,360	-	-	17,503,451	15,050,360
Interest and fiscal charges	884,471	1,053,303	-	-	884,471	1,053,303
Water and sewer system	-	-	53,795,476	50,782,056	53,795,476	50,782,056
Solid waste management	-	-	13,214,098	12,288,926	13,214,098	12,288,926
Stormwater improvement	-	-	6,454,682	6,253,307	6,454,682	6,253,307
Halifax Harbor Marina	-	-	3,602,829	3,492,935	3,602,829	3,492,935
Daytona Beach Pier	-	-	1,024,509	1,340,557	1,024,509	1,340,557
Total expenses	149,674,873	124,549,963	78,091,594	74,157,781	227,766,467	198,707,744
Excess (deficiency) before transfers	(27,506,585)	(2,967,178)	53,416,913	43,273,079	25,910,328	40,305,901
Net transfers - in (out)	32,656,467	24,712,567	(32,656,467)	(24,712,567)	-	-
Change in net position	5,149,882	21,745,389	20,760,446	18,560,512	25,910,328	40,305,901
NET POSITION:						
Net position - beginning	106,247,610	84,502,221	157,280,398	138,719,886	263,528,008	223,222,107
Net position - ending	$111,397,492	$106,247,610	$178,040,844	$157,280,398	$289,438,336	$263,528,008

Governmental Activities:

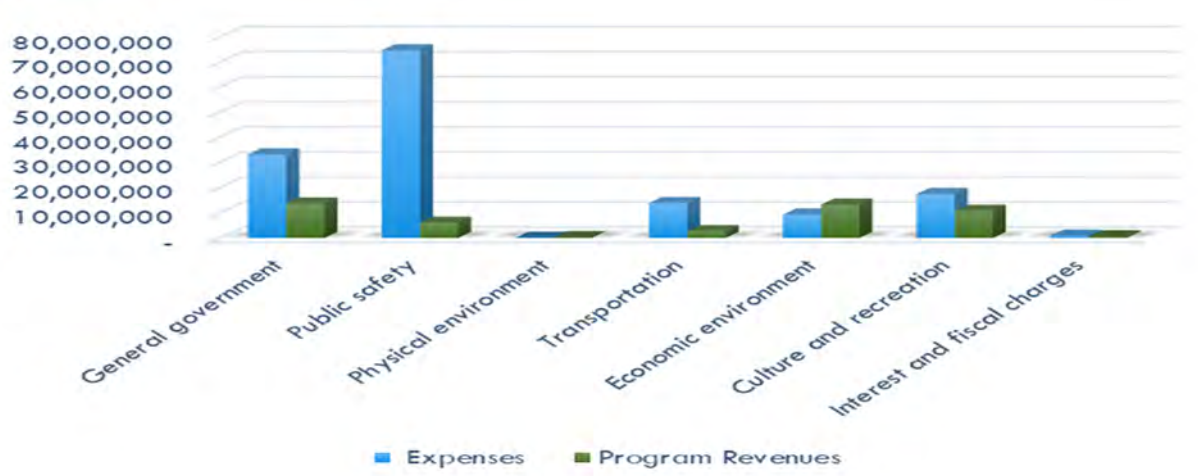
Revenues for the governmental activities increased marginally by $0.6 million, or 0.5 percent from the prior fiscal year. This increase is primarily attributable to increases in income on investment rose of $6.4 million because of positive changes in the market, property taxes rose by $4.7 million due to increased property values, and public services taxes rose by $1.6 million. On the contrary, this increase was largely depleted by reductions in operating and capital grants and contributions of $12.7 million, and charges for services of $2.7 million.

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 FY2023 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:



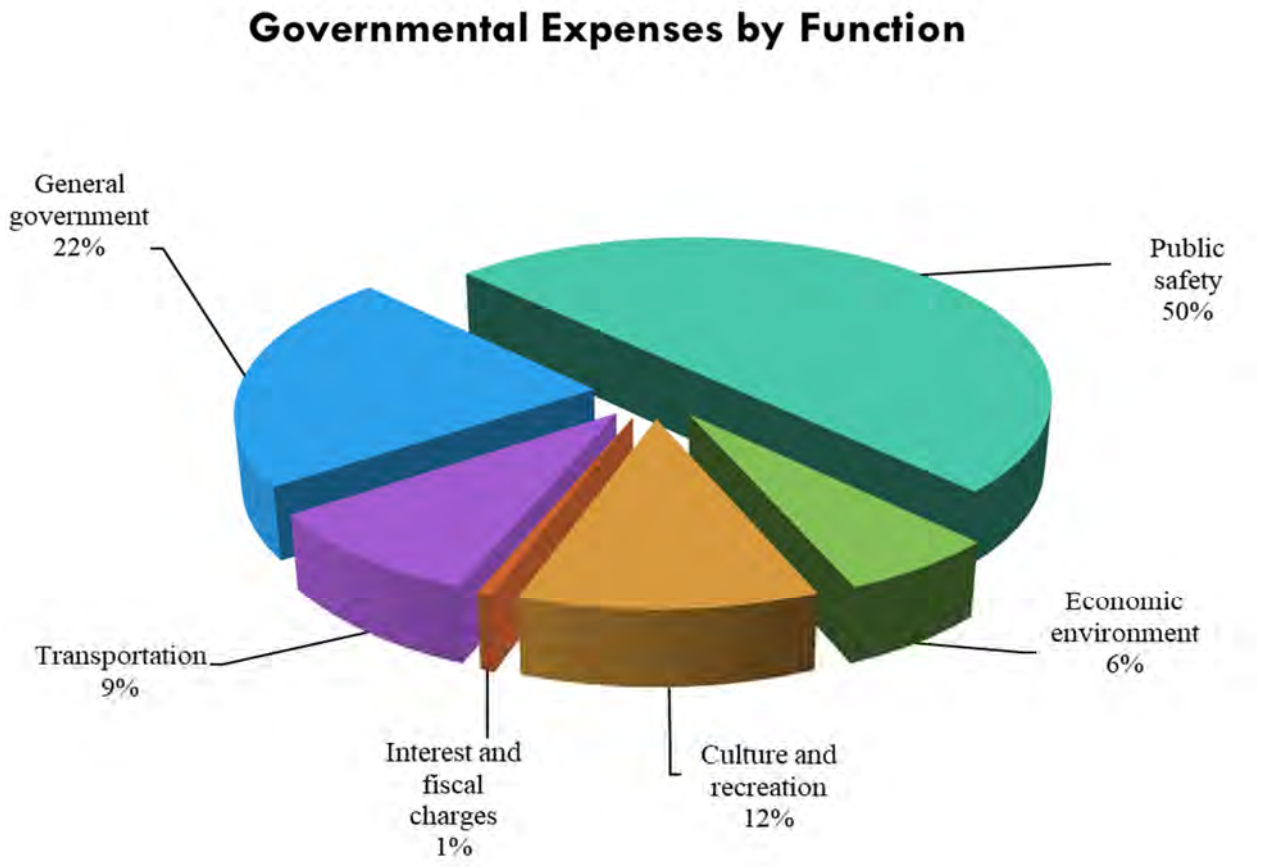
FY2022-23 Expenses and Program Revenues – Governmental Activities



The cost of all governmental activities expended this fiscal year totaled $149.7 million compared to $124.5 million last fiscal year, which denotes a $25.2 million increase. A major aspect of this increase is attributable to increased spending of $13.0 million related to general government expenditures, in part due to recovery activities related to the effects of Hurricanes Ian and Nicole, which passed through the Daytona Beach area in September and

November 2022, respectively. The City is expecting reimbursement from the Federal Emergency Management Agency (FEMA). Economic environment expenditures increased by $3.7 million and is mainly due to the City providing community relief grants to residents and businesses affected by Hurricanes Ian and Nicole. Public safety expenditures rose by $5.1 million and is due to regular operations, personnel wages and benefits increases. Similarly, all other functions of governmental activities showed increased spending, which is largely due to regular operations, personnel and benefit increases.

The following is a summary of the City's govermental activities expenses by function for FY2022-23:

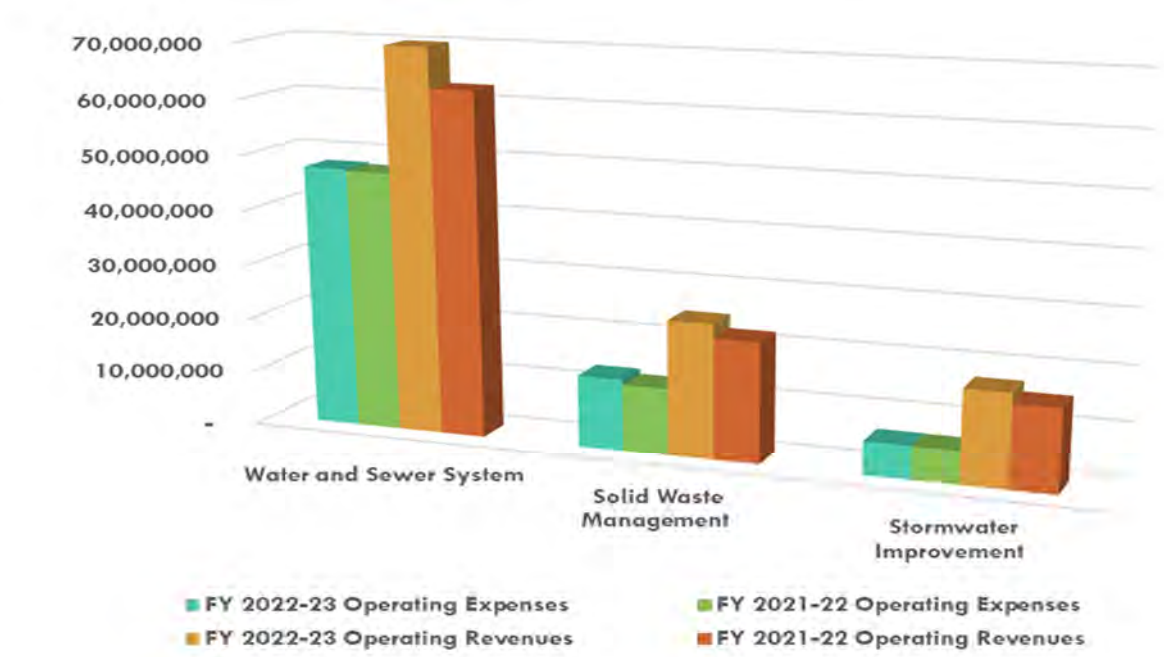


Business-Type Activities:

The results of the City's business-type activities for FY2022-23 were positive in that overall net position increased to an ending balance of $178.0 million. The City's utilities department have acquired subsidized, low interest rate loans from the Florida Department of Environmental Protection, one of which approximately $1 million in principal forgiveness was received and sought capital grants to fund major construction initiatives. The total increase in net position was $20.8 million, or 13.2 percent, compared to FY2021-22. 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.

A comparison of the City's functional program revenues and costs of providing business-type services to its customers in fiscal year 2023 is useful in identifying the capabilities of producing revenues sufficient to operate their programs and are presented in the graph below:

FY 2022-23 Business-Type Activities – Major Funds – Operating Expenses and Operating Revenues



Water and Sewer System Fund operating revenues increased $7.2 million or 11.4 percent from the prior fiscal year primarily due to the net effect of a 4.4% annual CPI increase in water and sewer rates, coupled with increases in new construction, which simultaneously increased consumption, resulting in charges for services increased by $7.4 million. Operating expenses increased by $0.3 million, or 0.7 percent, from the prior fiscal year, and is primarily relating to increased pension expense derived from change made by the State in the contribution rates paid by employers for the unfunded actuarial liability of the Florida Retirement System. The fund's net operating income increased by $6.9 million for a total of $22.3 million, a 44.5 percent increase from the prior fiscal year. The fund reported a change in net position of $19.1 million primarily due to increased revenues attributed to usage increases, continued growth in the City, new construction, and increased income and investment from the positive change in the market environment.

Solid Waste Management Fund operating revenues increased by $2.5 million, or 11.5 percent, from the prior fiscal year primarily due to the annual CPI adjustment and increased demand for services, resulting in a $2.7 million increase over the prior year. Operating expenses increased by $0.9 million, or 7.6 percent primarily due to increased spending 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 $11.4 million for fiscal year 2022-23, as compared to $9.8 million in FY 2021-22, a 16.2 percent increase. Net position increased by $2.0 million, largely attributed to revenues generated from charges for services.

Stormwater Improvement Fund operating revenues increased $1.9 million, or 12.1 percent, from the prior fiscal year to $17.2 million. This increase was primarily due to the annual CPI rate change. Operating expenses marginally increased by $0.08 million or 1.2 percent, when compared to the prior fiscal year, and is partially attributed to increases in personnel costs relating to wages, and pension expense due to increased employer contributions to the unfunded actuarial liability in the Florida Retirement System. Net operating income at the end of the fiscal year 2022-23 was $10.9 million, an increase of $1.8 million, or 19.4 percent, over the previous fiscal year. The fund reported a slight decrease in net position of $0.6 million and ended the fiscal year at $24.2 million. The decrease was largely due to increased transfers out to general fund to offset general government expenditures.

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 FY2022-23, governmental funds reported combined fund balances of $114.1 million, a slight decrease of $0.1 million, in comparison with FY2021-22 restated balance, wherein the City implemented GASB Statement No. 96, *Subscription Based Information Technology Arrangements*. Approximately 13.2 percent of this total fund balance amount, $15.0 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 ($0.7 million)
- legally required to be maintained intact for debt covenants ($0.7 million)
- restricted by external grantors and outside agencies for specific purposes ($69.3 million)
- assigned by the City for specific purposes ($28.3 million)

The General Fund is the chief operating fund of the City. At the end of FY2022-23, the general fund reported a fund balance of $44.9 million. Of this amount, $0.7 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 FY2023-24 budget ($7.5 million) and capital/other projects ($13.2 million). As of September 30, 2023, the unassigned fund balance in the General Fund was $22.2 million, which is an increase of $9.9 million compared to FY 2021-22. This increase is attributable primarily to increased revenue generation in taxes, charges for services and income on investments. 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 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 19.4 percent of total current year's (FY 2022-23) General Fund expenditures (excluding transfers out, capital, and other financing uses). Total fund balance represents approximately 39.4 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, 2023, the Redevelopment Trust Fund reflected an increase of $0.05 million when revenues are compared to expenditures including transfers, mainly due intergovernmental revenues derived from increased property values, and increased income on investment because of positive changes in the market environment. Total revenues increased by $1.5 million over the last fiscal year; while total expenditures increased by $1.6 million when compared to FY2021-22, primarily due to continued acquisition of land and other properties in the redevelopment areas to minimize and mitigate blight and slum. Ending fund balance on September 30, 2023, remained at $15.2 million (same as last fiscal year). 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 174 in the combining and individual fund statements and schedules section of this report.

The Capital Projects Fund reflected a total fund balance of $6.3 million at the end of FY 2022-23 compared to $8.7 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 has 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 $24.7 million, or 22.4 percent, from the originally adopted expenditure budget. The most significant amendments made to the budget were as follows:

- $11.0 million for capital projects, including the carryforward of unexpended project funds from FY 2021-22 to FY 2022-23
- $10.2 million for COVID-19 related projects from funds received from the American Rescue Plan Act (ARPA)
- $2.5 for increased operating expenditures related to the uptick of participation in culture and recreational activities within the city.
- $2.3 million for transfers out to fund capital projects and debt financing.

Actual expenditures were $20.2 million lower than final budgeted appropriations. A large portion of the decrease is attributed to $6.7 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; $2.6 million of unspent balances designated for projects relating to economic recovery; and $2.5 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 budged amounts.

Final budgeted revenues in the General Fund (including transfers in) increased by $8.9 million or 8.2 percent more than originally budgeted. This increase is primarily attributed to a $6.4 rise in transfers from enterprise funds to assist with general government operations, and $2.0 million increase in charges for services primarily related to culture and recreational activities provided. All areas except fines and forfeitures performed better than originally budgeted.

Overall, actual General Fund revenues not including reserves increased by $5.3 million over final budgeted revenues. Some of the major increases include $1.3 million in income on investments given the better than last year's performance of the market, $1.2 million in charges for services primarily due to continued high participation in culture and recreation activities provided, $0.9 million in intergovernmental receipts, and $0.8 million in taxes due to increased property values. 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, 2023, the City had investment in capital assets, net of related depreciation, of $329.4 million. This represents a net increase consisting of additions, deletions, and depreciation of $32.5 million from the prior fiscal year, primarily due to utilities construction in progress projects relating to a new influent pump station and headworks at the Westside Regional WRF and a new 5 MG potable water ground storage tank and pump station on Heineman Street, and newly implemented GASB Statement No. 96 *Subscription Based Information Technology Agreements* (SBITA) of $2.1 million.

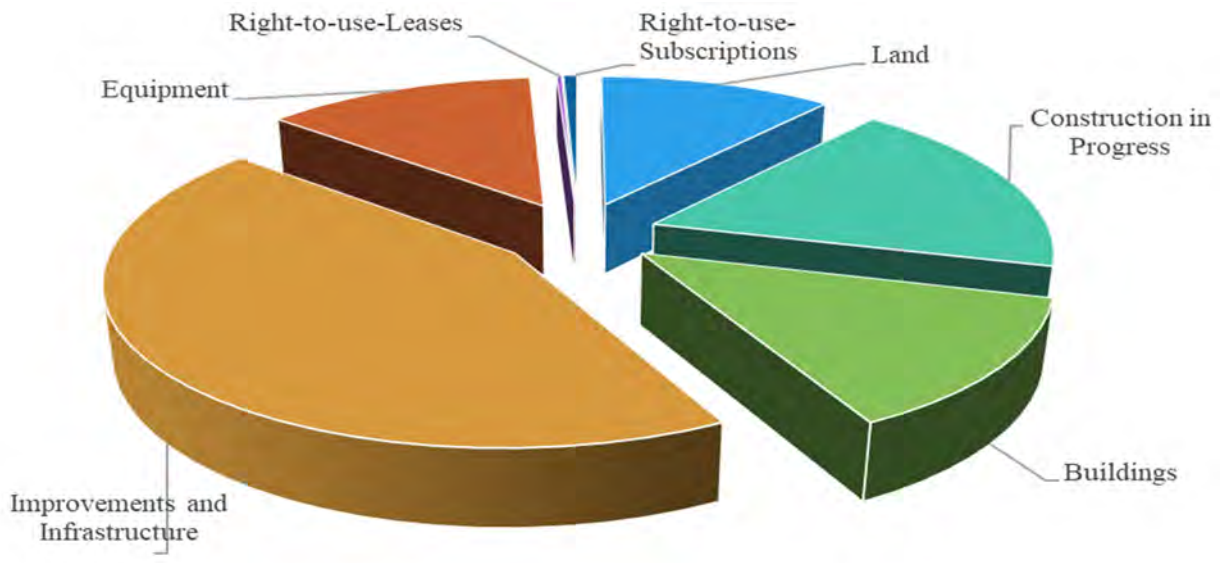
The following is a summary of the City's capital assets, net of depreciation, as of September 30, 2023, and 2022:

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Land	$ 30,397,364	$ 30,542,308	$ 6,428,187	$ 6,428,187	$ 36,825,551	$ 36,970,495
Construction in progress	16,736,107	3,314,492	42,717,563	15,974,063	59,453,670	19,288,555
Buildings	31,105,970	32,239,991	12,179,919	14,801,898	43,285,889	47,041,889
Improvements and infrastructure	38,719,883	42,100,941	105,399,634	111,844,050	144,119,517	153,944,991
Equipment	11,048,865	9,076,052	31,704,786	29,627,647	42,753,651	38,703,699
Right-to-use assets:						
Equipment	458,245	763,892	-	-	458,245	763,892
Land and infrastructure	98,019	-	230,491	276,293	328,510	276,293
Right-to-use subscription assets	1,669,554	1,451,221	466,422	-	2,135,976	1,451,221
Total	$130,234,007	$119,488,897	$199,127,002	$178,952,138	$329,361,009	$298,441,035

Note: *2022 balances have been restated for the implementation of GASBS 96*

Capital Assets



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

- Biosolids Dewatering - $4,066,545
- Police Vehicle Replacement – $2,000,939
- Lift Station 97 Replacement - $650,000
- Midtown CRA Improvements– $607,978
- Fire Department Typhoon Pumper - $560,065
- Heavy Equipment Replacements:
  - Streetsweepers (2) - $565,594
  - Backhoes (3) - $404,824
  - Dump Trucks - $343,518

Additional information regarding the City's capital assets can be found in Note 9 of the financial statements (see pages 78 - 82)

Debt Administration

At fiscal year ended September 30, 2023, the City had $154.7 million in debt outstanding compared to $158.2 million as restated for FY2021-22 as shown in the table below.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Revenue bonds	$ -	$ -	$ -	$ 26,396,496	$ -	$ 26,396,496
General obligation bonds	7,761,263	8,920,015	-	-	7,761,263	8,920,015
Notes payable	20,993,325	23,930,322	35,625,000	17,324,000	56,618,325	41,254,322
State Revolving Fund loans	-	-	83,897,308	74,108,566	83,897,308	74,108,566
Financed purchases	3,724,038	5,113,983	-	-	3,724,038	5,113,983
Lease liabilities	558,885	764,803	237,624	280,217	796,509	1,045,020
Subscription liabilities	1,511,111	1,439,631	469,084	-	1,980,195	1,439,631
Total	$ 34,548,622	$ 40,168,754	$120,229,016	$118,109,279	$154,777,638	$158,278,033

Note: *2022 balances have been restated for the implementation of GASBS 87 and 96*

Governmental debt decreased $5.6 million, net of $1.3 million in a new taxable revenue note, leases and subscriptions less principal retirement of $5.5 million. Business-type debt increased by $2.1 million which is net of principal retirement of $33.4 million and new debt issuance of $35.1 million, because of the Utility System Refunding and Improvement Revenue Bond, Series 2012 being refunded into the Utility System Refunding Revenue Note, Series 2023 for $21.3 million. Additionally, business-type activities recorded new subscriptions of $0.5 million. Currently, the City has 100 percent fixed rate debt. Of the outstanding debt, approximately 5.0 percent is backed by the full faith and credit of the government and the balance is secured by various revenue sources. The City Commission adopted a Municipal Securities Disclosure Policy on November 19, 2014, and uses the services of a financial advisor for debt administration related to new debt issues.

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

The City of Daytona Beach, Florida
Bond Ratings

Revenue Bond Issue	Moody's	Standard & Poor's
General Obligation Refunding Bonds, Series 2012	Aa2	AA

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 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.

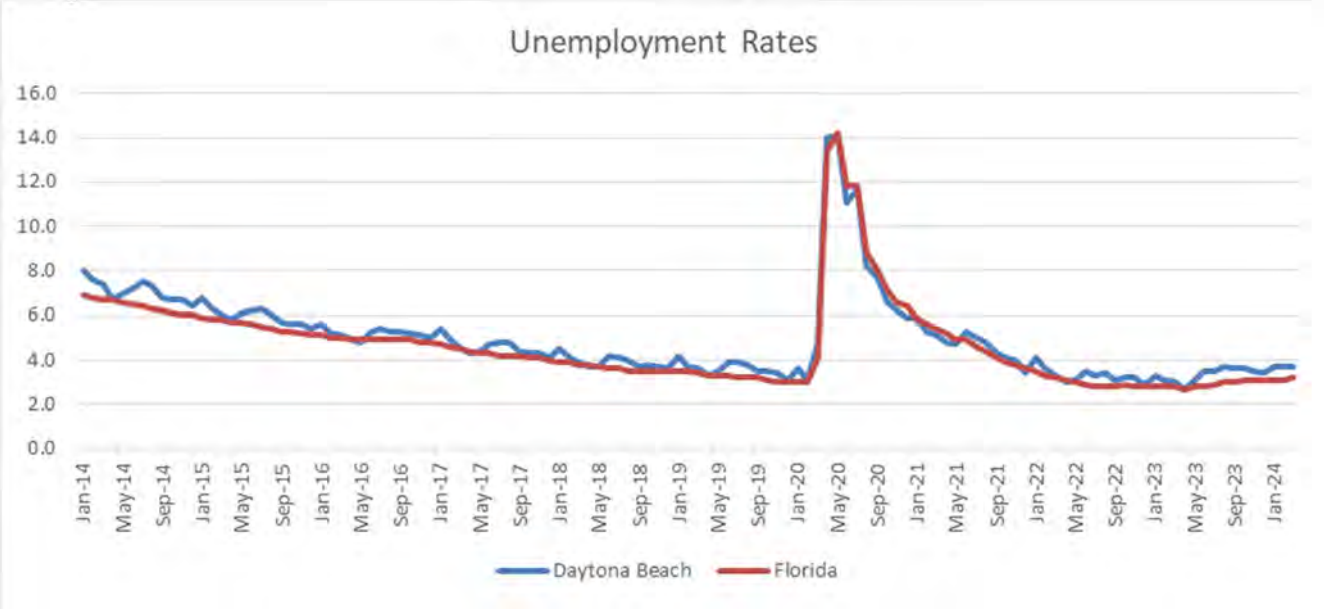
The City is compliant with the Ordinance by having segregated budgetary cash reserve in the General Fund of 19.4 percent of future year's (FY2023-24) budgeted operating expenditures and by appropriating 8 percent of the prior year's (FY 2021-22) budget for renewal and replacement in the Water and Sewer 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 3.7% at the end of September 2023, an increase from the 3.5% recorded 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 14.1%, recorded in May 2020. This trend can be compared to the change in State of Florida rates as well, which decreased to 2.5% from 13.2% in the same period.



When the FY 2023/24 budget was developed, taxable property values had increased for the eleventh straight year since 2012 by an overall growth of 164.6%. The latest single year growth was 16.7%. The General Fund and Redevelopment Trust Funds 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 2023/24 annual operating budget is the same millage rate as FY 2022/23.



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 2023/24 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 date of July 1, 2021.

The City's infrastructure needs to be in place and available to coincide with the growth and private capital investments occurring within the City's boundaries. Management has continued to look for ways to streamline City functions to keep expenditures low and continues to pursue cost saving measures such as outsourcing. The City and its four unions – the Coastal Florida Police Benevolent Association (CFPBA), the American Federation of State, County and Municipal Employees, Florida Council (AFSCME), the International Association of Firefighters Local 1162 (IAFF), and the Florida State Lodge Fraternal Order of Police (FOP) – executed collective bargaining agreements with a two year term. These agreements began on October 1, 2023, and will expire on September 30, 2025. All union contracts will impact future budgets.

The FY 2023/24 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, proactive road maintenance, 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 2023/24 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, 2023

September 30, 2023	Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units
ASSETS:				
Equity in pooled cash, cash equivalents and investments	$ 127,387,170	$ 59,118,672	$ 186,505,842	$ 1,706,682
Receivables (net)	4,790,249	16,391,741	21,181,990	127,453
Lease receivables	15,952	1,614,126	1,630,078	-
Intergovernmental receivable	4,829,631	4,947	4,834,578	-
Internal balances	(988,110)	988,110	-	-
Inventory	794,170	945,985	1,740,155	-
Prepaids	490,916	143,899	634,815	18,168
Other assets	510,150	27,000	537,150	19,145
Restricted assets:				
Equity in pooled cash, cash equivalents and investments	2,816,729	60,062,943	62,879,672	-
Capital assets:				
Non-depreciable	47,133,471	49,145,750	96,279,221	-
Depreciable (net)	80,874,718	149,284,340	230,159,058	116,066
Right-to-use lease assets (net)	556,264	230,490	786,754	-
Right-to-use subscription assets (net)	1,669,554	466,422	2,135,976	-
Total assets	270,880,864	338,424,425	609,305,289	1,987,514
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred amount on refunding	94,932	648,416	743,348	-
Deferred amount for other post-employment benefits	434,766	122,784	557,550	-
Deferred amount for pensions	33,942,795	3,636,426	37,579,221	-
Total deferred outflows of resources	34,472,493	4,407,626	38,880,119	-
LIABILITIES:				
Accounts payable and other liabilities	5,430,421	3,111,507	8,541,928	72,962
Contracts payable	-	246,415	246,415	-
Intergovernmental payable	157,019	40,226	197,245	-
Deposits	86,361	10,577,149	10,663,510	-
Unearned revenue	6,108,034	2,089,338	8,197,372	-
Payable from restricted assets:				
Accounts payable and other liabilities	-	5,120,297	5,120,297	-
Contracts payable	168,438	1,173,248	1,341,686	-
Accrued interest	370,448	590,046	960,494	-
Due within one year:				
Bonds, loans, and notes payable	5,661,582	8,219,005	13,880,587	-
Other post-employment benefits	135,888	39,087	174,975	-
Insurance claims payable	2,416,000	-	2,416,000	-
Lease liabilities	373,539	44,131	417,670	-
Subscription liabilities	964,926	13,004	977,930	-
Compensated absences	2,808,006	758,568	3,566,574	20,184
Due in more than one year:				
Bonds, loans, and notes payable	26,817,044	111,303,303	138,120,347	-
Net pension liability	122,390,609	14,583,844	136,974,453	-
Other post-employment benefits	3,139,628	757,642	3,897,270	-
Insurance claims payable	8,631,000	-	8,631,000	-
Lease liabilities	185,346	193,493	378,839	-
Subscription liabilities	557,774	456,080	1,013,854	-
Compensated absences	5,563,727	1,329,214	6,892,941	-
Total liabilities	191,965,790	160,645,597	352,611,387	93,146
DEFERRED INFLOWS OF RESOURCES:				
Deferred amount on refunding	-	1,779,126	1,779,126	
Deferred amount for pensions	852,900	458,749	1,311,649	-
Deferred amount for other post-employment benefits	1,121,315	338,853	1,460,168	-
Deferred amount for leases	15,860	1,568,882	1,584,742	-
Total deferred inflows of resources	1,990,075	4,145,610	6,135,685	-
NET POSITION:				
Net investment in capital assets	97,806,426	70,880,694	168,687,120	116,066
Restricted for:				
Debt covenants	710,282	9,367,827	10,078,109	-
General government	11,728,626	-	11,728,626	-
Public safety	26,234,314	-	26,234,314	-
Transportation	4,949,460	-	4,949,460	-
Economic environment	15,662,070	-	15,662,070	-
Human services	-	-	-	1,727,594
Culture and recreation	10,738,927	-	10,738,927	-
Capital projects	-	56,899,816	56,899,816	-
Landfill	-	284,471	284,471	-
Unrestricted (deficit)	(56,432,613)	40,608,036	(15,824,577)	50,708
Total net position	$ 111,397,492	$ 178,040,844	$ 289,438,336	$ 1,894,368

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, 2023

Year Ended September 30, 2023		PROGRAM REVENUES			Net (Expense) Revenue and Changes in Net Position			
					Primary Government			
FUNCTIONS/PROGRAMS:	EXPENSES	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business - type Activities	Total	Component Units
Primary Government:								
Governmental Activities:								
General government	$ 33,295,990	$ 11,982,553	$ -	$ 199,555	$ (21,113,882)	$ -	$ (21,113,882)	$ -
Public safety	74,740,759	4,074,650	364,481	113,929	(70,187,699)	-	(70,187,699)	-
Physical environment	-	-	15,154	-	15,154	-	15,154	-
Transportation	13,922,477	952,750	1,161,587	-	(11,808,140)	-	(11,808,140)	-
Economic environment	8,502,462	672,765	1,361,825	-	(6,467,872)	-	(6,467,872)	-
Human services	825,263	-	400,000	-	(425,263)	-	(425,263)	-
Culture and recreation	17,503,451	11,597,871	634,289	-	(5,271,291)	-	(5,271,291)	-
Interest and fiscal charges	884,471	-	-	-	(884,471)	-	(884,471)	-
Total governmental activities	149,674,873	29,280,589	3,937,336	313,484	(116,143,464)	-	(116,143,464)	-
Business-Type Activities:								
Water and sewer system	53,795,476	70,771,646	-	7,852,817	-	24,828,987	24,828,987	-
Solid waste management	13,214,098	24,646,960	-	-	-	11,432,862	11,432,862	-
Stormwater improvement	6,454,682	17,248,912	-	-	-	10,794,230	10,794,230	-
Halifax Harbor	3,602,829	4,166,275	-	-	-	563,446	563,446	-
Daytona Beach Pier	1,024,509	1,024,363	-	-	-	(146)	(146)	-
Total business-type activities	78,091,594	117,858,156	-	7,852,817	-	47,619,379	47,619,379	-
Total primary government	$ 227,766,467	$ 147,138,745	$ 3,937,336	$ 8,166,301	(116,143,464)	47,619,379	(68,524,085)	-
Component Unit:								
Downtown Development Authority	$ 331,321	$ -	$ 117,961	$ -				(213,360)
First Step Shelter, Inc.	1,528,306	-	1,876,409	-				348,103
Total component unit	$ 1,859,627	$ -	$ 1,994,370	$ -				134,743
GENERAL REVENUES:								
Taxes:								
Property taxes, levied for general purposes					39,661,044	-	39,661,044	208,570
Local option gas taxes					1,870,152	-	1,870,152	-
Public service taxes					14,568,751	-	14,568,751	-
Sales taxes					5,199,916	-	5,199,916	-
Franchise taxes					8,496,276	-	8,496,276	-
Tax increment taxes					4,570,838	-	4,570,838	-
Other taxes					1,393,607	-	1,393,607	-
Intergovernmental revenues not restricted to specific programs					5,628,782	-	5,628,782	-
Income on investments					4,014,122	5,115,231	9,129,353	8,472
Miscellaneous					3,233,391	682,303	3,915,694	2,685
Transfers					32,656,467	(32,656,467)	-	-
Total general revenues and transfers					121,293,346	(26,858,933)	94,434,413	219,727
Change in net position					5,149,882	20,760,446	25,910,328	354,470
NET POSITION:								
Beginning of year					106,247,610	157,280,398	263,528,008	1,539,898
End of year					$ 111,397,492	$ 178,040,844	$ 289,438,336	$ 1,894,368

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

City of Daytona Beach, Florida
Balance Sheet – Governmental Funds
September 30, 2023

	General	Redevelopment Trust	Capital Projects	Nonmajor Governmental	Total Governmental Funds
ASSETS:					
Equity in pooled cash, cash equivalents, and investments	$ 35,677,628	$ 12,560,206	$ 6,567,865	$ 58,479,728	$ 113,285,427
Receivables (net):					
Accounts	3,936,498	24,000	-	287,370	4,247,868
Taxes	174,311	-	-	8,571	182,882
Notes	-	94,396	-	-	94,396
Accrued interest	265,103	-	-	-	265,103
Due from other funds	7,543,000	-	-	-	7,543,000
Intergovernmental receivable	1,508,678	-	-	3,320,953	4,829,631
Deposits	10,150	500,000	-	-	510,150
Inventory	647,866	-	-	-	647,866
Prepaids	57,124	445	-	75	57,644
Lease receivable	15,952	-	-	-	15,952
Restricted equity in pooled cash, cash, cash equivalents, and investments	-	2,115,018	-	701,711	2,816,729
Total assets	$ 49,836,310	$ 15,294,065	$ 6,567,865	$ 62,798,408	$ 134,496,648
LIABILITIES:					
Accounts payable and other liabilities	$ 2,501,045	$ 61,330	$ 215,102	$ 1,135,003	$ 3,912,480
Due to other funds	-	-	-	7,543,000	7,543,000
Intergovernmental payable	146,355	863	-	3,415	150,633
Deposits	75,368	10,000	-	993	86,361
Contracts payable	-	-	28,892	139,546	168,438
Unearned revenue	2,213,216	-	-	3,894,818	6,108,034
Total liabilities	4,935,984	72,193	243,994	12,716,775	17,968,946
DEFERRED INFLOWS OF RESOURCES:					
Deferred inflows-leases	15,860	-	-	-	15,860
Deferred inflows-unavailable revenue	-	-	-	2,430,986	2,430,986
Total deferred inflows of resources	15,860	-	-	2,430,986	2,446,846
FUND BALANCES:					
Non-Spendable:					
Inventory	647,866	-	-	-	647,866
Prepaids	57,124	445	-	75	57,644
Restricted:					
Debt covenants	-	-	-	710,282	710,282
General government	-	-	-	11,728,626	11,728,626
Public safety	-	-	-	26,234,314	26,234,314
Transportation	-	-	-	4,949,460	4,949,460
Economic environment	-	15,221,427	-	440,643	15,662,070
Culture and recreation	-	-	-	10,738,927	10,738,927
Assigned:					
Capital projects	13,197,002	-	6,323,871	-	19,520,873
Fiscal year 2024 budget	7,517,883	-	-	-	7,517,883
Other projects	1,285,503	-	-	-	1,285,503
Unassigned	22,179,088	-	-	(7,151,680)	15,027,408
Total fund balances	44,884,466	15,221,872	6,323,871	47,650,647	114,080,856
Total liabilities, deferred inflows of resources, and fund balances	$ 49,836,310	$ 15,294,065	$ 6,567,865	$ 62,798,408	$ 134,496,648

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, 2023

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

Fund balance - governmental funds		$ 114,080,856
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:		
Land	$ 30,397,364	
Construction in progress	16,568,286	
Buildings (net)	31,092,593	
Improvements and infrastructure (net)	38,650,746	
Equipment (net)	10,724,153	
Right-to-use lease assets (net)	453,774	
Right-to-use subscription assets (net)	584,981	
Total		128,471,897
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.		(3,698,272)
Long-term liabilities - liabilities are not due and payable in the current period and are not reported in the funds:		
Deferred amount on refunding (to be amortized as interest revenue)	$ 94,932	
Deferred amount for pensions (net)	31,862,522	
Deferred amount for other post-employment benefits (net)	(624,268)	
Accrued interest payable	(346,413)	
Bonds, loans, notes payable, lease liabilities and subscription liabilities	(33,442,093)	
Net pension liability	(116,879,095)	
Compensated absences	(7,509,990)	
Other post-employment benefits	(3,043,570)	
Total		(129,887,975)
Receivables that are not available to pay for current period expenditures and, therefore, are either deferred or not reported in the funds.		2,430,986
Net position - governmental activities		$ 111,397,492

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, 2023

	General	Redevelopment Trust	Capital Projects	Nonmajor Governmental	Total Governmental Funds
REVENUES:					
Taxes	$ 56,272,168	$ -	$ -	$ 2,231,446	$ 58,503,614
Licenses and permits	8,517,392	5,278	-	7,191,027	15,713,697
Intergovernmental	10,225,066	4,688,799	-	3,815,211	18,729,076
Charges for services	12,715,898	211,648	-	582,230	13,509,776
Fines and forfeitures	870,746	-	-	113,643	984,389
Special assessments/impact fees	47,707	-	-	6,423,176	6,470,883
Income on investments	1,505,912	445,392	215,156	1,495,417	3,661,877
Miscellaneous	1,487,714	433,098	50,000	980,444	2,951,256
Total revenues	91,642,603	5,784,215	265,156	22,832,594	120,524,568
EXPENDITURES:					
Current operating:					
General government	18,899,815	-	35,952	8,999,621	27,935,388
Public safety	60,079,852	-	-	4,728,416	64,808,268
Transportation	7,215,151	156	3,275,881	1,314,989	11,806,177
Economic environment	3,165,453	1,928,773	-	1,474,184	6,568,410
Grants and aids	671,964	-	-	-	671,964
Human services	400,000	-	25,263	400,000	825,263
Culture and recreation	14,454,769	-	320,557	41,200	14,816,526
Capital outlay	6,684,674	4,951,108	4,510,457	4,279,165	20,425,404
Debt service:					
Principal	-	-	-	6,329,781	6,329,781
Interest and fiscal charges	-	20,359	-	926,078	946,437
Total expenditures	111,571,678	6,900,396	8,168,110	28,493,434	155,133,618
Excess (deficiency) of revenues over (under) expenditures	(19,929,075)	(1,116,181)	(7,902,954)	(5,660,840)	(34,609,050)
OTHER FINANCING SOURCES (USES):					
Issuance of debt	115,814	209,281	-	-	325,095
Proceeds from insurance recovery	314,626	-	-	1,404,718	1,719,344
Transfers in	32,330,432	3,909,070	5,982,667	7,135,740	49,357,909
Transfers (out)	(12,076,490)	(2,955,626)	(433,377)	(1,203,125)	(16,668,618)
Total other financing sources (uses)	20,684,382	1,162,725	5,549,290	7,337,333	34,733,730
Net change in fund balances	755,307	46,544	(2,353,664)	1,676,493	124,680
FUND BALANCES:					
Beginning of year	44,129,159	15,175,328	8,677,535	48,258,848	116,240,870
Prior period adjustment (Note 21)	-	-	-	(2,284,694)	(2,284,694)
Beginning of year, restated	44,129,159	15,175,328	8,677,535	45,974,154	113,956,176
End of year	$ 44,884,466	$ 15,221,872	$ 6,323,871	$ 47,650,647	$ 114,080,856

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, 2023

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

Net change in fund balance - total governmental funds			$	124,680
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.				
Capital assets acquired by use of financial resources	$	20,425,404		
Capital assets contributed to the City		199,555		
Current year depreciation and amortization		(8,533,320)		
Total				12,091,639
In the statement of activities, only the gain or loss on the sale or disposal of capital assets are reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in the net position differs from the change in fund balances by the cost of the capital assets sold or disposed, net of accumulated depreciation or amortization.				(1,859,900)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.				
Earned but unavailable grant revenues				146,292
The issuance of long-term debt (i.e., bonds, notes, leases, subscriptions) 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.				
Principal paid	$	6,329,781		
Issuance of debt		(325,095)		
Total				6,004,686
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.				
Amortization of deferred amount on refunding	$	(13,760)		
Amortization of bond premium		13,752		
Accrued interest		87,617		
Pension expense		(10,899,273)		
Compensated absences		(205,789)		
Other post-employment benefits		100,252		
Total				(10,917,201)
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.				(440,314)
Change in net position - governmental activities			$	5,149,882

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, 2023

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance
REVENUES:				
Taxes	$ 55,506,873	$ 55,506,873	$ 56,272,168	$ 765,295
Licenses and permits	7,345,513	7,345,513	8,517,392	1,171,879
Intergovernmental	9,373,920	9,373,920	10,225,066	851,146
Charges for services	10,201,656	12,259,804	12,715,898	456,094
Fines and forfeitures	889,080	889,080	870,746	(18,334)
Special assessment/impact fees	-	-	47,707	47,707
Income (loss) on investments	234,160	234,160	1,505,912	1,271,752
Miscellaneous	331,261	768,000	1,487,714	719,714
Total revenues	83,882,463	86,377,350	91,642,603	5,265,253
EXPENDITURES:				
General government:				
Legislative	1,253,179	1,582,013	1,281,417	300,596
City Manager	4,300,605	3,243,454	2,753,972	489,482
City Attorney	1,774,236	2,001,999	1,864,628	137,371
Finance	2,441,815	2,449,315	2,007,499	441,816
Comprehensive Planning	1,811,534	1,811,534	1,398,449	413,085
Other General Government Services	1,013,504	1,031,104	1,083,943	(52,839)
Other Physical Environment	9,393,852	9,066,607	8,509,907	556,700
Public safety:				
Police	44,318,584	44,389,634	41,802,388	2,587,246
Fire	19,388,304	18,967,139	18,277,464	689,675
Transportation	8,537,867	8,188,598	7,215,151	973,447
Economic environment	274,844	10,458,025	3,165,453	7,292,572
Grants and aids	675,000	852,472	671,964	180,508
Human services	500,000	500,000	400,000	100,000
Culture and recreation	11,997,942	14,519,540	14,454,769	64,771
Capital outlay	2,318,922	13,348,939	6,684,674	6,664,265
Total expenditures	110,000,188	132,410,373	111,571,678	20,838,695
Excess (deficiency) of revenues over (under) expenditures	(26,117,725)	(46,033,023)	(19,929,075)	26,103,948
OTHER FINANCING SOURCES (USES):				
Budgetary reserves, net	10,369,064	26,129,567	-	(26,129,567)
Issuance of debt	-	-	115,814	115,814
Proceeds from insurance recovery	125,463	125,463	314,626	189,163
Transfers in	24,737,818	31,171,195	32,330,432	1,159,237
Transfers (out)	(9,114,620)	(11,393,202)	(12,076,490)	(683,288)
Total other financing sources (uses)	26,117,725	46,033,023	20,684,382	(25,348,641)
Net change in fund balance	-	-	755,307	755,307
FUND BALANCE:				
Beginning of year	44,129,159	44,129,159	44,129,159	-
End of year	$ 44,129,159	$ 44,129,159	$ 44,884,466	$ 755,307

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, 2023

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance
REVENUES:				
Licenses and permits	$ 13,324	$ 13,324	$ 5,278	$ (8,046)
Intergovernmental	4,666,219	4,699,808	4,688,799	(11,009)
Charges for services	5,887	74,354	211,648	137,294
Income on investments	-	-	445,392	445,392
Miscellaneous	13	427,813	433,098	5,285
Total revenues	4,685,443	5,215,299	5,784,215	568,916
EXPENDITURES:				
Current operating:				
Transportation	-	-	156	(156)
Economic environment	2,680,320	3,175,232	1,928,773	1,246,459
Cultural and Recreation	-	52,540	-	52,540
Capital outlay	2,992,115	24,515,229	4,951,108	19,564,121
Debt service:				
Interest and fiscal charges	-	-	20,359	(20,359)
Total expenditures	5,672,435	27,743,001	6,900,396	20,842,605
Excess (deficiency) of revenues over (under) expenditures	(986,992)	(22,527,702)	(1,116,181)	21,411,521
OTHER FINANCING SOURCES (USES):				
Budgetary reserves, net	-	15,059,548	-	(15,059,548)
Issuance of debt	-	-	209,281	209,281
Transfers in	3,880,644	3,909,306	3,909,070	(236)
Transfers (out)	(2,893,652)	(2,893,652)	(2,955,626)	(61,974)
Total other financing sources (uses)	986,992	16,075,202	1,162,725	(14,912,477)
Net change in fund balance	-	(6,452,500)	46,544	6,499,044
FUND BALANCE:				
Beginning of year	15,175,328	15,175,328	15,175,328	-
End of year	$ 15,175,328	$ 8,722,828	$ 15,221,872	$ 6,499,044

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



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City of Daytona Beach, Florida
Statement of Net Position
Proprietary Funds
September 30, 2023

	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	$ 42,531,049	$ 6,213,432	$ 7,786,170	$ 2,588,021	$ 59,118,672	$ 14,101,743
Accounts receivable (net)	10,903,933	3,418,181	2,068,720	-	16,390,834	-
Accrued Interest receivable	-	-	-	907	907	-
Intergovernmental receivable	4,947	-	-	-	4,947	-
Lease receivables	-	-	-	1,614,126	1,614,126	-
Inventory	896,198	-	-	49,787	945,985	146,304
Prepaids	-	-	-	143,899	143,899	433,272
Total current assets	54,336,127	9,631,613	9,854,890	4,396,740	78,219,370	14,681,319
Noncurrent assets:						
Restricted equity in pooled cash, cash equivalents, and investments	59,177,193	284,471	147,184	454,095	60,062,943	-
Deposits	27,000	-	-	-	27,000	-
Capital assets:						
Non-depreciable	45,436,970	25,021	3,619,184	64,575	49,145,750	167,821
Depreciable (net)	125,575,856	29,182	16,763,790	6,915,512	149,284,340	407,226
Right-to-use lease assets (net)	97,508	-	-	132,982	230,490	102,490
Right-to-use subscription assets (net)	466,422	-	-	-	466,422	1,084,573
Total noncurrent assets	230,780,949	338,674	20,530,158	7,567,164	259,216,945	1,762,110
Total assets	285,117,076	9,970,287	30,385,048	11,963,904	337,436,315	16,443,429
DEFERRED OUTFLOWS OF RESOURCES:						
Deferred amount on refunding	591,196	-	6,254	50,966	648,416	-
Deferred amount for other post-employment benefits	99,771	1,729	20,202	1,082	122,784	36,583
Deferred amount for pensions	2,661,373	90,307	746,300	138,446	3,636,426	1,400,541
Total deferred outflows of resources	3,352,340	92,036	772,756	190,494	4,407,626	1,437,124

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

City of Daytona Beach, Florida
Statement of Net Position
Proprietary Funds
September 30, 2023

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Water and Sewer System	Solid Waste Management	Stormwater Improvement	Nonmajor Enterprise	Totals	Internal Service Funds
LIABILITIES:						
Current liabilities:						
Accounts payable and other liabilities	1,575,887	1,210,441	98,921	226,258	3,111,507	1,541,976
Contracts payable	159,323	-	87,092	-	246,415	-
Intergovernmental payable	14,319	393	3,031	22,483	40,226	6,386
Insurance claims payable	-	-	-	-	-	2,416,000
Unearned revenues	-	-	2,003,346	85,992	2,089,338	-
Compensated absences	577,620	19,384	139,073	22,491	758,568	287,807
Other post-employment benefits	30,781	-	8,306	-	39,087	12,205
Lease liabilities	3,656	-	-	40,475	44,131	38,464
Subscription liabilities	13,004	-	-	-	13,004	510,931
Notes and loans payable	7,583,934	-	40,071	595,000	8,219,005	-
Payable from restricted assets:						
Accounts payable	5,120,297	-	-	-	5,120,297	-
Contracts payable	1,173,248	-	-	-	1,173,248	-
Accrued interest	520,554	-	11,963	57,529	590,046	-
Total current liabilities	16,772,623	1,230,218	2,391,803	1,050,228	21,444,872	4,813,769
Noncurrent liabilities:						
Insurance claims payable	-	-	-	-	-	8,631,000
Deposits	10,456,244	-	-	120,905	10,577,149	-
Compensated absences	741,474	36,694	190,357	102,207	1,070,732	573,936
Other post-employment benefits	569,408	31,023	153,652	3,559	757,642	219,741
Net pension liability	10,840,757	441,333	2,810,674	491,080	14,583,844	5,511,514
Pollution remediation	-	36,810	-	-	36,810	-
Landfill closure and post-closure	-	221,672	-	-	221,672	-
Notes and loans payable	106,803,468	-	1,199,835	3,300,000	111,303,303	-
Lease liabilities	96,913	-	-	96,580	193,493	63,382
Subscription liabilities	456,080	-	-	-	456,080	505,341
Total noncurrent liabilities	129,964,344	767,532	4,354,518	4,114,331	139,200,725	15,504,914
Total liabilities	146,736,967	1,997,750	6,746,321	5,164,559	160,645,597	20,318,683
DEFERRED INFLOWS OF RESOURCES:						
Deferred amount on refunding	1,719,881	-	59,245	-	1,779,126	-
Deferred amount on other post-employment benefits	270,290	4,757	58,640	5,166	338,853	98,864
Deferred amount for pensions	332,039	13,838	91,022	21,850	458,749	173,168
Deferred amount for leases	-	-	-	1,568,882	1,568,882	-
Total deferred inflows of resources	2,322,210	18,595	208,907	1,595,898	4,145,610	272,032
NET POSITION:						
Net investment in capital assets	48,698,416	54,203	18,996,095	3,131,980	70,880,694	643,992
Restricted for:						
Debt covenants	7,977,882	-	993,301	396,644	9,367,827	-
Capital projects	56,295,343	604,473	-	-	56,899,816	-
Landfill	-	284,471	-	-	284,471	-
Unrestricted (deficit)	26,438,598	7,102,831	4,213,180	1,865,317	39,619,926	(3,354,154)
Total net position	$ 139,410,239	$ 8,045,978	$ 24,202,576	$ 5,393,941	$ 177,052,734	$ (2,710,162)
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					988,110	
Net position of business-type activities					$ 178,040,844	

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, 2023

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Water and Sewer System	Solid Waste Management	Stormwater Improvement	Nonmajor Enterprise	Totals	Internal Service Funds
OPERATING REVENUES:						
Charges for services	$ 69,685,776	$ 24,646,960	$ 17,160,826	$ 4,650,964	$ 116,144,526	$ 18,902,525
Lease revenue	-	-	-	539,389	539,389	-
Other receipts	265,511	278	800	7,655	274,244	10,921
Total operating revenues	69,951,287	24,647,238	17,161,626	5,198,008	116,958,159	18,913,446
OPERATING EXPENSES:						
Personnel services	15,864,232	447,878	3,378,640	480,272	20,171,022	7,102,693
Contractual services	15,912,368	12,721,457	1,437,127	2,580,437	32,651,389	9,929,711
Materials and supplies	6,283,017	28,686	221,561	879,610	7,412,874	2,203,094
Depreciation and amortization	9,552,584	6,901	1,183,229	526,736	11,269,450	732,315
Total operating expenses	47,612,201	13,204,922	6,220,557	4,467,055	71,504,735	19,967,813
Operating income (loss)	22,339,086	11,442,316	10,941,069	730,953	45,453,424	(1,054,367)
NONOPERATING REVENUE (EXPENSE):						
Income on investments	4,608,089	168,194	256,487	82,461	5,115,231	352,341
Settlement proceeds	-	393,000	-	-	393,000	-
Interest expense	(3,541,508)	-	(101,037)	(150,932)	(3,793,477)	(25,643)
Gain (loss) on disposal of capital assets	(2,402,114)	-	15,344	-	(2,386,770)	16,997
Total nonoperating revenue (expense)	(1,335,533)	561,194	170,794	(68,471)	(672,016)	343,695
Income (loss) before capital grants, contributions and transfers	21,003,553	12,003,510	11,111,863	662,482	44,781,408	(710,672)
Capital grants and contributions	8,938,687	-	-	-	8,938,687	-
Transfers (out)	(10,815,181)	(10,011,651)	(11,695,442)	(134,193)	(32,656,467)	(32,824)
Change in net position	19,127,059	1,991,859	(583,579)	528,289	21,063,628	(743,496)
NET POSITION (DEFICIT):						
Beginning	120,283,180	6,054,119	24,786,155	4,865,652	155,989,106	(1,966,666)
Ending	$ 139,410,239	$ 8,045,978	$ 24,202,576	$ 5,393,941	$ 177,052,734	$ (2,710,162)

Change in net position from above	$ 21,063,628
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise fund	(303,182)
Change in net position of business-type activities	$ 20,760,446

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, 2023

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Water and Sewer System	Solid Waste Management	Stormwater Improvement	Nonmajor Enterprise	Totals	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts from customers	$ 68,264,817	$ 24,231,502	$ 17,030,100	$ 5,189,492	$ 114,715,911	$ 18,902,525
Other receipts	265,511	278	800.00	7,655	274,244	10,921
Payments to suppliers	(8,265,864)	(9,679,107)	29,908	(3,404,751)	(21,319,814)	(9,412,039)
Payments to employees	(13,801,163)	(379,689)	(2,915,704)	(375,098)	(17,471,654)	(6,049,858)
Payment to other funds for services provided	(8,067,069)	(2,768,235)	(1,807,513)	-	(12,642,817)	-
Net cash provided by operating activities	38,396,232	11,404,749	12,337,591	1,417,298	63,555,870	3,451,549
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Transfers (to) other funds	(10,815,181)	(10,011,651)	(11,695,442)	(134,193)	(32,656,467)	(32,824)
Net cash provided by (used for) noncapital financing activities	(10,815,181)	(10,011,651)	(11,695,442)	(134,193)	(32,656,467)	(32,824)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Proceeds from sale of capital assets	-	-	27,500	-	27,500	16,997
Acquisition and construction of capital assets	(30,135,785)	-	(1,238,219)	(82,467)	(31,456,471)	(223,320)
Issuance of debt	34,414,407	-	710,630	-	35,125,037	-
Principal payments on debt, leases and subscriptions	(31,949,101)	-	(905,942)	(614,000)	(33,469,043)	(574,866)
Interest payments on debt, leases and subscriptions	(3,816,945)	-	(73,913)	(149,154)	(4,040,012)	(25,643)
Capital grants and contributions for purchase of capital assets	8,938,687	-	-	-	8,938,687	-
Net cash used for capital and related financing activities	(22,548,737)	-	(1,479,944)	(845,621)	(24,874,302)	(806,832)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Insurance settlement	-	393,000	-	-	393,000	-
Interest received	4,608,089	168,194	256,487	82,658	5,115,428	352,341
Net cash provided by investing activities	4,608,089	561,194	256,487	82,658	5,508,428	352,341
Net increase (decrease) in cash, cash equivalents, and investments	9,640,403	1,954,292	(581,308)	520,142	11,533,529	2,964,234
EQUITY IN POOLED CASH, CASH EQUIVALENTS, AND INVESTMENTS:						
Beginning	92,067,839	4,543,611	8,514,662	2,521,974	107,648,086	11,137,509
Ending	$ 101,708,242	$ 6,497,903	$ 7,933,354	$ 3,042,116	$ 119,181,615	$ 14,101,743
Classified as:						
Unrestricted	$ 42,531,049	$ 6,213,432	$ 7,786,170	$ 2,588,021	$ 59,118,672	$ 14,101,743
Restricted	59,177,193	284,471	147,184	454,095	60,062,943	-
Total	$ 101,708,242	$ 6,497,903	$ 7,933,354	$ 3,042,116	$ 119,181,615	$ 14,101,743

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, 2023

	Business-Type Activities - Enterprise Funds					Governmental Activities
	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)	$ 22,339,086	$ 11,442,316	$ 10,941,069	$ 730,953	$ 45,453,424	$ (1,054,367)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation and amortization	9,552,584	6,901	1,183,229	526,736	11,269,450	732,315
(Increase) decrease in:						
Accounts receivable (net)	(1,866,276)	(415,458)	(330,219)	-	(2,611,953)	-
Lease receivable	-	-	-	417,534	417,534	-
Inventory	(33,692)	-	-	(7,193)	(40,885)	(15,197)
Prepaids	(4,947)	-	-	(13,175)	(18,122)	2,065,085
Deferred outflow amount for pensions	233,560	6,794	50,350	10,146	300,850	110,175
Deferred outflow amount for OPEB	24,143	419	4,889	262	29,713	8,852
Increase (decrease) in:						
Accounts payable and other liabilities	4,993,023	278,465	(147,722)	63,132	5,186,898	257,044
Contracts payable	909,879	-	28,941	-	938,820	-
Intergovernmental payable	(1,811)	111	(136)	3,990	2,154	834
Insurance claims payable	-	-	-	-	-	413,000
Unearned revenues	-	-	199,493	7,122	206,615	-
Deposits	445,317	-	-	8,542	453,859	-
Pollution remediation obligation	-	(4,399)	-	-	(4,399)	-
Landfill closure and post-closure	-	28,624	-	-	28,624	-
Compensated absences	23,834	8,755	23,635	16,001	72,225	89,037
Other post-employment benefits	(30,924)	(550)	(6,997)	(615)	(39,086)	(12,206)
Net pension liability	1,892,301	55,063	407,932	82,208	2,437,504	892,640
Deferred inflow amount for leases	-	-	-	(425,517)	(425,517)	-
Deferred inflow amount for pensions	(61,742)	(1,797)	(13,310)	(2,683)	(79,532)	(29,124)
Deferred inflow amount for OPEB	(18,103)	(495)	(3,563)	(145)	(22,306)	(6,539)
Total adjustments	16,057,146	(37,567)	1,396,522	686,345	18,102,446	4,505,916
Net cash provided by operating activities	$ 38,396,232	$ 11,404,749	$ 12,337,591	$ 1,417,298	$ 63,555,870	$ 3,451,549
Noncash capital and related financing activities:						
Amortization of deferred amounts on refunding	$ 65,689	$ -	$ -	$ 10,026	$ 75,715	$ -
Prior year construction-in-progress costs abandoned	$ 2,402,114	$ -	$ -	$ -	$ 2,402,114	$ -
Issuance of debt	$ 490,584	$ -	$ -	$ -	$ 490,584	$ 1,022,367
Deferred gain on refunding	$ 1,719,881	$ -	$ 59,245	$ -	$ 1,779,126	$ -

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, 2023

	Police and Fire Pension Trust Fund	Police Asset Custodial Fund
ASSETS:		
Cash and cash equivalents	$ 2,894,811	$ 814,826
Investments, at fair value:		
Equities - stocks	148,759,298	-
Fixed income - bonds and notes	48,132,255	-
Receivables:		
Contributions	83,262	-
Accrued interest and dividends	33,206	-
Total assets	199,902,832	814,826
LIABILITIES:		
Accounts payable and other liabilities	513,628	347
Total liabilities	513,628	347
NET POSITION:		
Restricted for pensions	199,389,204	-
Restricted for criminal investigations	-	814,479
Total net position	$ 199,389,204	$ 814,479

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, 2023

	Police and Fire Pension Trust Fund	Police Asset Custodial Fund
ADDITIONS:		
Contributions:		
Employer	$ 8,926,751	$ -
Employee	2,185,529	-
Employer from state	1,393,607	-
Total contributions	12,505,887	-
Asset seizures	-	322,665
Investment income:		
Net appreciation in fair value of investments plan investments	9,483,845	-
Interest and dividends	4,120,979	-
Class action settlement	19,975	-
Total investment income	13,624,799	-
Less: Investment expense	(907,593)	-
Net investment income	12,717,206	-
Total additions	25,223,093	322,665
DEDUCTIONS:		
Benefit payments	18,847,790	-
Refunds on member contributions	361,338	-
Administrative expenses	288,423	-
Asset forfeitures	-	84,760
Assets released in adjudication	-	86,921
Total deductions	19,497,551	171,681
Change in net position	5,725,542	150,984
NET POSITION - beginning	193,663,662	663,495
NET POSITION - ending	$ 199,389,204	$ 814,479

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 174 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.

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation – Fund Financial Statements (Continued)

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 fiscal year end). All other entitlements are considered to be measurable and available only when cash is received by the government.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

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

Budgetary Information

Annual budgets are adopted on a basis consistent with GAAP for all governmental funds except the Capital Projects Fund, the Grants Special Revenue Fund, 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.

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

Cash, Cash Equivalents, and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits, time deposits, and short-term investments with original maturities of three (3) months or less from the date of acquisition. Investments are reported at fair value, with the exception of external investments which comply with criteria set forth in Section I50: *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 (Continued)

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 0.21% to 2.02%, 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)

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

Subscription-Based Information Technology Arrangements

Subscription-Based Information Technology Arrangements provide the City with control of a non-financial software asset for a period of time in excess of twelve months are reported as a right-to-use subscription asset with a related subscription liability. The subscription liability is recorded at the present value of future subscription payments, including fixed payments and variable payments based on an index or fixed rate. The intangible right-to-use subscription asset is recorded for the same amount as the related subscription liability plus any prepayments and initial direct costs to place the asset in service. The right-to-use subscription assets are amortized over the subscription term and the subscription liability is reduced for lease payments made, less the interest portion of the subscription 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*.

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)

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. 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 five (5) items that qualify for reporting as deferred inflows of resources, which are the *deferred amount for refunding*, *deferred amount for pensions,* the *deferred amount for other post-employment benefits,* the *deferred amount for leases* and the *deferred amount for unavailable revenue.*

The *deferred inflows related to 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 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.

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 inflows related to unavailable revenues* arises only under modified accrual basis of accounting and is only reported in the governmental funds balance sheet. The governmental funds report unavailable revenues when receivables are not collected with the City's period of availability.

Pensions and Net Pension Liability

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

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

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

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*).

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)

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, 2023.

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

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

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

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)

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:

	Government-wide						Internal
	Governmental Activities	Business-type Activities	Water and Sewer System	Solid Waste Management	Stormwater Improvement	Nonmajor Enterprise	Service Funds
Capital assets, net	$ 130,234,007	$ 199,127,002	$ 171,576,756	$ 54,203	$ 20,382,974	$ 7,113,069	$ 1,762,110
Capital-related accounts payable	-	(5,466,919)	(5,460,029)	-	(6,890)	-	-
Contracts (retainage) payable	(168,438)	(1,419,663)	(1,332,571)	-	(87,092)	-	-
Capital-related debt outstanding	(34,560,211)	(120,229,016)	(114,957,055)	-	(1,239,906)	(4,032,055)	(1,118,118)
Portion of outstanding debt attributable to insurance costs	-	-	-	-	-	-	-
Deferred amounts on refunding	94,932	(1,130,710)	(1,128,685)	-	(52,991)	50,966	-
Unspent capital-related debt proceeds	2,206,136	-	-	-	-	-	-
Net investment in capital assets	$ 97,806,426	$ 70,880,694	$ 48,698,416	$ 54,203	$ 18,996,095	$ 3,131,980	$ 643,992

Net Position Flow Assumption

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Expenditures/Expenses

Property Taxes

Under Florida law, the assessment of all properties and the collection of all county, municipal and school district property taxes are consolidated in the offices of the Volusia County Property Appraiser and Chief Financial Officer. The laws of the state regulating tax assessment are designed to assure a consistent property valuation method statewide. State statutes permit municipalities to levy property taxes at a rate of up to ten (10) mills. The millage rate assessed by the City for operating purpose was 5.4300 mills and for debt service was 0.2038 mills for a total millage rate of 5.7338 mills for the fiscal year ended September 30, 2023.

The property tax calendar is as follows:

Valuation date ..... January 1, 2022

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, 2022

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 2022

All real and tangible personal property taxes are due and payable (levy date).....November 1, 2022

The County mails Notice of Taxes to property owners on the assessment roll .....November 2022

Taxes are paid from November 2022 through March 2023, 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, 2023

Tax certificates are sold on all parcels with unpaid real property taxes (lien date).....May 31, 2023

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 2023

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Expenditures/Expenses (Continued)

Program Revenues

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

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

Proprietary Funds Operating and Nonoperating Revenues and Expenses

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

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

Fair Value Measurement

The City follows GASB Codification I50: *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 28, 2024. See Note 21 for relevant disclosures. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Implemented Accounting Pronouncements

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

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. 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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements (Continued)

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 AND ERROR CORRECTION

Change in Accounting Principle

In fiscal year 2023, the City implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. In accordance with generally accepted accounting principles, the implementation of this Statement for the City requires restatement of the September 30, 2022, net position to record the cumulative effect of recording right-to-use subscription assets less accumulated amortization, net of the respective subscription liabilities as of September 30, 2022.

In fiscal year 2023, the City restated opening net position in the Nonmajor Governmental Fund to correct errors in prior year financial statements.

Note 2: ACCOUNTING CHANGES AND ERROR CORRECTION (Continued)

Correction of an Error

Adjustments to opening net position are enumerated below:

	Government-wide Statements	
	Governmental Activities	Total
Net position, September 30, 2022 as previously reported	$ 106,247,610	$ 106,247,610
Cumulative effect of restatement of intergovernmental revenue [1]	-	-
Implementation of new accounting principle - GASB 96, *Subscription-Based Information Technology Arrangements* [2]		
Right-to-use subscription assets	1,451,221	1,451,221
Subscription liabilities	(1,451,221)	(1,451,221)
Beginning net position, as restated	$ 106,247,610	$ 106,247,610

	Nonmajor Governmental Fund	Internal Service Funds
Net position, September 30, 2022 as previously reported	$ 48,258,848	$ (1,966,666)
Cumulative effect of restatement of intergovernmental revenue [1]	(2,284,694)	
GASB 96, *Subscription-Based Information Technology Arrangements* [2]		
Right-to-use subscription assets	-	583,777
Subscription liabilities	-	(583,777)
Beginning net position, as restated	$ 45,974,154	$ (1,966,666)

(1) In prior years, the City recognized intergovernmental revenue that was earned but had not been collected with the City's period of availability for recognizing revenue in the governmental funds, this overstated prior years intergovernmental revenues in the Nonmajor Governmental Fund.

(2) The opening balance of the right-of-use subscription assets and the subscription liability and the statement of net position of the governmental activities were updated to provide for the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

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

The following funds had a deficit net position at fiscal year-end September 30, 2023.

Fleet Maintenance Fund – The Fleet Maintenance Fund had a deficit net position of $80,899 at September 30, 2023. 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 $195,330 at September 30, 2023. 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.

Information Technology Fund - The Information Technology Fund had a deficit net position of $342,888 at September 30, 2023. The deficit is primarily due to the current year implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements,* which requires the City to capitalize and amortize the net present value of certain software based subscriptions. The deficit will be reduced in the next fiscal year through an adjustment to service charges.

Consolidated Insurance Fund – The Consolidated Insurance Fund had a deficit net position of $2,123,992 at September 30, 2023. 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.

Grants Special Revenue Fund – The Grants Special Revenue Fund had a deficit net position of $126,587 at September 30, 2023. The deficit was primarily due to the restatement of the previously reported fund balance due to an error correction of ($334,422).

Emergency Management Grants Special Revenue Fund – The Emergency Management Grants Special Revenue Fund had a deficit net position of $7,025,093 at September 30, 2023. The deficit was primarily due to the restatement of the previously reported fund balance due to an error correction of ($1,950,272) and due to approximately $9 million in expenditures related to emergency management relief efforts for two hurricanes that effected the City during fiscal year 2023.

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

Note 4: DEPOSITS AND INVESTMENTS (Continued)

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, 2023. The City utilizes "duration" as a measurement of interest rate risk and as of September 30, 2023, the combined cash and investment portfolios had a weighted average duration of 1.80 years.

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

Custodial Credit Risk – The City's investment policy, pursuant to Section 218.415(18), Florida Statutes, requires securities, with the exception of certificates of deposit, to be held with a third-party custodian and all securities purchased by, and all collateral obtained by the City, should be properly designated as an asset of the City. The securities must be held in an account separate and apart from the assets of the financial institution. Security transactions between a broker/dealer and the custodian involving the purchase or sale of securities by transfer of money or securities must be made on a "delivery versus payment" basis, if applicable, to ensure the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction. As of September 30, 2023, 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.

Note 4: DEPOSITS AND INVESTMENTS (Continued)

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, 2023:

Portfolio	Fair Value	Duration (Years)	Weighted Average Rating Moody's/S&P	Percent Distribution
Cash Deposits	$ 198,658,168	-		79.66%
First American Treasury Money Market Fund	635,831	-	Aaa/AAAm	0.25%
US Treasury Notes	33,311,024	1.73	Aaa/AA+	13.36%
US Instrumentalities:				
Federal Home Loan Bank	3,719,992	1.71	Aaa/AA+	1.49%
Federal Home Loan Mortgage Corporation	5,517,850	1.98	Aaa/AA+	2.21%
Federal National Mortgage Association	1,823,521	1.81	Aaa/AA+	0.73%
Federal Farm Credit Bank	986,876	2.73	Aaa/AA+	0.40%
Municipal Bonds:				
Florida State Board of Education	1,845,345	1.67	Aaa/AAA	0.74%
State of Georgia	1,494,090	3.75	Aaa/AAA	0.60%
State of Wisconsin	1,392,817	1.59	Aa1/AA+	0.56%
Total	$ 249,385,514			100.00%

The City follows Section I50: *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).

The three levels of the fair value hierarchy under Section I50: *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.

Note 4: DEPOSITS AND INVESTMENTS (Continued)

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, 2023. At the end of the 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	$ 33,311,024	$ 33,311,024
US Instrumentalities:		
Federal Home Loan Bank	3,719,992	3,719,992
Federal Home Loan Mortgage Corporation	5,517,850	5,517,850
Federal National Mortgage Association	1,823,521	1,823,521
Federal Farm Credit Bank	986,876	986,876
Municipal Bonds:		
Florida State Board of Education	1,845,345	1,845,345
State of Georgia	1,494,090	1,494,090
State of Wisconsin	1,392,817	1,392,817
Subtotal	50,091,515	50,091,515
First American Treasury Money Market Fund	635,831	N/A
PFM Prime Money Market Fund	-	N/A
Cash Deposits	198,658,168	N/A
Total	$ 249,385,514	$ 50,091,515

The City has the following recurring fair value measurements as of September 30, 2023:

- 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, 2023. In accordance with GASB Codification I50: *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, 2023:

Description	Receivables	(Less) Allowance for Uncollectibles	Receivables (Net)
General Fund	$ 4,694,437	$ 318,525	$ 4,375,912
Redevelopment Trust	118,396	-	118,396
Nonmajor governmental funds	455,591	159,650	295,941
Total - Governmental Funds	5,268,424	478,175	4,790,249
Proprietary Funds:			
Water and Sewer System	13,036,102	2,132,169	10,903,933
Solid Waste Management	4,097,220	679,039	3,418,181
Stormwater Improvement	2,324,173	255,453	2,068,720
Nonmajor Enterprise Funds	907	-	907
Total - Proprietary Funds	19,458,402	3,066,661	16,391,741
Fiduciary Funds:			
Police and Fire Pension Trust	116,468	-	116,468
Component unit - First Step Shelter	127,453	-	127,453
Total	$ 24,970,747	$ 3,544,836	$ 21,425,911

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, 2023.

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.

An estimated unbilled revenue amount is recorded within the General Fund of $209,792, Water and Sewer System Fund of $6,138,080, Solid Waste Management Fund of $1,980,616, and Stormwater Improvement Fund of $1,363,242 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, 2023:

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, 2023 was $94,396, for which a monthly payment of $2,000 payment has been made consistently since January 2021.

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 2028. Most leases include increases of a minimum percentage or escalate on some other basis.

General Fund - On January 1, 2012, the City entered into an agreement with Big Game Florida, LLC, to lease the City owned Jackie Robinson Ballpark and the City owned building at 110 East Orange Ave. Daytona Beach, Florida, for a term of 10 years. On November 28, 2022, the City extended the lease term one year to expire at December 31, 2023. Lessee pays a fixed rate monthly for the duration of the lease extension. For the fiscal year September 30, 2023, the General Fund recognized $63,439 of lease revenue and $326 of lease interest.

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, 2023, the Halifax Harbor Fund recognized $237,661 of lease revenue and $1,330 of lease interest.

Note 7: LEASES RECEIVABLE (Continued)

Daytona Beach Pier Fund – On December 6, 2011, the City entered into a 10-year agreement with Crab Addison, Inc. to lease the City-owned Daytona Beach Pier. The agreement contains four (4) options to extend the term an additional five (5) years each. Effective January 3, 2017, Crab Addison, Inc., a Texas corporation was converted to Joe's Crab Shack, LLC, a Texas limited liability company as the new Tenant entity under the Lease. For the fiscal year September 30, 2023, the Daytona Beach Pier Fund recognized $301,728 of lease revenue and $10,338 of lease interest.

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

	Governmental Activities		Business-Type Activities		
Year ending September 30,	Principal	Interest	Principal	Interest	Total Future Minimum Lease Payments
2024	$ 15,952	$ 6	$ 520,713	$ 9,396	$ 546,067
2025	-	-	431,754	6,304	438,058
2026	-	-	399,602	3,465	403,067
2027	-	-	262,057	806	262,863
Total	$ 15,952	$ 6	$ 1,614,126	$ 19,971	$ 1,650,055

Note 8: INTERFUND BALANCES AND TRANSFERS

The following is a summary of interfund receivable and payable balances at September 30, 2023:

Due To/From Other Funds:

Receivable Fund	Payable Fund	Amount
General Fund	Total Nonmajor Governmental Funds	$ 7,543,000

$7,543,000 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.

Note 8: INTERFUND BALANCES AND TRANSFERS (Continued)

Interfund Transfers:

		Transfers In					
		Governmental Funds				Proprietary Funds	
Description	Total Transfers (Out)	General Fund	Redevelopment Trust	Capital Projects	Nonmajor Governmental Funds	Water and Sewer System	Nonmajor Enterprise Funds
Governmental Funds:							
General Fund	$ 12,076,490	$ -	$ 3,909,070	$ 4,845,415	$ 3,322,005	$ -	$ -
Redevelopment Trust	2,955,626	-	-	-	2,955,626	-	-
Capital Projects	433,377	433,377	-	-	-	-	-
Nonmajor governmental	1,203,125	-	-	345,016	858,109	-	-
Total - governmental funds	16,668,618	433,377	3,909,070	5,190,431	7,135,740	-	-
Proprietary Funds:							
Water and Sewer System	10,815,181	10,267,978	-	547,203	-	-	-
Solid Waste Management	10,011,651	9,975,392	-	36,259	-	-	-
Stormwater Improvement	11,695,442	11,550,025	-	145,417	-	-	-
Nonmajor Enterprise	134,193	103,660	-	30,533	-	-	-
Total - proprietary funds	32,656,467	31,897,055	-	759,412	-	-	-
Internal Service Funds	32,824	-	-	32,824	-	-	-
Total	$ 49,357,909	$ 32,330,432	$ 3,909,070	$ 5,982,667	$ 7,135,740	$ -	$ -

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 2023. Transfers from the General Fund to Nonmajor Governmental 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 and Proprietary Funds to Capital Projects Fund were made to cover future improvements at various facilities and roadway projects. Transfers from the Proprietary Funds to the General Fund were primarily for payment in lieu of taxes for governmental services provided. 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.

Note 9: CAPITAL ASSETS

Fiscal Year Activity – Capital asset activity for the fiscal year ended September 30, 2023 was as follows:

Description	Beginning Balance*	Increases	Decreases	Ending Balance
Governmental activities:				
(Includes internal service funds)				
Capital assets, not being depreciated/amortized:				
Land	$ 30,542,307	$ 1,099,913	$ (1,244,856)	$ 30,397,364
Construction in progress	3,314,493	13,824,473	(402,859)	16,736,107
Total capital assets, not being depreciated/amortized	33,856,800	14,924,386	(1,647,715)	47,133,471
Capital assets, being depreciated/amortized:				
Buildings	67,665,865	536,689	(528,101)	67,674,453
Equipment	41,136,985	5,122,555	(1,674,722)	44,584,818
Improvements and infrastructure	99,870,720	12,000	(1,199,127)	98,683,593
Right-to-use lease assets				
Land	-	159,281	-	159,281
Equipment	1,051,349	85,325	(71,723)	1,064,951
Right-to-use subscription assets	1,451,221	1,057,655	-	2,508,876
Total capital assets, being depreciated/amortized	211,176,140	6,973,505	(3,473,673)	214,675,972
Less accumulated depreciation/amortization for:				
Buildings	(35,425,874)	(1,666,882)	524,273	(36,568,483)
Equipment	(32,060,935)	(3,111,145)	1,636,127	(33,535,953)
Improvements and infrastructure	(57,769,777)	(3,244,368)	1,050,435	(59,963,710)
Right-to-use lease assets				
Land	-	(61,262)	-	(61,262)
Equipment	(287,457)	(342,651)	23,402	(606,706)
Right-to-use subscription assets	-	(839,322)	-	(839,322)
Total accumulated depreciation/amortization	(125,544,043)	(9,265,630)	3,234,237	(131,575,436)
Total capital assets, being depreciated/amortized, net	85,632,097	(2,292,125)	(239,436)	83,100,536
Governmental activities capital assets, net	$119,488,897	$ 12,632,261	$ (1,887,151)	$130,234,007

** September 30, 2022 balance is restated with the implementation of GASB Statement No. 96. See Note 2.*

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	15,974,063	32,018,229	(5,274,729)	42,717,563
Total capital assets, not being depreciated/amortized	22,402,250	32,018,229	(5,274,729)	49,145,750
Capital assets, being depreciated/amortized:				
Buildings	62,676,245	15,623	(1,937,628)	60,754,240
Equipment	153,560,548	6,726,586	(3,674,801)	156,612,333
Improvements and infrastructure	181,577,821	33,413	(60,729)	181,550,505
Right-to-use lease assets				
Land	204,588	-	-	204,588
Infrastructure	107,277	-	-	107,277
Right-to-use subscription assets	-	507,084	-	507,084
Total capital assets, being depreciated/amortized	398,126,479	7,282,706	(5,673,158)	399,736,027
Less accumulated depreciation/amortization for:				
Buildings	(47,874,345)	(1,177,855)	477,879	(48,574,321)
Equipment	(123,932,901)	(3,542,285)	2,567,639	(124,907,547)
Improvements and infrastructure	(69,733,773)	(6,477,827)	60,729	(76,150,871)
Right-to-use lease assets				
Land	(4,884)	(4,884)	-	(9,768)
Infrastructure	(30,688)	(40,918)	-	(71,606)
Right-to-use subscription assets	-	(40,662)	-	(40,662)
Total accumulated depreciation/amortization	(241,576,591)	(11,284,431)	3,106,247	(249,754,775)
Total capital assets, being depreciated/amortized, net	156,549,888	(4,001,725)	(2,566,911)	149,981,252
Business-type activities capital assets, net	$178,952,138	$ 28,016,504	$ (7,841,640)	$199,127,002

Note 9: CAPITAL ASSETS (Continued)

Construction in Progress – As of the end of the fiscal year, the City had active construction projects including improvements to utilities, roads and right-of-way, public safety and recreational facilities, and drainage systems. Following is a schedule of construction in progress at September 30, 2023:

Project Description	Project Budget	Cumulative Amount Spent
Governmental activities:		
Halifax River Greenway Trail	$ 2,292,581	$ 2,058,421
Streets and Sidewalk Improvement Program	2,362,983	2,217,652
Park Renovations/Improvements	9,707,146	5,434,121
CRA Streetscape Improvements	13,136,367	3,447,445
Boat/House	1,295,735	244,306
ISB Streetscape	4,656,560	44,758
Land Acquisition	5,050,000	18,501
Golf Course Equipment Purchase	737,037	589,018
Golf Course Improvements	49,690	49,690
Grandview Substation	171,021	167,145
Fire Station	1,790,000	160,000
Property & Evidence Expansion	272,047	222,717
IT/Network	171,556	167,821
Generator Purchase	156,150	47,482
Citywide - A/C, Office Renos	1,194,928	239,073
Radios	1,400,000	1,323,193
ADA Improvements	242,600	227,987
Traffic	1,060,000	73,687
Public Works	149,300	3,090
Total construction in progress – governmental activities	$ 45,895,701	$ 16,736,107

Note 9: CAPITAL ASSETS (Continued)

Project Description	Project Budget	Cumulative Amount Spent
Business-type activities:		
Wastewater Treatment Plant Facilities Improvements	$ 50,556,158	$ 17,716,242
Brennan WTP Filters	7,789,686	7,286,148
Lift Station & Fore Main Replacement	23,347,257	2,442,129
Beach Street Water and Stormwater Improvements	756,083	695,698
Potable Water Tank and Pump Station	14,329,536	9,777,559
SCADA Eval, Design & Implmentation	3,950,000	1,353,698
Bethune WRF Process Upgrades	868,338	287,056
Utility Improvements	2,506,403	1,412,084
Lime Sledge Disposal Process	50,000	36,123
Reg Dewatering Building Improvement	415,000	388,990
ERP System	914,742	6,840
CIPP	999,632	339,750
Cup Renewal	440,936	243,088
Bennett Swamp	83,500	7,689
HHM Improvements	25,475	17,985
Pond Weir Repalcements	324,782	193,850
Pier Improvements	45,194	7,987
Water Metering Improvements	175,955	57,209
Manhole Lining/Rehab	660,425	310,414
Derbyshire Neighborhood Sidewalks	138,000	137,024
Total construction in progress – business-type activities	$ 108,377,102	$ 42,717,563

Note 9: CAPITAL ASSETS (Continued)

Depreciation and Amortization Expense – Depreciation and Amortization expense was charged to individual functions and programs for the fiscal year ended September 30, 2023 as follows:

Function/Program:		Depreciation Expense
Governmental activities:		
General government	$	2,954,045
Public safety		3,041,074
Transportation		771,536
Culture and recreation		1,766,660
Subtotal		8,533,315
Capital assets held by internal service funds are charged to the various functions based on their usage of the assets		732,315
Transfers between funds of prior years' accumulated depreciation		-
Total depreciation expense – governmental activities	$	9,265,630
Business-type activities:		
Water and sewer system	$	9,552,584
Solid waste management		6,901
Stormwater improvement		1,183,229
Halifax Harbor		228,730
Main Street Pier		298,006
Transfers between funds of prior years' accumulated depreciation		14,981
Total depreciation expense – business-type activities	$	11,284,431

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 and utility system refunding revenue bonds.

Following is a description of bonds payable at September 30, 2023:

Description		Original Amount Issued		Principal Outstanding at September 30, 2023	Interest Rate	Final Maturity
Governmental activities:						
General Obligation Refunding Bonds:						
Series 2012	$	18,810,000	$	7,665,000	2% - 3.375%	2029
Total - governmental activities	$	18,810,000	$	7,665,000		

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

Bonds Payable: (Continued)

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, 2023 was $7,665,000.

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
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	1,340,000	91,969	1,431,969
2029-2033	1,385,000	46,744	1,431,744
	7,665,000	908,489	8,573,489
Unamortized Premium	96,263	-	96,263
Total	$ 7,761,263	$ 908,489	$ 8,669,752

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. The bonds were defeased (refunded) in fiscal year 2023 with the Utility System Refunding Revenue Note, Series 2023. The deferred loss on refunding

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

Bonds Payable: (Continued)

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

associated with the Series 2012 bonds is being shown as a deferred outflow of resources and amortized over the term of the new refunding debt issued, which is the same as the remaining term of the Series 2012 bonds at the time of the refunding.

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, 2023 was $18,395,000.

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
2024	$ 2,130,000	$ 381,260	$ 2,511,260
2025	2,175,000	333,905	2,508,905
2026	2,225,000	285,305	2,510,305
2027	2,270,000	236,060	2,506,060
2028	2,320,000	185,570	2,505,570
2029-2033	7,275,000	242,495	7,517,495
Total	$ 18,395,000	$ 1,664,595	$ 20,059,595

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

Notes and Loans Payable: (Continued)

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, 2023 was $928,000.

Business-Type Activities – Water and Sewer System Fund

The City refinanced the Capital Improvement Revenue Note with a 3.54% fixed rate loan from Branch Banking & Trust Company in the amount of $15,504,000. The reacquisition price exceeded the net carrying amount of the old debt by $156,473. This amount is being shown as a deferred outflow of resources and amortized over the term of the new debt issued, which is the same as the term of old debt. The City reduced its total debt payments over 7 years by $1,003,574 which resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of $929,853. The original proceeds were used to finance certain water and sewer system improvements. Principal and interest are payable from water and sewer net operating revenues; additionally, the City has covenanted and agreed to budget and appropriate sufficient amounts of non-ad valorem revenues to satisfy any loan payments required. This portion of the note's final maturity is November 1, 2024. A liability is recorded in the business-type activities section of the government-wide statement of net position. The remaining principal balance at September 30, 2023 was $4,695,000.

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

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

Notes and Loans Payable: (Continued)

Capital Improvement Revenue Note, Series 2017 (Continued)

Business-Type Activities – Halifax Harbor Fund (Continued)

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, 2023 was $3,895,000.

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, 2023 was $1,620,325.

Community Redevelopment Agency Taxable Revenue Note, Series 2023 – (Governmental Activities)

On September 27, 2023, the City of Daytona Beach issued the Community Redevelopment Agency Taxable Revenue Note, Series 2023 which was for the total available amount of $6,500,000 at a fixed rate of 5.48% with the purpose to revitalizing abandoned and dilapidated property within the Midtown Redevelopment area. As of September 30, 2023 the City has drawdown $50,000 of the total funds available. Principal and interest are payable from the Midtown Redevelopment Trust Fund tax increment revenue. The City has covenanted and agreed to budget and appropriate sufficient amounts of non-ad valorem revenues to satisfy any loan payments required. The Note's final maturity is September 1, 2036. A liability is recorded in the government-wide statement of net position. The principal balance at September 30, 2023 was $50,000.

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

Notes and Loans Payable: (Continued)

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

On April 6, 2016, the City entered into a 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, 2023 was $5,705,000.

Utility System Refunding Revenue Note, Series 2023 – (Business-Type Activities)

On January 12, 2023, the City entered into a loan agreement with Truist Commercial Equity, Inc. and issued the Utility System Refunding Revenue Note, Series 2023 in the amount of $21,330,000, for the purpose to refund the Utility Refunding and Improvement Revenue Bonds, Series 2012. The present value of cash flows of the new debt exceeded the present value of cash flows of the old debt by $1,221,754. This amount is being shown as a deferred inflow of resources and amortized over the term of the new debt issued, which is the same as the term of old debt. Following are the notes related to this loan.

Business-Type Activities – Water and Sewer System Fund

The City refunded the Utility Refunding and Improvement Revenue Bonds with a 3.46% fixed rate loan from Truist Commercial Equity, Inc. in the amount of $21,330,000. The present value of cash flows of the new debt exceeded the present value of cash flows of the old debt by $1,221,754. This amount is being shown as a deferred inflow of resources and amortized over the term of the new debt issued, which is the same as the term of old debt. 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. This portion of the note's final maturity is November 1, 2033. 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, 2023 was $20,619,370.

Business-Type Activities – Stormwater System Fund

The City refunded the Utility Refunding and Improvement Revenue Bonds with a 3.46% fixed rate loan from Truist Commercial Equity, Inc. in the amount of $21,330,000. The present value of cash flows of the new debt exceeded the present value of cash flows of the old debt by $1,221,754. This amount is being shown as a deferred inflow of resources and amortized over the term of the new debt issued, which is the same as the term of old debt. 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. This portion of the note's final maturity is November 1, 2033. 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, 2023 was $710,630.

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

Notes and Loans Payable: (Continued)

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. The City had made the final payment for this loan on October 15, 2022 and as of September 30, 2023, there was no outstanding balance.

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, 2023 was $529,276, which includes capitalized interest of $33,578.

Water and Sewer System Fund

On December 18, 2012, the City was notified by the State of Florida, Department of Environmental Protection that the City was awarded a State Revolving Fund Clean Water loan of $1,307,607 to be used for improvements to Orange Avenue and Lift Station 10 and related force main improvements. The interest rate for the authorized loan is 1.72%. During fiscal year 2013-14 the loan was amended and the City was awarded an additional $20,555,192 at an interest rate of 2.25% to begin the construction phase. On August 30, 2018 a final amendment reduced the total amount awarded to $20,058,061 and adjusted the semi-annual debt service payment amount. Of the amount awarded, the City has drawn down $18,989,740 and accrued $688,526 of capitalized interest. 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, 2023 was $14,237,672.

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 and accrued $90,661 of capitalized interest 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

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

Notes and Loans Payable: (Continued)

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

Water and Sewer System Fund (Continued)

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, 2023 was $2,151,858.

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 2017 and fiscal year 2018 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%. During fiscal year 2019 the loan was amended with an additional award of $12,475,190 at an interest rate of 0.00% percent, for a total amount awarded for disbursements totaling $43,594,885, the City had drawn downed $43,560,925 and accrued $112,743 in capitalized interest 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, 2023 was $40,115,143.

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, 2023 was $2,669,320.

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, 2023 was $6,590,085.

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%. During fiscal year 2023 the loan was amended with an additional award of $228,606, authorized for disbursement at an interest rate of 0.00 %, where $23,262 was later de-obligated. Of the amount awarded totaling $4,089,806, the City has drawn down $4,066,544 with the first payment on

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

Notes and Loans Payable: (Continued)

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

Water and Sewer System Fund (Continued)

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, 2023 was $4,044,178.

On September 10, 2021 the City was notified by the State of Florida, Department of Environmental Protection that the City was awarded a State Revolving Clean Water Loan of $7,389,090 for the construction of the Heinman water tank. The interest rate for the authorized loan is 0.00%. During fiscal year 2023 the loan was amended with an additional award of $4,596,456. Of the amount awarded totaling $11,985,546, the City has drawn down $4,996,385 of which they have received principal forgiveness in the amount of $967,310, with the first payment to be paid November 15, 2024 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, 2023 was $4,029,075.

On May 29, 2023, the City was notified by the State of Florida, Department of Environmental Protection that the City was awarded a State Revolving Clean Water Loan of $19,771,394 for the construction of the a new influent pump station and headworks facility at the Westside Regional Water Reclamation Facility. The interest rate for the authorized loan is 0.00%. The City has drawn down $9,530,701 with the first payment to be paid April 15, 2026 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, 2023 was $9,530,701.

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:

	Notes and Loans Payable						
	Governmental Activities		Business-Type Activities				
	Bank Notes		Bank Notes		State Revolving Fund Loans		
Fiscal Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Total
2024	$ 3,068,471	$ 447,245	$ 4,160,000	$ 1,110,182	$ 4,059,005	$ 400,431	$ 13,245,334
2025	3,145,854	371,144	4,256,000	966,353	4,422,694	374,589	13,536,634
2026	2,427,000	305,435	3,687,000	832,772	4,957,922	348,162	12,558,291
2027	2,427,000	250,521	3,814,000	708,937	5,753,052	321,138	13,274,648
2028	2,482,000	194,385	4,643,000	593,511	5,780,685	293,505	13,987,086
2029-2033	7,443,000	245,469	15,065,000	1,223,390	28,127,223	1,030,663	53,134,745
2034-2038	-	-	-	-	22,044,470	267,197	22,311,667
2039-2043	-	-	-	-	8,752,257	9,144	8,761,401
Total	$ 20,993,325	$ 1,814,199	$ 35,625,000	$ 5,435,145	$ 83,897,308	$ 3,044,829	$ 150,809,806

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	$ 1,667,988	$ 3,007,722	$ 839,998	28%
Tax Increment	Note Series 2023	50,000	799,904	-	0%
	Note Series 2020	20,059,595	3,036,541	2,511,260	83%
	Note Series 2017	1,029,740	744,366	172,338	23%
		21,139,335	4,580,811	2,683,598	59%
Utility System Operating Revenues	Note Series 2023	25,475,426		1,558,573	
	Note Series 2017	4,861,646		2,459,874	
	Note Series 2016	6,400,706		529,383	
	State Revolving Fund Loans	86,354,097		7,026,906	
		123,091,875	30,838,824	11,574,736	38%
Marina Operating Revenues	Note Series 2017	4,322,367	809,644	722,352	89%
Stormwater Operating Revenues	State Revolving Fund Loans	588,040	11,449,217	49,003	0%
Totals		$ 150,809,605	$ 50,686,218	$ 15,869,687	

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, 2023 was $84,855.

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, 2023 was $266,429.

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, 2023 was $82,938.

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, 2023 was $237,781.

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, 2023 was $145,412.

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, 2023 was $289,391.

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, 2023 was $1,131,651.

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, 2023 was $1,485,581.

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
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	49,746	1,144	50,890
Total	$ 3,724,038	$ 177,083	$ 3,901,121

Lease Liabilities

Governmental Activities: The City has entered into lease agreements to obtain the right-to-use vehicles, office equipment and land. 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, 2023, the value of the lease liability was $558,885.

Business-type Activities: The City has entered into lease agreements to obtain the land improvements and equipment. 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, 2023, the value of the lease liability was $237,624.

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	Governmental Activities		Business-type Activities		
Ending	Principal	Interest	Principal	Interest	Total
2024	$ 373,539	$ 3,094	$ 44,131	$ 2,569	$ 423,333
2025	136,905	733	45,716	2,223	185,577
2026	21,431	200	47,349	1,865	70,845
2027	19,121	73	14,870	1,574	35,638
2028	7,889	6	23,091	6,675	37,661
2029-2033	-	-	28,260	4,483	32,743
2034-2038	-	-	34,207	1,812	36,019
Total	$ 558,885	$ 4,106	$ 237,624	$ 21,201	$ 821,816

Subscription-Based Information Technology Arrangements

The City has entered into software arrangements that require recognition under GASBC Section S:80, *Subscription-Based Information Technology Arrangements* (SBITAs). The City now recognizes a subscription liability and an intangible right-to-use subscription asset for the software arrangements.

Governmental Activities: The City has entered into nine software arrangements to obtain the right various software. An initial subscription liability was recorded in the amount of $1,451,221 at the beginning of the fiscal year and the City had additions of $1,052,856 throughout the year. The software arrangements have monthly and annual payments ranging from $7,055 to $305,288 and discount rates ranging from 2.66% to 3.27%, with agreements expiring in fiscal year 2024 to 2027. As of September 30, 2023, the value of the subscription liability was $1,511,111.

Business-type Activities: The City has entered into a ten year agreement to obtain the right-to-use water metering software, beginning on November 16, 2022, with an annual payment of $40,742. The City has used a 3.41% discount rate for this arrangement. As of September 30, 2023, the value of the subscription liability was $469,084.

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

Subscription-Based Information Technology Arrangements (Continued)

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

For the years ending September 30,	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2024	$ 964,927	$ 44,104	$ 137,872	$ 13,004	$ 15,996	$ 29,000
2025	432,633	15,642.00	138,522	22,998	15,552	38,550
2026	101,227	3,584.00	118,345	36,682	14,768	51,450
2027	23,913	337.00	118,346	55,483	13,517	69,000
2028	-	-	119,228	59,445	11,625	71,070
2029-2033	-	-	460,804	281,472	24,777	306,249
Total	$ 1,522,700	$ 63,667	$ 1,093,115	$ 469,084	$ 96,235	$ 565,319

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, 2023:

Description	Beginning Balance *	Additions	Reductions	Ending Balance	Due in One Year
Governmental activities (Includes internal service funds):					
Bonds, loans and notes:					
General obligation bonds	$ 8,810,000	$ -	$ (1,145,000)	$ 7,665,000	$ 1,175,000
Premium	110,015	-	(13,752)	96,263	-
Total bonds payable (net)	8,920,015	-	(1,158,752)	7,761,263	1,175,000
Direct borrowings:					
Notes	23,930,322	50,000	(2,986,997)	20,993,325	3,068,471
Financed purchases	5,113,983	-	(1,389,945)	3,724,038	1,418,111
Total bonds, loans and notes	37,964,320	50,000	(5,535,694)	32,478,626	5,661,582
Lease liabilities	764,803	244,607	(450,525)	558,885	373,539
Subscription liabilities	1,451,221	1,052,854	(981,375)	1,522,700	964,927
Net pension liability	115,385,770	7,004,839	-	122,390,609	-
Insurance claims payable	10,634,000	3,757,451	(3,344,451)	11,047,000	2,416,000
Other liabilities:					
Compensated absences	8,076,907	5,102,040	(4,807,214)	8,371,733	2,808,006
Other post-employment benefits	3,411,406	191,185	(327,075)	3,275,516	135,888
Total other liabilities	11,488,313	5,293,225	(5,134,289)	11,647,249	2,943,894
Total - governmental activities	$177,688,427	$ 17,402,976	$ (15,446,334)	$179,645,069	$ 12,359,942

** September 30, 2022 balance is restated with the implementation of GASB Statement No. 96. See Note 2.*

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)	$ 24,335,000	$ -	$ (24,335,000)	$ -	$ -
Premium	2,061,496	-	(2,061,496)	-	-
Notes	17,324,000	21,330,000	(3,029,000)	35,625,000	4,160,000
State Revolving Fund loans	74,108,566	13,795,037	(4,006,295)	83,897,308	4,059,005
Total bonds, loans and notes	117,829,062	35,125,037	(33,431,791)	119,522,308	8,219,005
Net pension liability	12,146,340	2,437,504	-	14,583,844	-
Lease liabilities	280,217	-	(42,593)	237,624	44,131
Subscription liability	-	490,584	(21,500)	469,084	13,004
Other liabilities:					
Landfill closure and post-closure	193,048	34,595	(5,971)	221,672	-
Pollution remediation	41,209	36,810	(41,209)	36,810	-
Compensated absences	1,757,075	1,307,093	(1,234,868)	1,829,300	758,568
Other post-employment benefits	835,815	54,993	(94,079)	796,729	39,087
Total other liabilities	2,827,147	1,433,491	(1,376,127)	2,884,511	797,655
Total - business type activities	$133,082,766	$ 39,486,616	$ (34,872,011)	$137,697,371	$ 9,073,795

At September 30, 2023, the following long-term liabilities for internal service funds are included as part of the above totals for governmental activities: lease liability of $101,846, subscription liability of $1,016,272 net pension liability of $5,511,514, insurance claims payable of $11,047,000, compensated absences of $573,936, and other post-employment benefits of $231,946. 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.

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

At September 30, 2023, 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)	$ 301,271	$ (96,263)
Deferred amount on refunding	1,237,489	(1,142,557)	94,932
Total governmental activities	$ 839,955	$ (841,286)	$ (1,331)
Business-type activities:			
Bond (premium)	$ (6,311,785)	$ 6,311,785	$ -
Prepaid insurance costs - bonds	209,183	(209,183)	-
Deferred amount on refunding, outflows	2,458,687	(1,810,271)	648,416
Deferred amount on refunding, inflows	(1,914,754)	135,628	(1,779,126)
Total business-type activities	$ (5,558,669)	$ 4,427,959	$ (1,130,710)

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, 2023, the amount of these liabilities discounted at 2.5 percent was $11,047,000; the current portion of this amount was $2,416,000.

Note 12: RISK MANAGEMENT (Continued)

Self-Insurance Program (Continued)

Changes in the reported claims liability since October 1, 2021, were as follows:

Fiscal Year Ending	Balance at October 1,	Current Year Claims and Changes in Estimates	Claims Paid	Balance at September 30,
2023	$ 10,634,000	$ 3,757,451	$ (3,344,451)	$ 11,047,000
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

At September 30, 2023, the Consolidated Insurance Fund held cash and investments of $10,413,067 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 $221,672 at September 30, 2023, 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, 2023, investments of $217,740 (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 $66,731 at September 30, 2023.

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 $36,810, 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, 2023.

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 Statues 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 Statues Section 196.012.

For the fiscal year ending September 30, 2023, the City abated 2022 property taxes to six businesses at three locations totaling $385,129.

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	• Florida Retirement System (FRS) • Retiree Health Insurance Subsidy Program (HIS)	• FRS Investment Plan
Police and Fire Pension Board	• Police and Fire Pension Plan	N/A
MissionSquare Retirement	N/A	• 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 $7.50. The minimum payment is $45 and the maximum payment is $225 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% and 2.00%, by job class for the periods from October 1, 2022 through June 30, 2023 and from July 1, 2023 through September 30, 2023, respectively, were as follows: Regular 11.91% and 13.57%; Special Risk 27.83% and 32.67%; Senior Management Service 31.57% and 34.52%; Elected Officials 57.00% and 58.68%; DROP participants 18.60% and 21.13%.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2023, the City reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2023, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2023. 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.

Note 17: RETIREMENT PLANS (Continued)

Defined Benefit Pension Plans (Continued)

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

	FRS	HIS
Net Pension Liability	$ 31,484,434	$ 14,529,789
Proportionate share:		
At current measurement date	0.0790%	0.0915%
At prior measurement date	0.0774%	0.0894%
Pension expense (benefit)	$ 7,243,015	$ 5,693,588

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2023, 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	$ 2,956,117	$ -	$ 212,706	$ (34,104)
Changes of assumptions	2,052,417	-	381,984	(1,259,055)
Net difference between projected and actual earnings on pension plan investments	1,314,875	-	7,503	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,156,250	(14,590)	790,380	(3,900)
Employer contributions subsequent to the measurement date	1,025,440	-	183,280	-
Total	$ 9,505,099	$ (14,590)	$ 1,575,853	$ (1,297,059)

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, 2023. 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
2024	$	1,100,458	$	16,236
2025		(423,253)		10,507
2026		6,941,357		17,193
2027		677,206		33,430
2028		169,301		17,193
Thereafter		-		955
Total	$	8,465,069	$	95,514

Actuarial Assumptions

The total pension liability for both FRS and HIS plans were measured as of June 30, 2023. The FRS liability was determined by an actuarial valuation dated July 1, 2023, and the HIS liability was determined by an actuarial valuation dated July 1, 2022 rolled forward to July 1, 2023. 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
Discount rate	6.70%	3.65%

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, 2023 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 2023:

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability increased from 3.54 to 3.65%.

HIS: Chapter 2023-193, Laws of Florida (Senate Bill 7024), increased the level of monthly benefits from $5 times years of service to $7.50, with an increased minimum of $45 and maximum of $225. This change applies to all years of service for both members currently receiving benefits and members not yet receiving benefits.

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 3.25%. 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%	2.9%	2.9%
Fixed income	19.8%	4.5%	4.4%
Global equity	54.0%	8.7%	7.1%
Real estate	10.3%	7.6%	6.6%
Private equity	11.1%	11.9%	8.8%
Strategic investments	3.8%	6.3%	6.1%
	100.0%		

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.70 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.

Note 17: RETIREMENT PLANS (Continued)

Defined Benefit Pension Plans (Continued)

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

Health Insurance Subsidy (HIS)

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

Sensitivity Analysis

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

	FRS			HIS		
	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Employer's proportionate share of the net pension liability	$ 53,781,824	$ 31,484,434	$ 12,829,999	$ 16,576,222	$ 14,529,789	$ 12,833,434

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.

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, 2022, the most recent actuarial valuation date:

	Plan Membership
Actives	296
Service Retirees	326
DROP Retirees	20
Beneficiaries	42
Disability Retirees	59
Terminated Vested	98
Total members	841

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

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, 2023, total pension expense was $16,392,632, and the City recognized as revenue, total contributions to the Plan of $12,226,304 which consisted of the following:

		Plan Contributions
Employer	$	8,647,168
Member		2,109,375
State		1,393,607
Buy-Back		76,154
Total Contributions	$	12,226,304

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, 2023, 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, 2023, the annual money-weighted rate of return on pension plan investments was 6.51%.

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, 2023, 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, 2023, 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, 2022	$ 282,930,856	$ 193,657,634	$ 89,273,222
Changes for the fiscal year:			
Service cost	3,511,046	-	3,511,046
Interest	20,762,800	-	20,762,800
Difference between expected and actual experience	2,235,633	-	2,235,633
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Contributions - employer	-	8,926,751	(8,926,751)
Contributions - member	-	1,393,607	(1,393,607)
Contributions - State	-	2,109,375	(2,109,375)
Contributions - Buy Back	76,154	76,154	-
Net investment income	-	12,645,684	(12,645,684)
Benefit payments, including refunds of member contributions	(19,209,127)	(19,209,127)	-
Administrative Expenses	-	(252,948)	252,948
Net change	7,376,506	5,689,496	1,687,010
Balance at September 30, 2023	$ 290,307,362	$ 199,347,130	$ 90,960,232

For the fiscal year ended September 30, 2023, the City recognized pension expense of $16,392,632.

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, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions for the Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 3,939,289	$ -
Changes of Assumptions	496,174	-
Net difference between projected and actual earnings on pension plan investments	22,062,806	-
Total	$ 26,498,269	$ -

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)
2024	$ 7,026,850
2025	6,740,145
2026	12,407,718
2027	323,556
Total	$ 26,498,269

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, 2022
Measurement date	September 30, 2023
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, 2023 are summarized as follows:

Asset Class	Target Allocation	Expected Long-Term Rate of Return
Domestic equities	28.0%	7.83%
Fixed income	24.0%	4.14%
Real estate	10.0%	5.53%
Alternative investments	13.0%	10.09%
International equities	25.0%	7.96%
Total	100.0%	

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

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

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Plan net pension liability	$ 123,064,992	$ 90,960,232	$ 64,181,922

Note 17: RETIREMENT PLANS (Continued)

Defined Benefit Pension Plans (Continued)

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, 2023 totaled $1,387,701. Employee contributions totaled $48,460 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, 2023, there were a total of 13 employees participating in the plan with a covered payroll of $1,101,830. Employees do not contribute into this plan. The City contributed 11% effective July 1, 2023 of covered employees' gross wages for general employees. City contributions for the fiscal year ending September 30, 2023 totaled $126,491.

Pension Expense Summary

The total of the City's pension expense for the fiscal year ended September 30, 2023 is as follows:

Plan Description		Pension Expense
Defined Benefit Plans:		
FRS Pension Plan	$	7,243,015
Retiree Health Insurance Subsidy Program (HIS)		5,693,588
Police Officers' and Firefighters' Pension Plan		16,392,632
Total defined benefit pension expense		29,329,235
Defined Contribution Plan:		
FRS Investment Plan		1,387,701
ICMA Deferred Compensation Plan		126,491
Total defined contribution pension expense		1,514,192
Total Pension Expense	$	30,843,427

Note 18: OTHER POST-EMPLOYMENT BENEFITS (OPEB)

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

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

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

The City selected an interest discount rate of 4.75% 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, 2023. 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)	140
Total	994
Active Members Eligible for Benefits	84

Note 18: OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Actuarial Assumptions and Other Inputs – The total OPEB liability in the September 30, 2023 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, 2022 to September 30, 2023 were based on a valuation as of October 1, 2021 and projected to year end September 30, 2023. 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 4.75%

Assumed healthcare cost trend rates:

	Year	Age Pre-65	Age Post-65
Year 1 Trend	October 1, 2023	7.0%	7.0%
Ultimate Trend	October 1, 2033 & Later	4.5%	4.5%
Grading Per Year	-	0.25%	0.25%

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

At September 30, 2023 the City of Daytona Beach reported a Total OPEB liability of $4,072,246. The GASB 75 information has been provided as of the year ended September 30, 2023.

	Increase (Decrease)		
Change in Net OPEB Liability	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)	$ 4,247,221	$ -	$ 4,247,221
Changes Recognized for Fiscal Year			
Service Cost	53,069	-	53,069
Interest	193,109	-	193,109
Changes in Assumptions	(57,596)	-	(57,596)
Benefit Payments	(363,557)	(363,557)	-
Contributions from employer	-	363,557	(363,557)
Net Changes	(174,975)	-	(174,975)
Balance Recognized as of End Year	$ $ 4,072,246	$ -	$ 4,072,246

The liability decrease is due to changes in the discount rate from 4.59% to 4.75% 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 4.75%, 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 (3.75%)	Current Discount Rate (4.75%)	1% Increase (5.75%)
Total OPEB Liability	$ 4,422,173	$ 4,072,246	$ 3,770,242

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	$ 3,655,295	$ 4,072,246	$ 4,656,965

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, 2023, the City of Daytona Beach recognized an OPEB expense of $221,733. 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	$ 557,551	$ (1,460,168)
Total	$ 557,551	$ (1,460,168)

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
2024	$ (24,445)
2025	(24,445)
2026	(24,445)
2027	(48,003)
2028	(117,921)
Thereafter	(663,358)
Total	$ (902,617)

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 21, 2023, the parties ratified a two-year successor collective bargaining agreement that will expire September 30, 2025.

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 21, 2023, the parties ratified a two-year successor collective bargaining agreement that will expire September 30, 2025.

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 21, 2023, the parties ratified a two-year successor collective bargaining agreement that will expire September 30, 2025.

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 21, 2023, the parties ratified a two-year successor collective bargaining agreement that will expire September 30, 2025.

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, 2023 and, accordingly, has not recorded an asset retirement obligation for this matter.

Note 21: SUBSEQUENT EVENTS

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

On December 27, 2023 the City executed a new loan agreement with the Florida Department of Environmental Protection for funding from the State Revolving Fund program for construction costs related to the replacement of Lift Station 34 with an estimated project cost of $7,366,000 and estimated completion date of February 15, 2026. The first agreement was for $1,366,000, due to annual maximum funding, at a financing rate of 0.52 percent with a 20-year term. The first semi-annual loan payment of $36,911 is due on August 15, 2026.

Note 21: SUBSEQUENT EVENTS (Continued)

Long-Term Debt – Financed Purchase – General Fund

On March 1, 2024 the TD Equipment Finance, Inc and the City executed a Master Lease Purchase Agreement and Schedule 1 with a principal sum of $1,700,000 for the financing of equipment for the Police Department and Golf Club. The first loan payment of $470,000 is due March 1, 2025.

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 Ten Fiscal Years (In Thousands)

Florida Retirement System Pension Plan

Plan Sponsor Measurement Date June 30,	**2023**	2022	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability	**0.0790%**	0.0774%	0.0749%	0.0672%	0.0657%	0.0639%	0.0652%	0.0650%	0.0669%	0.0671%
Proportionate share of the net pension liability	**$ 31,484**	$ 28,790	$ 5,661	$ 29,106	$ 22,617	$ 19,239	$ 19,280	$ 16,413	$ 8,639	$ 4,092
* Covered payroll	**$ 30,477**	$ 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	103%	88%	18%	98%	83%	73%	78%	69%	38%	18%
Plan fiduciary net position as a percentage of the total pension liability	**82%**	83%	96%	79%	83%	84%	84%	85%	92%	96%

Health Insurance Subsidy Program

Plan Sponsor Measurement Date June 30,	**2023**	2022	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability	**0.0915%**	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	**$ 14,530**	$ 9,469	$ 10,582	$ 10,183	$ 9,075	$ 8,379	$ 8,489	$ 8,989	$ 7,612	$ 7,005
* Covered payroll	**$ 30,477**	$ 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	**48%**	29%	34%	34%	33%	32%	34%	38%	34%	31%
Plan fiduciary net position as a percentage of the total pension liability	**4.12%**	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 available.
* GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68 and No. 73* , was implemented during fiscal year 2017. Covered payroll shown includes the payroll for defined benefit plan active members, members in DROP and investment plan members.

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

Florida Retirement System Pension Plan

City Year Ended September 30,	**2023**	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	**$ 3,847**	$ 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	**(3,847)**	(3,487)	(2,953)	(2,396)	(2,061)	(1,820)	(1,697)	(1,662)	(1,609)	(1,665)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
* Covered payroll	**$ 33,132**	$ 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	**11.61%**	11.04%	9.52%	8.02%	7.56%	6.92%	6.61%	6.76%	7.04%	7.48%

Health Insurance Subsidy Program

City Year Ended September 30,	**2023**	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	**$ 630**	$ 567	$ 511	$ 491	$ 452	$ 429	$ 420	$ 405	$ 310	$ 264
Contributions in relation to the contractually required contribution	**(630)**	(567)	(511)	(491)	(452)	(429)	(420)	(405)	(310)	(264)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
* Covered payroll	**$ 33,132**	$ 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	**1.90%**	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 Ten Fiscal Years (In Thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Service cost	**$ 3,511**	$ 3,636	$ 3,349	$ 3,513	$ 3,381	$ 3,316	$ 3,105	$ 3,060	$ 3,107	$ 2,905
Interest	**20,763**	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	**2,236**	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	**76**	41	31	28	33	39	-	-	-	-
Benefit payments, including refunds of employee contributions	**(19,209)**	(17,989)	(19,341)	(17,819)	(17,026)	(15,054)	(14,573)	(14,783)	(13,418)	(13,236)
Net change in total pension liability	**7,377**	7,957	8,875	10,459	5,987	4,771	16,482	6,983	5,411	7,586
Total pension liability-beginning	**282,931**	274,974	266,099	255,640	249,653	244,882	228,400	221,417	216,006	208,420
Total pension liability-ending (a)	**$ 290,308**	$ 282,931	$ 274,974	$ 266,099	$ 255,640	$ 249,653	$ 244,882	$ 228,400	$ 221,417	$ 216,006
Plan fiduciary net position										
Contributions-employer	**$ 8,926**	$ 9,143	$ 8,661	$ 8,110	$ 8,021	$ 7,794	$ 6,709	$ 6,102	$ 6,524	$ 6,075
Contributions-member	**2,109**	1,903	1,913	1,860	1,757	1,677	1,643	1,612	1,601	1,695
Contributions-state	**1,394**	1,134	1,082	1,059	984	937	813	904	706	845
Contributions - Buy Back	**76**	41	31	28	33	39	-	-	-	-
Net investment income	**12,646**	(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	**(19,209)**	(17,989)	(19,341)	(17,819)	(17,026)	(15,054)	(14,572)	(14,783)	(13,418)	(13,236)
Administrative expense	**(253)**	(309)	(282)	(293)	(315)	(382)	(213)	(229)	(224)	(277)
Other	**-**	-	-	-	-	1,010	(85)	47	(821)	1,074
Net change in plan fiduciary net position	**5,689**	(45,960)	35,946	17,844	1,011	9,622	10,163	5,546	(10,070)	11,151
Plan fiduciary net position-beginning	**193,658**	239,618	203,672	185,828	184,817	175,195	165,032	159,486	169,556	158,405
Plan fiduciary net position-ending (b)	**$ 199,347**	$ 193,658	$ 239,618	$ 203,672	$ 185,828	$ 184,817	$ 175,195	$ 165,032	$ 159,486	$ 169,556
Net pension liability-ending (a) - (b)	**$ 90,961**	$ 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	**69%**	68%	87%	77%	73%	74%	72%	72%	72%	78%
* Covered payroll	**$ 21,783**	$ 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	**418%**	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)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	**$ 10,041**	$ 10,287	$ 9,740	$ 9,322	$ 8,869	$ 8,685	$ 7,522	$ 7,005	$ 7,230	$ 8,115
Contributions in relation to the actuarially determined contribution	**10,320**	10,278	9,743	9,169	9,005	8,732	7,522	7,005	7,230	8,115
Contribution deficiency (excess)	**$ (279)**	$ 9	$ (3)	$ 153	$ (136)	$ (47)	$ -	$ -	$ -	$ -
* Covered payroll	**$ 21,783**	$ 19,655	$ 19,451	$ 18,764	$ 16,843	$ 16,917	$ 16,114	$ 15,578	$ 15,553	$ 15,027
Contributions as a percentage of covered payroll	**47%**	52%	50%	49%	53%	52%	47%	45%	46%	54%

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 protion 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.

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 Six 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.

	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Total OPEB liability						
Service cost	**$ 53,069**	$ 52,678	$ 58,333	$ 56,359	$ 29,453	$ 26,485
Interest cost	**193,109**	266,247	137,178	139,543	174,342	215,674
Changes in assumptions	**(57,596)**	(1,697,207)	(21,485)	778,161	361,885	-
Benefit payments	**(363,557)**	(350,154)	(377,386)	(382,717)	(480,122)	(540,288)
Net change in total OPEB liability	**(174,975)**	(1,728,436)	(203,360)	591,346	85,558	(298,129)
Total OPEB liability - beginning	**4,247,221**	5,975,657	6,179,017	5,587,671	5,502,113	5,800,242
Total OPEB liability - ending (a)	**$ 4,072,246**	$ 4,247,221	$ 5,975,657	$ 6,179,017	$ 5,587,671	$ 5,502,113
Plan fiduciary net position						
Contributions - employer	**$ 363,557**	$ 350,154	$ 377,386	$ 382,717	$ 480,122	$ 540,288
Benefit payments	**(363,557)**	(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)	**$ 4,072,246**	$ 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%	0.00%
Covered employee payroll	**$ 45,492,696**	$ 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	**8.95%**	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, 2023.

The following are the discount rates used in each period:

10/1/2019	3.10%
10/1/2020	2.26%
10/1/2021	2.29%
10/1/2022	4.59%
10/1/2023	4.75%



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Combining and Individual Fund Statements & Schedules

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.

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, 2023

	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	$ 349,320	$ 1,786,064	$ 191,020	$ 272,595	$ 53,136
Receivables(net):					
Accounts	-	-	-	-	-
Taxes	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-
Intergovernmental receivable	443,931	-	-	-	127,896
Restricted equity in pooled cash, cash equivalents, and investments	-	-	-	-	-
Total assets	$ 793,251	$ 1,786,064	$ 191,020	$ 272,595	$ 181,032
LIABILITIES:					
Accounts payable and other liabilities	$ 13,185	$ (65)	$ -	$ -	$ -
Contracts payable	-	-	-	-	-
Due to other funds	385,000	-	-	-	-
Intergovernmental payable	412	-	-	-	-
Deposits	993	-	-	-	-
Unearned revenue	-	1,739,147	-	-	-
Total liabilities	399,590	1,739,082	-	-	-
Deferred inflows of resources:					
Deferred revenues - unavailable revenue	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
FUND BALANCES:					
Non-Spendable:					
Prepaids	-	-	-	-	-
Restricted:					
Debt covenants	-	-	-	-	-
General government	-	-	-	-	-
Public safety	-	-	191,020	272,595	-
Transportation	-	-	-	-	181,032
Economic environment	393,661	46,982	-	-	-
Cultural and recreation	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	393,661	46,982	191,020	272,595	181,032
Total liabilities, deferred inflows of resources, and fund balances	$ 793,251	$ 1,786,064	$ 191,020	$ 272,595	$ 181,032

City of Daytona Beach, Florida
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
September 30, 2023

	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	$ 21,055,658	$ 4,831,463	$ 11,204,869	$ 2,379,376	$ 3,893,351
Receivables(net):					
Accounts	56,409	-	-	-	-
Taxes	-	-	-	-	-
Prepaid Expenses	75	-	-	-	-
Intergovernmental receivable	-	-	-	-	-
Restricted equity in pooled cash, cash equivalents, and investments	-	-	-	-	-
Total assets	$ 21,112,142	$ 4,831,463	$ 11,204,869	$ 2,379,376	$ 3,893,351
LIABILITIES:					
Accounts payable and other liabilities	$ 91,022	$ 5,035	$ 159,289	$ 160,148	$ 7,667
Contracts payable	-	-	16,653	-	-
Due to other funds	-	-	-	-	-
Intergovernmental payable	3,003	-	-	-	-
Deposits	-	-	-	-	-
Unearned revenue	1,242,055	58,000	290,000	40,600	69,600
Total liabilities	1,336,080	63,035	465,942	200,748	77,267
Deferred inflows of resources:					
Deferred revenues - unavailable revenue	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
FUND BALANCES:					
Non-Spendable:					
Prepaids	75	-	-	-	-
Restricted:					
Debt covenants	-	-	-	-	-
General government	-	-	-	-	-
Public safety	19,775,987	-	-	2,178,628	3,816,084
Transportation	-	4,768,428	-	-	-
Economic environment	-	-	-	-	-
Cultural and recreation	-	-	10,738,927	-	-
Unassigned	-	-	-	-	-
Total fund balances	19,776,062	4,768,428	10,738,927	2,178,628	3,816,084
Total liabilities, deferred inflows of resources, and fund balances	$ 21,112,142	$ 4,831,463	$ 11,204,869	$ 2,379,376	$ 3,893,351

City of Daytona Beach, Florida
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
September 30, 2023

	Special Revenue Funds				
	General Government Impact Fees	Grants	Emergency Management Grants	COVID Local Fiscal Recovery	Total Special Revenue Funds
ASSETS:					
Equity in pooled cash, cash equivalents, and investments	$ 11,850,426	$ 543,854	$ 2,506	$ 66,090	$ 58,479,728
Receivables(net):					
Accounts	-	230,961	-	-	287,370
Taxes	-	-	-	-	-
Prepaid Expenses	-	-	-	-	75
Intergovernmental receivable	-	798,854	1,950,272	-	3,320,953
Restricted equity in pooled cash, cash equivalents, and investments	-	-	-	-	-
Total assets	$ 11,850,426	$ 1,573,669	$ 1,952,778	$ 66,090	$ 62,088,126
LIABILITIES:					
Accounts payable and other liabilities	$ -	$ 255,033	$ 377,599	$ 66,090	$ 1,135,003
Contracts payable	-	122,893	-	-	139,546
Due to other funds	-	508,000	6,650,000	-	7,543,000
Intergovernmental payable	-	-	-	-	3,415
Deposits	-	-	-	-	993
Unearned revenue	121,800	333,616	-	-	3,894,818
Total liabilities	121,800	1,219,542	7,027,599	66,090	12,716,775
Deferred inflows of resources:					
Deferred revenues - unavailable revenue	-	480,714	1,950,272	-	2,430,986
Total deferred inflows of resources	-	480,714	1,950,272	-	2,430,986
FUND BALANCES:					
Non-Spendable:					
Prepaids	-	-	-	-	75
Restricted:					
Debt covenants	-	-	-	-	-
General government	11,728,626	-	-	-	11,728,626
Public safety	-	-	-	-	26,234,314
Transportation	-	-	-	-	4,949,460
Economic environment	-	-	-	-	440,643
Cultural and recreation	-	-	-	-	10,738,927
Unassigned	-	(126,587)	(7,025,093)	-	(7,151,680)
Total fund balances	11,728,626	(126,587)	(7,025,093)	-	46,940,365
Total liabilities, deferred inflows of resources, and fund balances	$ 11,850,426	$ 1,573,669	$ 1,952,778	$ 66,090	$ 62,088,126

City of Daytona Beach, Florida
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
September 30, 2023

	Debt Service Funds			
	General Obligation Refunding Bonds	Capital Improvement Revenue Notes	Capital Financing	Total Debt Service Funds
ASSETS:				
Equity in pooled cash, cash equivalents, and investments	$ -	$ -	$ -	$ -
Receivables(net):				
Accounts	-	-	-	-
Taxes	8,571	-	-	8,571
Prepaid Expenses	-	-	-	-
Intergovernmental receivable	-	-	-	-
Restricted equity in pooled cash, cash equivalents, and investments	586,264	115,447	-	701,711
Total assets	$ 594,835	$ 115,447	$ -	$ 710,282
LIABILITIES:				
Accounts payable and other liabilities	$ -	$ -	$ -	$ -
Contracts payable	-	-	-	-
Due to other funds	-	-	-	-
Intergovernmental payable	-	-	-	-
Deposits	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	-	-	-	-
Deferred inflows of resources:				
Deferred revenues - unavailable revenue	-	-	-	-
Total deferred inflows of resources	-	-	-	-
FUND BALANCES:				
Non-Spendable:				
Prepaids	-	-	-	-
Restricted:				
Debt covenants	594,835	115,447	-	710,282
General government	-	-	-	-
Public safety	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Cultural and recreation	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	594,835	115,447	-	710,282
Total liabilities, deferred inflows of resources, and fund balances	$ 594,835	$ 115,447	$ -	$ 710,282

City of Daytona Beach, Florida
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
September 30, 2023

	Total Nonmajor Governmental Funds
ASSETS:	
Equity in pooled cash, cash equivalents, and investments	$ 58,479,728
Receivables(net):	
Accounts	287,370
Taxes	8,571
Prepaid Expenses	75
Intergovernmental receivable	3,320,953
Restricted equity in pooled cash, cash equivalents, and investments	701,711
Total assets	$ 62,798,408
LIABILITIES:	
Accounts payable and other liabilities	$ 1,135,003
Contracts payable	139,546
Due to other funds	7,543,000
Intergovernmental payable	3,415
Deposits	993
Unearned revenue	3,894,818
Total liabilities	12,716,775
Deferred inflows of resources:	
Deferred revenues - unavailable revenue	2,430,986
Total deferred inflows of resources	2,430,986
FUND BALANCES:	
Non-Spendable:	
Prepaids	75
Restricted:	
Debt covenants	710,282
General government	11,728,626
Public safety	26,234,314
Transportation	4,949,460
Economic environment	440,643
Cultural and recreation	10,738,927
Unassigned	(7,151,680)
Total fund balances	47,650,647
Total liabilities, deferred inflows of resources, and fund balances	$ 62,798,408

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, 2023

	Special Revenue Funds				
	Community Development	Local Housing Assistance	Law Enforcement Trust	Federal Shared Property Forfeitures	Transportation 5-Cent Gas Tax
REVENUES:					
Taxes	$ -	$ -	$ -	$ -	$ 782,751
Licenses and permits	-	-	-	-	-
Intergovernmental	515,463	136,810	-	113,929	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	113,643	-	-
Special assessments/impact fees	-	-	-	-	-
Income on investments	8,790	39,603	5,136	6,183	11,748
Miscellaneous	29,995	20,700	-	-	-
Total revenues	554,248	197,113	118,779	120,112	794,499
EXPENDITURES:					
Current operating:					
General government	-	-	-	-	-
Public safety	-	-	148,832	17,290	-
Transportation	-	-	-	-	1,314,989
Economic environment	567,519	197,113	-	-	-
Human services	-	-	-	-	-
Cultural and recreation	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	567,519	197,113	148,832	17,290	1,314,989
Excess (deficiency) of revenues over (under) expenditures	(13,271)	-	(30,053)	102,822	(520,490)
OTHER FINANCING SOURCES (USES):					
Proceeds from insurance	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers (out)	-	-	-	-	(348,037)
Total other financing sources (uses)	-	-	-	-	(348,037)
Net change in fund balances	(13,271)	-	(30,053)	102,822	(868,527)
FUND BALANCES:					
Beginning, as previously reported	406,932	46,982	221,073	169,773	1,049,559
Prior period adjustment (Note 2)	-	-	-	-	-
Beginning, as restated	406,932	46,982	221,073	169,773	1,049,559
Ending	$ 393,661	$ 46,982	$ 191,020	$ 272,595	$ 181,032

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, 2023

	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	7,191,027	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	582,230	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Special assessments/impact fees	-	875,918	2,562,523	513,145	871,632
Income on investments	531,504	119,800	279,882	57,577	99,059
Miscellaneous	30,844	-	-	-	-
Total revenues	8,335,605	995,718	2,842,405	570,722	970,691
EXPENDITURES:					
Current operating:					
General government	19,175	-	-	-	-
Public safety	4,198,628	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	-	-	-
Human services	-	-	-	-	-
Cultural and recreation	-	-	10,350	-	-
Capital outlay	737,862	73,685	912,267	162,214	392,077
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	4,955,665	73,685	922,617	162,214	392,077
Excess (deficiency) of revenues over (under) expenditures	3,379,940	922,033	1,919,788	408,508	578,614
OTHER FINANCING SOURCES (USES):					
Proceeds from insurance	-	-	-	-	-
Transfers in	-	-	243,423	-	-
Transfers (out)	-	-	(266,649)	-	-
Total other financing sources (uses)	-	-	(23,226)	-	-
Net change in fund balances	3,379,940	922,033	1,896,562	408,508	578,614
FUND BALANCES:					
Beginning, as previously reported	16,396,122	3,846,395	8,842,365	1,770,120	3,237,470
Prior period adjustment (Note 2)	-	-	-	-	-
Beginning, as restated	16,396,122	3,846,395	8,842,365	1,770,120	3,237,470
Ending	$ 19,776,062	$ 4,768,428	$ 10,738,927	$ 2,178,628	$ 3,816,084

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, 2023

	Special Revenue Funds				
	General Government Impact Fees	Grants	Emergency Management Grants	COVID Local Fiscal Recovery	Total Special Revenue Funds
REVENUES:					
Taxes	$ -	$ -	$ -	$ -	$ 782,751
Licenses and permits	-	-	-	-	7,191,027
Intergovernmental	-	2,338,868	589	709,552	3,815,211
Charges for services	-	-	-	-	582,230
Fines and forfeitures	-	-	-	-	113,643
Special assessments/impact fees	1,599,958	-	-	-	6,423,176
Income on investments	297,603	-	-	-	1,456,885
Miscellaneous	-	898,905	-	-	980,444
Total revenues	1,897,561	3,237,773	589	709,552	21,345,367
EXPENDITURES:					
Current operating:					
General government	-	-	8,980,446	-	8,999,621
Public safety	-	363,666	-	-	4,728,416
Transportation	-	-	-	-	1,314,989
Economic environment	-	-	-	709,552	1,474,184
Human services	-	400,000	-	-	400,000
Cultural and recreation	-	30,850	-	-	41,200
Capital outlay	-	2,001,060	-	-	4,279,165
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	-	2,795,576	8,980,446	709,552	21,237,575
Excess (deficiency) of revenues over (under) expenditures	1,897,561	442,197	(8,979,857)	-	107,792
OTHER FINANCING SOURCES (USES):					
Proceeds from insurance	-	304,718	1,100,000	-	1,404,718
Transfers in	-	-	1,137,500	-	1,380,923
Transfers (out)	-	(588,439)	-	-	(1,203,125)
Total other financing sources (uses)	-	(283,721)	2,237,500	-	1,582,516
Net change in fund balances	1,897,561	158,476	(6,742,357)	-	1,690,308
FUND BALANCES:					
Beginning, as previously reported	9,831,065	49,359	1,667,536	-	47,534,751
Prior period adjustment (Note 2)	-	(334,422)	(1,950,272)	-	(2,284,694)
Beginning, as restated	9,831,065	(285,063)	(282,736)	-	45,250,057
Ending	$ 11,728,626	$ (126,587)	$ (7,025,093)	$ -	$ 46,940,365

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, 2023

	Debt Service Funds			
	General Obligation Refunding Bonds	Capital Improvement Revenue Notes	Capital Financing	Total Debt Service Funds
REVENUES:				
Taxes	$ 1,448,695	$ -	$ -	$ 1,448,695
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Special assessments/impact fees	-	-	-	-
Income on investments	34,186	3,078	1,268	38,532
Miscellaneous	-	-	-	-
Total revenues	1,482,881	3,078	1,268	1,487,227
EXPENDITURES:				
Current operating:				
General government	-	-	-	-
Public safety	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Cultural and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	1,145,000	2,986,997	2,197,784	6,329,781
Interest and fiscal charges	282,803	521,339	121,936	926,078
Total expenditures	1,427,803	3,508,336	2,319,720	7,255,859
Excess (deficiency) of revenues over (under) expenditures	55,078	(3,505,258)	(2,318,452)	(5,768,632)
OTHER FINANCING SOURCES (USES):				
Proceeds from insurance	-	-	-	-
Transfers in	-	3,508,336	2,246,481	5,754,817
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	3,508,336	2,246,481	5,754,817
Net change in fund balances	55,078	3,078	(71,971)	(13,815)
FUND BALANCES:				
Beginning, as previously reported	539,757	112,369	71,971	724,097
Prior period adjustment (Note 2)	-	-	-	-
Beginning, as restated	539,757	112,369	71,971	724,097
Ending	$ 594,835	$ 115,447	$ -	$ 710,282

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, 2023

	Total Nonmajor Governmental Funds
REVENUES:	
Taxes	$ 2,231,446
Licenses and permits	7,191,027
Intergovernmental	3,815,211
Charges for services	582,230
Fines and forfeitures	113,643
Special assessments/impact fees	6,423,176
Income on investments	1,495,417
Miscellaneous	980,444
Total revenues	22,832,594
EXPENDITURES:	
Current operating:	
General government	8,999,621
Public safety	4,728,416
Transportation	1,314,989
Economic environment	1,474,184
Human services	400,000
Cultural and recreation	41,200
Capital outlay	4,279,165
Debt service:	
Principal	6,329,781
Interest and fiscal charges	926,078
Total expenditures	28,493,434
Excess (deficiency) of revenues over (under) expenditures	(5,660,840)
OTHER FINANCING SOURCES (USES):	
Proceeds from insurance	1,404,718
Transfers in	7,135,740
Transfers (out)	(1,203,125)
Total other financing sources (uses)	7,337,333
Net change in fund balances	1,676,493
FUND BALANCES:	
Beginning, as previously reported	48,258,848
Prior period adjustment (Note 2)	(2,284,694)
Beginning, as restated	45,974,154
Ending	$ 47,650,647

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, 2023

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance
REVENUES:				
Intergovernmental	$ 1,039,319	$ 4,466,619	$ 515,463	$ (3,951,156)
Income on investments	-	3,478	8,790	5,312
Miscellaneous	-	29,995	29,995	-
Total revenues	1,039,319	4,500,092	554,248	(3,945,844)
EXPENDITURES:				
Current operating:				
Economic environment	1,039,319	4,736,748	567,519	4,169,229
Capital outlay	-	-	-	-
Total expenditures	1,039,319	4,736,748	567,519	4,169,229
Excess (deficiency) of revenues over (under) expenditures	-	(236,656)	(13,271)	223,385
OTHER FINANCING SOURCES:				
Budgetary reserves, net	-	236,656	-	(236,656)
Total other financing sources	-	236,656	-	(236,656)
Net change in fund balance	-	-	(13,271)	(13,271)
FUND BALANCE:				
Beginning	406,932	406,932	406,932	-
Ending	$ 406,932	$ 406,932	$ 393,661	$ (13,271)

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, 2023

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance
REVENUES:				
Intergovernmental	$ 710,454	$ 1,462,785	$ 136,810	$ (1,325,975)
Income on investments	-	39,603	39,603	-
Miscellaneous	-	20,700	20,700	-
Total revenues	710,454	1,523,088	197,113	(1,325,975)
EXPENDITURES:				
Current operating:				
Economic environment	710,454	1,523,100	197,113	1,325,987
Total expenditures	710,454	1,523,100	197,113	1,325,987
Excess (deficiency) of revenues over (under) expenditures	-	(12)	-	12
OTHER FINANCING SOURCES:				
Budgetary reserves, net	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balance	-	(12)	-	12
FUND BALANCE:				
Beginning	46,982	46,982	46,982	-
Ending	$ 46,982	$ 46,970	$ 46,982	$ 12

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, 2023

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance
REVENUES:				
Fines and forfeitures	$ -	$ 25,086	$ 113,643	$ 88,557
Income on investments	-	1,593	5,136	3,543
Total revenues	-	26,679	118,779	92,100
EXPENDITURES:				
Current operating:				
Public safety	-	173,808	148,832	24,976
Total expenditures	-	173,808	148,832	24,976
Excess (deficiency) of revenues over (under) expenditures	-	(147,129)	(30,053)	117,076
OTHER FINANCING SOURCES:				
Budgetary reserves, net	-	147,129	-	(147,129)
Total other financing sources	-	147,129	-	(147,129)
Net change in fund balance	-	-	(30,053)	(30,053)
FUND BALANCE:				
Beginning	221,073	221,073	221,073	-
Ending	$ 221,073	$ 221,073	$ 191,020	$ (30,053)

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, 2023

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance
REVENUES:				
Intergovernmental	$ -	$ 86,983	$ 113,929	$ 26,946
Income on investments	-	1,318	6,183	4,865
Total revenues	-	88,301	120,112	31,811
EXPENDITURES:				
Current operating:				
Public safety	-	17,439	17,290	149
Total expenditures	-	17,439	17,290	149
Excess (deficiency) of revenues over (under) expenditures	-	70,862	102,822	31,960
OTHER FINANCING SOURCES:				
Budgetary reserves, net		(70,862)	-	70,862
Total other financing sources	-	(70,862)	-	70,862
Net change in fund balance	-	-	102,822	102,822
FUND BALANCE:				
Beginning	169,773	169,773	169,773	-
Ending	$ 169,773	$ 169,773	$ 272,595	$ 102,822

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, 2023

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance
REVENUES:				
Taxes	$ 789,977	$ 789,977	$ 782,751	$ (7,226)
Income on investments	-	-	11,748	11,748
Total revenues	789,977	789,977	794,499	4,522
EXPENDITURES:				
Current operating:				
Transportation	15,000	15,000	1,314,989	(1,299,989)
Capital outlay	1,300,000	1,343,380	-	1,343,380
Total expenditures	1,315,000	1,358,380	1,314,989	43,391
Excess (deficiency) of revenues over (under) expenditures	(525,023)	(568,403)	(520,490)	47,913
OTHER FINANCING SOURCES (USES):				
Budgetary reserves, net	873,061	916,441	-	(916,441)
Transfers (out)	(348,038)	(348,038)	(348,037)	1
Total other financing sources (uses)	525,023	568,403	(348,037)	(916,440)
Net change in fund balance	-	-	(868,527)	(868,527)
FUND BALANCE:				
Beginning	1,049,559	1,049,559	1,049,559	-
Ending	$ 1,049,559	$ 1,049,559	$ 181,032	$ (868,527)

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, 2023

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance
REVENUES:				
Licenses and permits	$ 6,376,070	$ 6,376,070	$ 7,191,027	$ 814,957
Income on investments	22,235	22,235	531,504	509,269
Charges for services	589,301	589,301	582,230	(7,071)
Miscellaneous	-	-	30,844	30,844
Total revenues	6,987,606	6,987,606	8,335,605	1,347,999
EXPENDITURES:				
Current operating:				
General government	87,795	87,795	19,175	68,620
Public safety	4,738,750	5,376,078	4,198,628	1,177,450
Capital outlay	-	10,220,189	737,862	9,482,327
Total expenditures	4,826,545	15,684,062	4,955,665	10,728,397
Excess (deficiency) of revenues over (under) expenditures	2,161,061	(8,696,456)	3,379,940	12,076,396
OTHER FINANCING SOURCES (USES):				
Budgetary reserves, net	(2,161,061)	8,696,456	-	(8,696,456)
Total other financing sources (uses)	(2,161,061)	8,696,456	-	(8,696,456)
Net change in fund balance	-	-	3,379,940	3,379,940
FUND BALANCE:				
Beginning	16,396,122	16,396,122	16,396,122	-
Ending	$ 16,396,122	$ 16,396,122	$ 19,776,062	$ 3,379,940

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, 2023

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance
REVENUES:				
Special assessments/impact fees	$ -	$ 631,750	$ 875,918	$ 244,168
Income on investments	-	28,260	119,800	91,540
Total revenues	-	660,010	995,718	335,708
EXPENDITURES:				
Current operating:				
Capital outlay	115,000	3,493,122	73,685	3,419,437
Total expenditures	115,000	3,493,122	73,685	3,419,437
Excess (deficiency) of revenues over (under) expenditures	(115,000)	(2,833,112)	922,033	3,755,145
OTHER FINANCING SOURCES (USES):				
Budgetary reserves, net	115,000	2,833,112	-	(2,833,112)
Total other financing sources (uses)	115,000	2,833,112	-	(2,833,112)
Net change in fund balance	-	-	922,033	922,033
FUND BALANCE:				
Beginning	3,846,395	3,846,395	3,846,395	-
Ending	$ 3,846,395	$ 3,846,395	$ 4,768,428	$ 922,033

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, 2023

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance
REVENUES:				
Special assessments/impact fees	$ -	$ 2,285,807	$ 2,562,523	$ 276,716
Income on investments	-	65,197	279,882	214,685
Total revenues	-	2,351,004	2,842,405	491,401
EXPENDITURES:				
Current operating:				
Capital outlay	-	5,609,833	912,267	4,697,566
Total expenditures	-	5,609,833	922,617	4,687,216
Excess (deficiency) of revenues over (under) expenditures	-	(3,258,829)	1,919,788	5,178,617
OTHER FINANCING SOURCES (USES):				
Budgetary reserves, net	266,650	3,525,479	-	(3,525,479)
Transfers in	-	-	243,423	243,423
Transfers (out)	(266,650)	(266,650)	(266,649)	1
Total other financing sources (uses)	-	3,258,829	(23,226)	(3,282,055)
Net change in fund balance	-	-	1,896,562	1,896,562
FUND BALANCE:				
Beginning	8,842,365	8,842,365	8,842,365	-
Ending	$ 8,842,365	$ 8,842,365	$ 10,738,927	$ 1,896,562

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, 2023

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance
REVENUES:				
Special assessments/impact fees	$ -	$ 395,533	$ 513,145	$ 117,612
Income on investments	-	13,229	57,577	44,348
Total revenues	-	408,762	570,722	161,960
EXPENDITURES:				
Current operating:				
Capital outlay	-	2,178,882	162,214	2,016,668
Total expenditures	-	2,178,882	162,214	2,016,668
Excess (deficiency) of revenues over (under) expenditures	-	(1,770,120)	408,508	2,178,628
OTHER FINANCING SOURCES:				
Budgetary reserves, net	-	1,770,120	-	(1,770,120)
Total other financing sources	-	1,770,120	-	(1,770,120)
Net change in fund balance	-	-	408,508	408,508
FUND BALANCE:				
Beginning	1,770,120	1,770,120	1,770,120	-
Ending	$ 1,770,120	$ 1,770,120	$ 2,178,628	$ 408,508

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, 2023

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance
REVENUES:				
Special assessments/impact fees	$ -	$ 671,982	$ 871,632	$ 199,650
Income on investments	-	24,003	99,059	75,056
Total revenues	-	695,985	970,691	274,706
EXPENDITURES:				
Current operating:				
Capital outlay	333,262	3,933,455	392,077	3,541,378
Total expenditures	333,262	3,933,455	392,077	3,541,378
Excess (deficiency) of revenues over (under) expenditures	(333,262)	(3,237,470)	578,614	3,816,084
OTHER FINANCING SOURCES:				
Budgetary reserves, net	333,262	3,237,470	-	(3,237,470)
Total other financing sources	333,262	3,237,470	-	(3,237,470)
Net change in fund balance	-	-	578,614	578,614
FUND BALANCE:				
Beginning	3,237,470	3,237,470	3,237,470	-
Ending	$ 3,237,470	$ 3,237,470	$ 3,816,084	$ 578,614

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, 2023

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance
REVENUES:				
Special assessments/impact fees	$ -	$ 1,229,388	$ 1,599,958	$ 370,570
Income on investments	-	71,321	297,603	226,282
Total revenues	-	1,300,709	1,897,561	596,852
EXPENDITURES:				
Current operating:				
Capital outlay	610,244	11,131,773	-	11,131,773
Total expenditures	610,244	11,131,773	-	11,131,773
Excess (deficiency) of revenues over (under) expenditures	(610,244)	(9,831,064)	1,897,561	11,728,625
OTHER FINANCING SOURCES (USES):				
Budgetary reserves, net	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(610,244)	(9,831,064)	1,897,561	11,728,625
FUND BALANCE:				
Beginning	9,831,065	9,831,065	9,831,065	-
Ending	$ 9,220,821	$ 1	$ 11,728,626	$ 11,728,625

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, 2023

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance
REVENUES:				
Intergovernmental	$ -	$ 3,491,536	$ 2,338,868	$ (1,152,668)
Miscellaneous	-	1,851,254	898,905	(952,349)
Total revenues	-	5,342,790	3,237,773	(2,105,017)
EXPENDITURES:				
Current operating:				
Public safety	-	591,190	363,666	227,524
Transportation	-	-	-	-
Human services	-	-	400,000	(400,000)
Cultural and recreation	-	-	30,850	(30,850)
Capital outlay	-	4,258,680	2,001,060	2,257,620
Total expenditures	-	4,849,870	2,795,576	2,054,294
Excess (deficiency) of revenues over (under) expenditures	-	492,920	442,197	(50,723)
OTHER FINANCING SOURCES (USES):				
Proceeds from insurance		95,519	304,718	209,199
Transfers (out)	-	(588,439)	(588,439)	-
Total other financing sources (uses)	-	(492,920)	(283,721)	209,199
Net change in fund balance	-	-	158,476	158,476
FUND BALANCE:				
Beginning, as previously reported	49,359	49,359	49,359	-
Prior period adjustment (Note 2)	(334,422)	(334,422)	(334,422)	-
Beginning, as restated	(285,063)	(285,063)	(285,063)	-
Ending	$ (285,063)	$ (285,063)	$ (126,587)	$ 158,476

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, 2023

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance
REVENUES:				
Intergovernmental	$ -	$ 9,271,628	$ 589	$ (9,271,039)
Total revenues	-	9,271,628	589	(9,271,039)
EXPENDITURES:				
Current operating:				
General Government	-	10,378,479	8,980,446	1,398,033
Capital outlay	-	1,309,128	-	1,309,128
Total expenditures	-	11,687,607	8,980,446	2,707,161
Excess (deficiency) of revenues over (under) expenditures	-	(2,415,979)	(8,979,857)	(6,563,878)
OTHER FINANCING SOURCES (USES):				
Budgetary reserves, net	-	-	-	-
Proceeds from insurance		1,100,000	1,100,000	-
Transfers in	-	1,137,500	1,137,500	-
Total other financing sources (uses)	-	2,237,500	2,237,500	-
Net change in fund balance	-	(178,479)	(6,742,357)	(6,563,878)
FUND BALANCE:				
Beginning, as previously reported	1,667,536	1,667,536	1,667,536	-
Prior period adjustment (Note 2)	(1,950,272)	(1,950,272)	(1,950,272)	-
Beginning, as restated	(282,736)	(282,736)	(282,736)	-
Ending	$ (282,736)	$ (461,215)	$ (7,025,093)	$ (6,563,878)

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, 2023

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance
REVENUES:				
Intergovernmental	$ -	$ -	$ 709,552	$ 709,552
Total revenues	-	-	709,552	709,552
EXPENDITURES:				
Current operating:				
Economic environment	-	709,552	709,552	-
Total expenditures	-	709,552	709,552	-
Excess (deficiency) of revenues over (under) expenditures	-	(709,552)	-	709,552
OTHER FINANCING SOURCES (USES):				
Budgetary reserves, net	-	709,552	-	(709,552)
Total other financing sources (uses)	-	709,552	-	(709,552)
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, 2023

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance
REVENUES:				
Taxes	$ 1,423,872	$ 1,423,872	$ 1,448,695	$ 24,823
Income on investments	-	-	34,186	34,186
Total revenues	1,423,872	1,423,872	1,482,881	59,009
EXPENDITURES:				
Debt service:				
Principal	1,145,000	1,145,000	1,145,000	-
Interest and fiscal charges	282,813	282,813	282,803	10
Total expenditures	1,427,813	1,427,813	1,427,803	10
Excess of revenues over expenditures	(3,941)	(3,941)	55,078	59,019
OTHER FINANCING SOURCES (USES):				
Budgetary reserves, net	3,941	3,941	-	(3,941)
Total other financing sources (uses)	3,941	3,941	-	(3,941)
Net change in fund balance	-	-	55,078	55,078
FUND BALANCE:				
Beginning	539,757	539,757	539,757	-
Ending	$ 539,757	$ 539,757	$ 594,835	$ 55,078

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, 2023

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance
REVENUES:				
Income on investments	$ -	$ -	$ 3,078	$ 3,078
Total revenues	-	-	3,078	3,078
EXPENDITURES:				
Debt service:				
Principal	2,986,997	2,986,997	2,986,997	-
Interest and fiscal charges	521,341	521,341	521,339	2
Total expenditures	3,508,338	3,508,338	3,508,336	2
Excess (deficiency) of revenues over (under) expenditures	(3,508,338)	(3,508,338)	(3,505,258)	3,080
OTHER FINANCING SOURCES (USES):				
Budgetary reserves, net	(2)	(2)	-	(2)
Transfers in	3,508,340	3,508,340	3,508,336	(4)
Total other financing sources (uses)	3,508,338	3,508,338	3,508,336	(2)
Net change in fund balance	-	-	3,078	3,078
FUND BALANCE:				
Beginning	112,369	112,369	112,369	-
Ending	$ 112,369	$ 112,369	$ 115,447	$ 3,078

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, 2023

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance
REVENUES:				
Income on investments	$ -	$ -	$ 1,268	$ 1,268
Total revenues	-	-	1,268	1,268
EXPENDITURES:				
Debt service:				
Principal	365,539	1,389,949	2,197,784	(807,835)
Interest and fiscal charges	23,021	111,031	121,936	(10,905)
Total expenditures	388,560	1,500,980	2,319,720	(818,740)
Excess (deficiency) of revenues over (under) expenditures	(388,560)	(1,500,980)	(2,318,452)	(817,472)
OTHER FINANCING SOURCES (USES):				
Budgetary reserves, net	(1)	(1)	-	1
Transfers in	388,561	1,500,981	2,246,481	745,500
Total other financing sources (uses)	388,560	1,500,980	2,246,481	745,501
Net change in fund balance	-	-	(71,971)	(71,971)
FUND BALANCE:				
Beginning	71,971	71,971	71,971	-
Ending	$ 71,971	$ 71,971	$ -	$ (71,971)



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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, 2023

	Halifax Harbor	Daytona Beach Pier	Total Nonmajor Enterprise Funds
ASSETS:			
Current assets:			
Equity in pooled cash, cash equivalents, and investments	$ 2,024,202	$ 563,819	$ 2,588,021
Accrued Interest Receivable	136	771	907
Lease Receivable	462,986	1,151,140	1,614,126
Inventory	49,787	-	49,787
Prepaids	17,774	126,125	143,899
Total current assets	2,554,885	1,841,855	4,396,740
Noncurrent assets:			
Restricted equity in pooled cash, cash equivalents, and investments	454,095	-	454,095
Capital assets:			
Non-depreciable	56,588	7,987	64,575
Depreciable (net)	3,444,898	3,470,614	6,915,512
Right-to-use leased assets (net)	-	132,982	132,982
Total noncurrent assets	3,955,581	3,611,583	7,567,164
Total assets	6,510,466	5,453,438	11,963,904
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred amount on refunding	50,966	-	50,966
Deferred amount on other post-employment benefits	700	382	1,082
Deferred amount for pensions	132,662	5,784	138,446
Total deferred outflows of resources	184,328	6,166	190,494
LIABILITIES:			
Current liabilities:			
Accounts payable and other liabilities	217,178	9,080	226,258
Intergovernmental payable	18,609	3,874	22,483
Unearned revenues	85,992	-	85,992
Compensated absences	11,574	10,917	22,491
Other post-employment benefits	-	-	-
Lease liability	-	40,475	40,475
Notes payable	595,000	-	595,000
Payable from restricted assets:			
Accrued interest	57,451	78	57,529
Total current liabilities	985,804	64,424	1,050,228
Noncurrent liabilities:			
Deposits	120,905	-	120,905
Compensated absences	70,123	32,084	102,207
Other post-employment benefits	3,928	(369)	3,559
Net pension liability	409,623	81,457	491,080
Lease liability	-	96,580	96,580
Notes payable	3,300,000	-	3,300,000
Total noncurrent liabilities	3,904,579	209,752	4,114,331
Total liabilities	4,890,383	274,176	5,164,559
DEFERRED INFLOWS OF RESOURCES:			
Deferred amount on other post-employment benefits	2,112	3,054	5,166
Deferred amount for pensions	19,398	2,452	21,850
Deferred amounts for leases	437,401	1,131,481	1,568,882
Total deferred inflows of resources	458,911	1,136,987	1,595,898
NET POSITION (DEFICIT):			
Net investment in capital assets (deficit)	(342,548)	3,474,528	3,131,980
Restricted:			
Debt covenants	396,644	-	396,644
Unrestricted	1,291,404	573,913	1,865,317
Total net position (deficit)	$ 1,345,500	$ 4,048,441	$ 5,393,941

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, 2023

	Halifax Harbor	Daytona Beach Pier	Total Nonmajor Enterprise Funds
OPERATING REVENUES:			
Charges for services	$ 3,928,614	$ 722,350	$ 4,650,964
Lease revenue	237,661	301,728	539,389
Other receipts	7,010	645	7,655
Total operating revenues	4,173,285	1,024,723	5,198,008
OPERATING EXPENSES:			
Personnel services	259,035	221,237	480,272
Contractual services	2,108,919	471,518	2,580,437
Materials and supplies	848,925	30,685	879,610
Depreciation	228,730	257,088	485,818
Amortization	-	40,918	40,918
Total operating expenses	3,445,609	1,021,446	4,467,055
Operating income (loss)	727,676	3,277	730,953
NONOPERATING REVENUES (EXPENSES):			
Income on investments	59,393	23,068	82,461
Interest expense	(149,869)	(1,063)	(150,932)
Total nonoperating revenues (expenses)	(90,476)	22,005	(68,471)
Income (loss) before transfers	637,200	25,282	662,482
Transfers (out)	(21,062)	(113,131)	(134,193)
Change in net position	616,138	(87,849)	528,289
NET POSITION (DEFICIT):			
Beginning	729,362	4,136,290	4,865,652
Ending	$ 1,345,500	$ 4,048,441	$ 5,393,941

City of Daytona Beach, Florida
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended September 30, 2023

	Halifax Harbor	Daytona Beach Pier	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers	$ 4,173,147	$ 1,016,345	$ 5,189,492
Other receipts	7,010	645	7,655
Payments to suppliers	(2,897,562)	(507,189)	(3,404,751)
Payments to employees	(191,440)	(183,658)	(375,098)
Net cash provided by (used for) operating activities	1,091,155	326,143	1,417,298
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfer from other funds	-	-	-
Transfer (to) other funds	(21,062)	(113,131)	(134,193)
Net cash provided by (used for) noncapital financing activities	(21,062)	(113,131)	(134,193)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Principal payments on bonds, loans and notes	(575,000)	-	(575,000)
Principal payments on lease liability	-	(39,000)	(39,000)
Interest payments on bonds, loans, notes and leases	(148,068)	(1,086)	(149,154)
Acquisition and construction of capital assets	(74,480)	(7,987)	(82,467)
Net cash (used for) capital and related financing activities	(797,548)	(48,073)	(845,621)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	59,393	23,265	82,658
Net cash provided by investing activities	59,393	23,265	82,658
Net increase (decrease) in cash and cash equivalents	331,938	188,204	520,142
EQUITY IN POOLED CASH, CASH EQUIVALENTS, AND INVESTMENTS:			
Beginning	2,146,359	375,615	2,521,974
Ending	$ 2,478,297	$ 563,819	$ 3,042,116
Classified as:			
Unrestricted	$ 2,024,202	$ 563,819	$ 2,588,021
Restricted	454,095	-	454,095
Total	$ 2,478,297	$ 563,819	$ 3,042,116

City of Daytona Beach, Florida
Combining Statement of Cash Flows (Continued)
Nonmajor Enterprise Funds
For the Fiscal Year Ended September 30, 2023

	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)	$ 727,676	$ 3,277	$ 730,953
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and amortization	228,730	298,006	526,736
(Increase) decrease in:			
Lease receivable	123,538	293,996	417,534
Inventories	(7,193)	-	(7,193)
Prepaids	(1,178)	(11,997)	(13,175)
Deferred outflow amount for pensions	6,796	3,350	10,146
Deferred outflow amount for OPEB	169	93	262
Increase (decrease) in:			
Accounts payable and other liabilities	57,898	5,234	63,132
Intergovernmental payable	2,213	1,777	3,990
Unearned revenues	7,122	-	7,122
Deposits	8,542	-	8,542
Compensated absences	7,731	8,270	16,001
Other post-employment benefits	(246)	(369)	(615)
Net pension liability	55,064	27,144	82,208
Deferred inflow amount for leases	(123,788)	(301,729)	(425,517)
Deferred inflow amount for OPEB	(122)	(23)	(145)
Deferred inflow amount for pensions	(1,797)	(886)	(2,683)
Total adjustments	363,479	322,866	686,345
Net cash provided by (used for) operating activities	$ 1,091,155	$ 326,143	$ 1,417,298
Noncash capital and related financing activities:			
Amortization of deferred amount on refunding	$ 10,026	$ -	$ 10,026



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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, 2023

	Fleet Maintenance	Employment Services	Property Maintenance	Information Technology
ASSETS:				
Current assets:				
Equity in pooled cash, cash equivalents, and investments	$ 258,528	$ 1,115,811	$ 969,826	$ 1,344,511
Inventory	146,304	-	-	-
Prepaids	-	-	-	2,500
Total current assets	404,832	1,115,811	969,826	1,347,011
Noncurrent assets:				
Capital assets:				
Non-depreciable	-	-	-	167,821
Depreciable (net)	-	-	105,224	288,636
Right to use Lease asset (net)	-	-	-	102,490
Right to use subscription asset (net)	-	-	-	1,084,573
Total noncurrent assets	-	-	105,224	1,643,520
Total assets	404,832	1,115,811	1,075,050	2,990,531
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred amount for other post-employment benefits	2,405	4,992	10,604	13,112
Deferred amount for pensions	91,901	376,496	283,228	420,358
Total deferred outflows of resources	94,306	381,488	293,832	433,470
LIABILITIES:				
Current liabilities:				
Accounts payable and other liabilities	104,771	24,773	69,136	318,479
Intergovernmental payable	412	884	1,381	2,625
Insurance claims payable	-	-	-	-
Lease liability	-	-	-	38,464
Subscription liability	-	-	-	510,931
Compensated absences	18,679	41,136	58,312	128,141
Other post-employment benefits	2,250	1,708	2,997	2,852
Total current liabilities	126,112	68,501	131,826	1,001,492
Noncurrent liabilities:				
Insurance claims payable	-	-	-	-
Compensated absences	60,564	141,600	74,372	240,024
Lease liability	-	-	-	63,382
Subscription liability	-	-	-	505,341
Other post-employment benefits	40,514	30,753	53,957	51,347
Net pension liability	333,995	1,378,178	1,023,364	1,830,230
Total noncurrent liabilities	435,073	1,550,531	1,151,693	2,690,324
Total liabilities	561,185	1,619,032	1,283,519	3,691,816
DEFERRED INFLOWS OF RESOURCES:				
Deferred amount for other post-employment benefits	6,466	11,109	25,773	41,739
Deferred amount for pensions	12,386	62,488	26,643	33,334
Total deferred inflows of resources	18,852	73,597	52,416	75,073
NET POSITION (DEFICIT):				
Net investment in capital assets	-	-	105,224	525,402
Unrestricted	(80,899)	(195,330)	(72,277)	(868,290)
Total net position (deficit)	$ (80,899)	$ (195,330)	$ 32,947	$ (342,888)

City of Daytona Beach, Florida
Combining Statement of Net Position (Continued)
Internal Service Funds
September 30, 2023

	Consolidated Insurance	Totals
ASSETS:		
Current assets:		
Equity in pooled cash, cash equivalents, and investments	$ 10,413,067	$ 14,101,743
Inventory	-	146,304
Prepaids	430,772	433,272
Total current assets	10,843,839	14,681,319
Noncurrent assets:		
Capital assets:		
Non-depreciable	-	167,821
Depreciable (net)	13,366	407,226
Right to use Lease asset (net)	-	102,490
Right to use subscription asset (net)	-	1,084,573
Total noncurrent assets	13,366	1,762,110
Total assets	10,857,205	16,443,429
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred amount for other post-employment benefits	5,470	36,583
Deferred amount for pensions	228,558	1,400,541
Total deferred outflows of resources	234,028	1,437,124
LIABILITIES:		
Current liabilities:		
Accounts payable and other liabilities	1,024,817	1,541,976
Intergovernmental payable	1,084	6,386
Insurance claims payable	2,416,000	2,416,000
Lease liability	-	38,464
Subscription liability	-	510,931
Compensated absences	41,539	287,807
Other post-employment benefits	2,398	12,205
Total current liabilities	3,485,838	4,813,769
Noncurrent liabilities:		
Insurance claims payable	8,631,000	8,631,000
Compensated absences	57,376	573,936
Lease liability	-	63,382
Subscription liability	-	505,341
Other post-employment benefits	43,170	219,741
Net pension liability	945,747	5,511,514
Total noncurrent liabilities	9,677,293	15,504,914
Total liabilities	13,163,131	20,318,683
DEFERRED INFLOWS OF RESOURCES:		
Deferred amount for other post-employment benefits	13,777	98,864
Deferred amount for pensions	38,317	173,168
Total deferred inflows of resources	52,094	272,032
NET POSITION:		
Net investment in capital assets	13,366	643,992
Unrestricted	(2,137,358)	(3,354,154)
Total net position	$ (2,123,992)	$ (2,710,162)

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, 2023

	Fleet Maintenance	Employment Services	Property Maintenance	Information Technology
OPERATING REVENUES:				
Charges for services	$ 2,985,264	$ 926,325	$ 2,051,561	$ 5,684,166
Other receipts	340	-	7,306	150
Total operating revenues	2,985,604	926,325	2,058,867	5,684,316
OPERATING EXPENSES:				
Personnel services	435,842	938,950	1,579,180	2,954,651
Contractual services	956,831	168,269	572,827	2,096,921
Materials and supplies	1,643,734	13,211	52,901	392,873
Depreciation	-	-	66,290	157,068
Amortization	-	-	-	506,574
Total operating expenses	3,036,407	1,120,430	2,271,198	6,108,087
Operating income (loss)	(50,803)	(194,105)	(212,331)	(423,771)
NONOPERATING REVENUE:				
Income on investments	5,786	26,793	27,249	40,427
Interest expense	-	-	-	(25,643)
Gain (loss) on disposal of capital assets	1,749	-	15,248	-
Total other financing sources	7,535	26,793	42,497	14,784
Income (loss) before capital grants, contributions and transfers	(43,268)	(167,312)	(169,834)	(408,987)
Transfers (out)	(32,644)	-	-	-
Change in net position	(75,912)	(167,312)	(169,834)	(408,987)
NET POSITION (DEFICIT):				
Beginning	(4,987)	(28,018)	202,781	66,099
Ending	$ (80,899)	$ (195,330)	$ 32,947	$ (342,888)

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, 2023

	Consolidated Insurance	Totals
OPERATING REVENUES:		
Charges for services	$ 7,255,209	$ 18,902,525
Other receipts	3,125	10,921
Total operating revenues	7,258,334	18,913,446
OPERATING EXPENSES:		
Personnel services	1,194,070	7,102,693
Contractual services	6,134,863	9,929,711
Materials and supplies	100,375	2,203,094
Depreciation	2,383	225,741
Amortization	-	506,574
Total operating expenses	7,431,691	19,967,813
Operating income (loss)	(173,357)	(1,054,367)
NONOPERATING REVENUE:		
Income on investments	252,086	352,341
Interest expense	-	(25,643)
Gain (loss) on disposal of capital assets	-	16,997
Total other financing sources	252,086	343,695
Income (loss) before capital grants, contributions and transfers	78,729	(710,672)
Transfers (out)	(180)	(32,824)
Change in net position	78,549	(743,496)
NET POSITION (DEFICIT):		
Beginning	(2,202,541)	(1,966,666)
Ending	$ (2,123,992)	$ (2,710,162)

City of Daytona Beach, Florida
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended September 30, 2023

	Fleet Maintenance	Employment Services	Property Maintenance	Information Technology
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	$ 2,985,264	$ 926,325	$ 2,051,561	$ 5,684,166
Other receipts	340	-	7,306	150
Payments to suppliers	(2,666,858)	(176,387)	(669,853)	(2,469,700)
Payments to employees	(377,167)	(743,004)	(1,375,078)	(2,517,205)
Net cash provided by (used by) operating activities	(58,421)	6,934	13,936	697,411
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers (to) other funds	(32,644)	-	-	-
Net cash provided by (used for) noncapital financing activities	(32,644)	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from sale of capital assets	1,749	-	15,248	-
Acquisition and construction of capital assets	-	-	(38,161)	(185,159)
Interest paid on capital-related debt	-	-	-	(25,643)
Principal payments on lease liability	-	-	-	(70,319)
Principal payments on subscription liability	-	-	-	(504,547)
Net cash provided by (used for) capital and related financing activities	1,749	-	(22,913)	(785,668)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	5,786	26,793	27,249	40,427
Net cash provided by investing activities	5,786	26,793	27,249	40,427
Net increase (decrease) in equity in pooled cash, cash equivalents, and investments	(83,530)	33,727	18,272	(47,830)
EQUITY IN POOLED CASH, CASH EQUIVALENTS, AND INVESTMENTS:				
Beginning	342,058	1,082,084	951,554	1,392,341
Ending	$ 258,528	$ 1,115,811	$ 969,826	$ 1,344,511

City of Daytona Beach, Florida
Combining Statement of Cash Flows (Continued)
Internal Service Funds
For the Fiscal Year Ended September 30, 2023

	Consolidated Insurance	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	$ 7,255,209	$ 18,902,525
Other receipts	3,125	10,921
Payments to suppliers	(3,429,241)	(9,412,039)
Payments to employees	(1,037,404)	(6,049,858)
Net cash provided by (used by) operating activities	2,791,689	3,451,549
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers (to) other funds	(180)	(32,824)
Net cash provided by (used for) noncapital financing activities	(180)	(32,824)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from sale of capital assets	-	16,997
Acquisition and construction of capital assets	-	(223,320)
Interest paid on capital-related debt	-	(25,643)
Principal payments on lease liability	-	(70,319)
Principal payments on subscription liability	-	(504,547)
Net cash provided by (used for) capital and related financing activities	-	(806,832)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	252,086	352,341
Net cash provided by investing activities	252,086	352,341
Net increase (decrease) in equity in pooled cash, cash equivalents, and investments	3,043,595	2,964,234
EQUITY IN POOLED CASH, CASH EQUIVALENTS, AND INVESTMENTS:		
Beginning	7,369,472	11,137,509
Ending	$ 10,413,067	$ 14,101,743

City of Daytona Beach, Florida
Combining Statement of Cash Flows (Continued)
Internal Service Funds
For the Fiscal Year Ended September 30, 2023

	Fleet Maintenance	Employment Services	Property Maintenance	Information Technology
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	$ (50,803)	$ (194,105)	$ (212,331)	$ (423,771)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	-	-	66,290	663,642
(Increase) decrease in:				
Inventory	(15,197)	-	-	-
Prepaids	-	-	-	-
Deferred amount for pensions	5,551	20,293	22,015	44,702
Deferred amount for OPEB	582	1,207	2,566	3,173
Increase (decrease) in:				
Accounts payable and other liabilities	(51,225)	4,874	(43,959)	19,575
Intergovernmental payable	129	219	(166)	519
Insurance claims payable	-	-	-	-
Compensated absences	10,343	17,695	12,124	46,486
Other post-employment benefits	(905)	(1,347)	(3,197)	(5,056)
Net pension liability	44,981	164,414	178,373	362,174
Deferred amount for pensions	(1,467)	(5,364)	(5,819)	(11,818)
Deferred amount for OPEB	(410)	(952)	(1,960)	(2,215)
Total adjustments	(7,618)	201,039	226,267	1,121,182
Net cash provided by (used in) operating activities	$ (58,421)	$ 6,934	$ 13,936	$ 697,411
Noncash capital and related financing activities:				
Issuance of debt	$ -	$ -	$ -	$ 1,022,367

City of Daytona Beach, Florida
Combining Statement of Cash Flows (Continued)
Internal Service Funds
For the Fiscal Year Ended September 30, 2023

	Consolidated Insurance	Totals
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income (loss)	$ (173,357)	$ (1,054,367)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	2,383	732,315
(Increase) decrease in:		
Inventory	-	(15,197)
Prepaids	2,065,085	2,065,085
Deferred amount for pensions	17,614	110,175
Deferred amount for OPEB	1,324	8,852
Increase (decrease) in:		
Accounts payable and other liabilities	327,779	257,044
Intergovernmental payable	133	834
Insurance claims payable	413,000	413,000
Compensated absences	2,389	89,037
Other post-employment benefits	(1,701)	(12,206)
Net pension liability	142,698	892,640
Deferred amount for pensions	(4,656)	(29,124)
Deferred amount for OPEB	(1,002)	(6,539)
Total adjustments	2,965,046	4,505,916
Net cash provided by (used by) operating activities	$ 2,791,689	$ 3,451,549
Noncash capital and related financing activities:		
Issuance of debt	$ -	$ 1,022,367



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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, 2023

	Downtown Development Authority	First Step Shelter, Inc.	Total Component Units
ASSETS:			
Equity in pooled cash, cash equivalents, and investments	$ 52,902	$ 1,653,780	$ 1,706,682
Accounts receivable (net)	-	127,453	127,453
Deposits	-	19,145	19,145
Prepaids	-	18,168	18,168
Depreciable assets, net of depreciation	-	116,066	116,066
Total assets	52,902	1,934,612	1,987,514
LIABILITIES:			
Accounts payable and other liabilities	2,194	70,768	72,962
Unearned revenue	-	-	-
Compensated absences	-	20,184	20,184
Total liabilities	2,194	90,952	93,146
NET POSITION:			
Net investment in capital assets	-	116,066	116,066
Restricted:			
Human services	-	1,727,594	1,727,594
Unrestricted	50,708	-	50,708
Total net position	$ 50,708	$ 1,843,660	$ 1,894,368

City of Daytona Beach, Florida
Combining Statement of Activities
Discretely Presented Component Units
For the Fiscal Year Ended September 30, 2023

	Downtown Development Authority	First Step Shelter, Inc.	Total Component Units
OPERATING REVENUES:			
Taxes	$ 208,570	$ -	$ 208,570
Operating grants and contributions	117,961	1,876,409	1,994,370
Income on investments	2,562	5,910	8,472
Miscellaneous	2,685	-	2,685
Total operating revenues	331,778	1,882,319	2,214,097
OPERATING EXPENSES:			
Current operating:			
Downtown development	331,321	-	331,321
Human services	-	1,528,306	1,528,306
Total operating expenses	331,321	1,528,306	1,859,627
Change in net position	457	354,013	354,470
NET POSITION:			
Beginning	50,251	1,489,647	1,539,898
Ending	$ 50,708	$ 1,843,660	$ 1,894,368

City of Daytona Beach, Florida
Combining Schedule of Deposits and Withdrawals
Redevelopment Trust Funds
For the Fiscal Year Ended September 30, 2023

	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	$ 873,818	$ 2,383,083	$ 106,018	$ 392,690	$ 153,461	$ 3,909,070
Volusia County	780,424	2,127,923	94,692	341,508	137,067	3,481,614
Halifax Hospital	138,491	377,695	16,803	62,237	24,322	619,548
East Volusia Mosquito Control	28,659	78,145	3,477	12,574	5,033	127,888
Ponce DeLeon Inlet and Port Authority	12,230	33,345	1,484	5,351	2,148	54,558
Volusia ECHO	32,183	87,754	3,905	14,121	5,652	143,615
Volusia Forever	32,183	87,754	3,905	14,121	5,652	143,615
Downtown Development Authority	117,961	-	-	-	-	117,961
Charges for services	-	209,086	-	2,562	-	211,648
Licenses and permits	2,020	3,258	-	-	-	5,278
Income on investments	42,348	264,626	48,868	59,021	30,529	445,392
Miscellaneous	-	433,098	-	-	-	433,098
Issuance of debt	159,281	-	-	50,000	-	209,281
Total deposits	2,219,598	6,085,767	279,152	954,185	363,864	9,902,566
WITHDRAWALS:						
Current operating:						
Personnel services	114,996	228,874	45,683	63,024	-	452,577
Professional services	1,759	6,022	253	19,753	75	27,862
Contractual services	1,152,408	160,557	48,429	68,537	4,773	1,434,704
Materials and supplies	4,441	6,062	317	2,966	-	13,786
Capital outlay	275,607	4,042,302	-	633,199	-	4,951,108
Debt Service	-	-	-	20,359	-	20,359
Transfers to debt service funds	234,252	2,507,570	-	213,804	-	2,955,626
Total withdrawals	1,783,463	6,951,387	94,682	1,021,642	4,848	9,856,022
Excess (deficiency) of deposits over (under) withdrawals	436,135	(865,620)	184,470	(67,457)	359,016	46,544
FUND BALANCE:						
Beginning	838,074	11,531,225	1,481,491	1,329,528	635,803	15,816,121
Ending	$ 1,274,209	$ 10,665,605	$ 1,665,961	$ 1,262,071	$ 994,819	$ 15,862,665

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 177
Table 2 – Changes in Net Position 178
Table 3 – Fund Balances of Governmental Funds 180
Table 4 – Changes in Fund Balances of Governmental Funds 181

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 182
Table 6 – Property Tax Rates – Direct and Overlapping Governments 183
Table 7 – Principal Property Taxpayers 184
Table 8 – Property Tax Levies and Collections 185
Table 9 – Water Produced and Consumed and Wastewater Treated 186
Table 10 – Water and Sewer Rates 187
Table 11 – Ten Largest Water and Sewer Customers 188

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 189
Table 13 – Ratios of General Bonded Debt Outstanding 190
Table 14 – Governmental Activities Debt – Direct and Overlapping 191
Table 15 – Legal Debt Margin 192
Table 16 – Pledged Revenue Coverage 193

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 194
Table 18 – Principal Employers 195

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 196
Table 20 – Operating Indicators by Function 197
Table 21 – Capital Asset Statistics by Function/Program 198
Table 22 – Other Post-Employment Benefits (OPEB) Schedule of Statistical Information 199

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

Table 1

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

	Post GASB Statement No. 68									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental activities:										
Net investment in capital assets	$ 97,806,426	$ 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	70,023,679	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)	(56,432,613)	(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	$ 111,397,492	$ 106,247,610	$ 84,502,221	$ 57,818,175	$ 51,398,143	$ 36,648,215	$ 27,579,796	$ 27,327,376	$ 14,282,655	$ 6,381,246
Business-type activities:										
Net investment in capital assets	$ 70,880,694	$ 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	66,552,114	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	40,608,036	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	$ 178,040,844	$ 157,280,398	$ 138,719,886	$ 123,893,080	$ 112,671,201	$ 102,077,576	$ 84,927,667	$ 71,499,123	$ 60,311,243	$ 56,162,082
Primary government:										
Net investment in capital assets	$ 168,687,120	$ 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	136,575,793	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)	(15,824,577)	(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	$ 289,438,336	$ 263,528,008	$ 223,222,107	$ 181,711,255	$ 164,069,344	$ 138,725,791	$ 112,507,463	$ 98,826,499	$ 74,593,898	$ 62,543,328

Table 2

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses:										
Governmental activities:										
General government	$ 33,295,990	$ 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
Public safety	74,740,759	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
Physical environment	-	-	-	875,087	1,089,956	3,383,357	6,009,372	-	-	-
Transportation	13,922,477	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
Economic environment	8,502,462	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
Human services	825,263	807,741	661,205	804,993	2,529	508,592	1,753,902	540,138	78,972	37,412
Cultural and recreation	17,503,451	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
Interest on long-term debt	884,471	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
Total governmental activities expenses	149,674,873	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
Business-type activities:										
Water and sewer system	53,795,476	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
Solid waste management	13,214,098	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
Storm water improvement	6,454,682	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
Halifax Harbor	3,602,829	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
Cultural services	-	-	-	-	3,543,121	4,517,646	3,471,843	3,592,082	3,554,638	2,788,729
Municipal Golf Course	-	-	-	-	1,986,735	1,942,714	1,822,116	1,782,413	2,068,289	2,006,200
Florida Tennis Center	-	-	-	-	599,536	596,688	546,838	580,029	585,676	575,717
Municipal Stadium/Jackie Robinson Ballpark	-	-	-	-	175,748	350,857	364,654	486,014	380,920	366,545
Daytona Beach Pier	1,024,509	1,340,557	975,289	1,948,461	711,578	741,394	666,490	467,409	527,508	425,896
Total business-type activities expenses	78,091,594	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
Total primary government expenses	$ 227,766,467	$ 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
Program revenues:										
Governmental activities:										
Fees, fines, and charges for services:										
General government	$ 11,982,553	$ 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
Public safety	4,074,650	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
Transportation	952,750	1,518,121	743,205	701,615	783,637	629,049	442,249	820,460	133,564	1,697,748
Economic environment	672,765	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	11,597,871	10,413,745	6,630,888	7,470,397	1,946,551	1,458,389	560,834	1,190,826	596,188	983,727
Operating grants and contributions	3,937,336	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
Capital grants and contributions	313,484	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
Total governmental activities program revenues	33,531,409	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

Table 2 (Continued)

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Business-type activities:										
Fees, fines, and charges for services:										
Water and sewer system	$ 70,771,646	$ 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
Solid waste management	24,646,960	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
Storm water improvement	17,248,912	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
Halifax Harbor	4,166,275	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
Cultural services	-	-	-	-	3,531,723	3,515,051	2,853,193	2,894,245	2,707,998	2,186,758
Municipal Golf Course	-	-	-	-	1,519,859	1,468,945	1,368,576	1,626,009	1,834,737	1,754,061
Florida Tennis Center	-	-	-	-	454,101	399,868	435,979	479,957	460,547	474,138
Municipal Stadium/Jackie Robinson Ballpark	-	-	-	-	283,869	255,439	351,006	423,883	361,498	391,119
Daytona Beach Pier	1,024,363	1,022,369	785,005	594,116	979,207	986,184	804,898	969,817	944,424	930,910
Operating grants and contributions	-	-	-	-	98,781	65,763	72,854	151,475	435,595	166,378
Capital grants and contributions	7,852,817	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
Total business-type activities program revenues	125,710,973	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
Total primary government program revenue	$ 159,242,382	$ 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
Net (expense)/revenue:										
Governmental activities	$ (116,143,464)	$ (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)
Business-type activities	47,619,379	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
Total primary government net expense	$ (68,524,085)	$ (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)
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Property taxes	$ 39,661,044	$ 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
Gas taxes	1,870,152	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
Public service taxes	14,568,751	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
Sales taxes	5,199,916	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
Franchise taxes	8,496,276	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
Tax increment taxes	4,570,838	4,067,092	3,721,725	3,381,051	3,212,092	3,068,042	2,974,533	2,677,785	-	-
Other taxes	1,393,607	1,134,302	1,081,810	1,058,682	991,258	937,925	813,175	903,455	3,489,116	3,281,154
Intergovernmental revenues not restricted to specific programs	5,628,782	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
Investment earnings	4,014,122	(2,402,077)	63,560	2,188,981	2,767,495	843,607	404,539	347,629	390,887	175,957
Miscellaneous	3,233,391	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
Transfers	32,656,467	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
Total governmental activities	121,293,346	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
Business-type activities:										
Income on investments	5,115,231	694,102	500,292	535,839	790,992	620,629	517,045	522,150	557,846	526,721
Miscellaneous	682,303	627,000	128,273	111,737	511,045	407,550	938,753	811,592	1,203,256	1,120,843
Transfers	(32,656,467)	(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)
Total business-type activities	(26,858,933)	(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)
Total primary government	$ 94,434,413	$ 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
Changes in net position:										
Governmental activities	$ 5,149,882	$ 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
Business-type activities	20,760,446	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
Total primary government	$ 25,910,328	$ 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

Table 3

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

	Post GASB Statement No. 54									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund:										
Non-spendable	$ 704,990	$ 527,183	$ 430,033	$ 419,152	$ 232,962	$ 385,002	$ 370,690	$ 380,664	$ 393,251	$ 376,343
Restricted	-	-	-	792,530	267,489	258,549	331,932	333,837	367,343	322,376
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	22,000,388	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
Unassigned	22,179,088	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
Total General Fund	$ 44,884,466	$ 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
All other governmental funds:										
Non-spendable	$ 520	$ 1,560	$ -	$ -	$ -	$ -	$ 1,890	$ -	$ -	$ 300,349
Restricted	70,023,679	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
Assigned	6,323,871	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
Unassigned	(7,151,680)	-	-	7,050	(1,595,581)	(2,881,458)	-	-	-	-
Total all other governmental funds	$ 69,196,390	$ 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

Table 4

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues:										
Taxes	$ 58,503,614	$ 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
Licenses and permits	15,713,697	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
Intergovernmental	18,729,076	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
Charges for services	13,509,776	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
Fines and forfeitures	984,389	1,399,741	818,052	467,320	501,464	519,410	566,132	608,225	694,122	2,277,592
Special assessments/impact fees	6,470,883	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
Income on investments	3,661,877	(2,442,733)	42,537	2,152,329	2,697,121	807,543	392,496	345,865	381,594	164,355
Miscellaneous	2,951,256	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
Total revenues	120,524,568	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
Expenditures:										
General government	27,935,388	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
Public safety	64,808,268	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
Physical Environment	-	-	-	875,087	1,089,956	3,383,357	6,009,372	-	-	-
Transportation	11,806,177	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
Economic environment	6,568,410	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
Grants and Aids	671,964	-	-	-	-	-	-	-	-	-
Human services	825,263	807,741	661,205	804,993	2,529	508,592	502,824	540,138	78,972	37,412
Culture and recreation	14,816,526	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
Capital outlay	20,425,404	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
Debt service:										
Principal	6,329,781	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
Interest and fiscal charges	946,437	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
Total expenditures	155,133,618	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
Excess (deficiency) of revenue over (under) expenditures	(34,609,050)	(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)
Other financing sources (uses):										
Capital-related debt issued	325,095	3,957,735	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	1,719,344	150,606	103,779	216,050	149,486	345,460	-	-	-	-
Transfers in	49,357,909	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
Transfers (out)	(16,668,618)	(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)
Total other financing sources (uses)	34,733,730	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
Net change in fund balances	$ 124,680	$ 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
Debt service expenditures as a percentage of noncapital expenditures	5.4%	5.1%	7.5%	5.3%	6.2%	6.2%	6.2%	7.2%	7.2%	7.1%

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]
2023	$ 5,468,761,504	$ 2,806,282,167	$ 319,039,756	$ 140,891,572	$ 523,692,289	$ 1,506,292,014	$ 432,970,635	$ 977,593,212	$ 12,175,523,149	$ 4,901,433,527	$ 7,274,089,622	5.63380 %
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

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 2022-23 data was obtained from the 2022 calendar year tax roll)

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

Table 6

	City of Daytona Beach			Overlapping Rates														
				Volusia County						Volusia County School District				Special Districts				
Fiscal Year[1]	Operating	Debt Service	Total City	Operating	Debt Service	Total County	St. Johns River Water Management District	Florida Inland Navigation District	Hospital District	School District Required	School District Discretionary	School District Debt Service	Total School District	Daytona Beach Downtown Development Authority	Ponce DeLeon Inlet and Port Authority	Mosquito Control District	Total Special Districts	Total Direct and Overlapping Rates
2023	5.43000	0.20380	5.63380	5.31340	0.40000	5.71340	0.19740	0.03200	0.86060	4.73400	0.74800	-	5.48200	1.00000	0.07600	0.17810	1.25410	19.17330
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

Source: Volusia County Property Appraiser's website.

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

[1]All property valuations for the specified fiscal year ends are obtained from the previous year's tax roll (i.e. all FY 2022-23 data was obtained from the 2022 calendar year tax roll).

Table 7

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

Taxpayer	Type of Business	September 30, 2023 (2023 Tax Roll) Assessed Taxable Value	Rank	Percent to Total Assessed Value	September 30, 2014 (2014 Tax Roll) Assessed Taxable Value	Rank	Percent to Total Assessed Value
Florida Power & Light Company	Electric Utility	$ 178,929,037	1	2.11%	$ 67,465,175	3	1.3%
International Speedway Corporation	Sports/Entertainment	164,060,568	2	1.93%	101,018,863	1	1.9%
Ocean Walk I & II Condominium Associatio	Condominium	121,462,984	3	1.43%	92,925,349	2	1.8%
Daytona Beach Owner LP	Accommodations	68,386,900	4	0.81%			
Protogroup South Tower LLC	Condominium	64,948,027	5	0.76%			
Tomoka Town Center Phases, LLC	Regional Shopping Centers	64,596,576	6	0.76%			
Brown & Brown Realty Co	Diversified Insurance Agency	53,399,414	7	0.63%			
CCC-Daytona Beach LLC	Housing	52,556,507	8	0.62%			
Tanger Daytona, LLC	Regional Shopping Centers	51,410,684	9	0.61%			
Pierre Datyona LLC	Accommodations	49,966,355	10	0.59%			
Volusia Mall, LLC	Regional Shopping Centers				47,657,747	4	0.9%
Grand Seas Resort Partners	Accommodations	-	-	-	18,114,609	9	0.3%
Bellsouth Telecommunication, Inc	Telephone	-	-	-	24,498,132	7	0.5%
MSCI2007 IQ16 Lodging 100 LLC	Accommodations				43,738,168	5	0.8%
M-Elena Holding LLC	Regional Shopping Centers				24,261,504	8	0.5%
DK Gateway Andros LLC	Regional Shopping Centers				24,775,343	6	0.5%
G&I VII Bellair Plaza LLC	Regional Shopping Centers				17,523,420	10	0.3%
Total		$ 869,717,052		10.24%	$ 461,978,310		8.80%

Source: Volusia County Property Appraiser.

Table 8

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

Fiscal Year Ended September 30,	Taxes Levied For Year	Collected to End of Tax Year		Delinquent Collections	Total Collected	
		Amount	Percent of Levy		Amount	Percent of Levy
2023	$ 39,498,307	$ 36,920,283	93.47%	$ 1,301,125	$ 38,221,408	96.77%
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%

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 2022-2023 collections are from the 2022 tax levy).

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
2023	4,755	4,268	323	165	3.47%	4,314	$ 9.46	$ 5.39	$ 9.26	$ 9.05
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

Source: The City of Daytona Beach Finance and Utilities Departments
* Situations that are know as unbilled include hydrant flushing and water main breaks.

Note: Gallons are presented in millions

[1] Assumes typical single family residence located within City limits

Table 10

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Water Service										
Single Family Resident Accounts (All Zones):										
Base Fee (All Meter Sizes)	$ 9.46	$ 9.07								
Water Consumption: per 1,000 Gallons)										
0 - 7,000 Gallons	$ 5.39	$ 5.17								
7,000 - 14,000 Gallons	$ 6.75	$ 6.47								
14,001 Gallons and Above	$ 8.41	$ 8.06								
Multi Family Resident Accounts (All Zones):										
Base Fee (per Dwelling Unit)	$ 7.57	$ 7.26								
Water Consumption: per 1,000 per Dwelling Unit)										
0 - 6,000 Gallons	$ 5.39	$ 5.17								
6,000 - 12,000 Gallons	$ 6.75	$ 6.47								
12,001 Gallons and Above	$ 8.41	$ 8.06								
Commercial / Non-Residential:										
Base Fee (Per Potable Service Line Size)										
By Meter Size										
3/4"	$ 9.46	$ 9.07								
1"	$ 15.81	$ 15.15								
1.5"	$ 31.56	$ 30.23								
2"	$ 50.50	$ 48.38								
3"	$ 94.76	$ 90.77								
4"	$ 157.97	$ 151.32								
6"	$ 315.86	$ 302.55								
8"	$ 505.41	$ 484.11								
10"	$ 726.59	$ 695.97								
Water Consumption (per 1,000 Gallons)										
0 Gallons and Above	$ 5.84	$ 5.60								
Wastewater Service										
Single Family Resident Accounts (All Zones):										
Base Fee (All Meter Sizes)	$ 9.26	$ 8.87								
Wastewater Usage: per 1,000 Gallons)										
0 Gallons and Above	$ 9.05	$ 8.67								
Multi Family Resident Accounts (All Zones):										
Base Fee (per Dwelling Unit)	$ 7.40	$ 7.09								
Wastewater Usage: per 1,000 per Dwelling Unit)										
0 Gallons and Above	$ 9.05	$ 8.67								
Commercial / Non-Residential:										
Base Fee (Per Potable Service Line Size)										
By Meter Size										
3/4"	$ 9.26	$ 8.87								
1"	$ 15.45	$ 14.80								
1.5"	$ 30.82	$ 29.53								
2"	$ 49.34	$ 47.27								
3"	$ 92.58	$ 88.68								
4"	$ 154.31	$ 147.81								
6"	$ 308.54	$ 295.54								
8"	$ 493.69	$ 472.89								
10"	$ 709.75	$ 679.84								
Wastewater Consumption (per 1,000 Gallons)										
0 Gallons and Above	$ 9.93	$ 9.52								
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
3"-10"	-	-	$ 16.12	$ 15.67	$ 15.17	$ 14.66	$ 14.20	$ 13.66	$ 13.05	$ 12.63
Usage rate (per 1,000 gallons)	-	-	$ 5.91	$ 5.75	$ 5.57	$ 5.39	$ 5.22	$ 5.02	$ 4.80	$ 4.65
Sewer Rates prior to 10/1/2021:										
Base rate	-	-	$ 4.73	$ 4.60	$ 4.46	$ 4.31	$ 4.18	$ 4.02	$ 3.84	$ 3.72
Usage rate (per 1,000 gallons)	-	-	$ 10.18	$ 9.90	$ 9.59	$ 9.27	$ 8.98	$ 8.64	$ 8.26	$ 8.00

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, 2023 Amount	September 30, 2023 Percent of Total Revenue	September 30, 2023 Rank	September 30, 2014 Amount	September 30, 2014 Percent of Total Revenue	September 30, 2014 Rank
City of South Daytona	Bulk	$ 2,726,448	3.91%	1	$ 2,023,217	4.84%	1
Florida Department of Corrections	Government	1,066,471	1.53%	4	1,426,402	3.41%	3
Halifax Medical Center	Hospital	1,444,953	2.07%	2	1,759,980	4.21%	2
City of Daytona Beach	Government	1,301,938	1.87%	5	991,203	2.37%	4
Embry-Riddle Aeronautical University	Educational Institution	1,130,986	1.62%	3	751,547	1.80%	10
Daytona International Speedway	Sports/Entertainment	1,112,057	1.60%	6	821,294	1.96%	8
Hilton/Daytona Beach Owner OP CO, LLC	Timeshare Investments	1,053,122	1.51%	7	954,414	2.28%	5
County of Volusia	Government				953,863	2.28%	6
B Braun Medical, Inc.	Industrial	864,439	1.24%	8			
Florida Hospital Memorial Medical Center	Hospital	765,082	1.10%	9	808,801	1.93%	9
Bray & Gillespie, LLC	Timeshare Investments						
Ocean Walk Condominium Association	Timeshare Investments	699,140	1.00%	10	825,385	1.97%	7
Total		$ 12,164,636	17.46%		$ 11,316,106	27.05%	

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

Table 12

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

Fiscal Year Ended September 30,	Governmental Activities						Business-Type							Total Outstanding Debt	Percent of Personal Income	Per Capita	Personal Income	Population
	General Obligation Bonds	Capital Revenue Bonds	Notes and Financed Purchases	Lease Liabilities	Subscription Liabilities*	Total	Capital Revenue Bonds	Water, Sewer & Stormwater Bonds	Notes and Financed Purchases	State Revolving Fund Loans	Lease Liabilities	Subscription Liabilities*	Total					
2023	$ 7,761,263	$ -	$ 24,717,363	$ 558,885	$ 1,522,700	$ 34,560,211	$ -	$ -	$ 35,625,000	$ 83,897,308	$ 237,624	$ 469,084	$ 120,229,016	$154,789,227	3.54 %	1,912	54,768	80,940
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 - Bureau of Economic and Business Research, University of Florida, for 2018-2023. 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. 96, *Subscription-Based Information Technology Arrangements,* was implemented in fiscal year 2023 and applied prospectively.

Table 13

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

Fiscal Year Ended September 30,	Governmental Activities: General Obligation Bonds [1]	Less: Amount Available in Debt Service Fund [2]	Total	Percentage of Net Assessed Taxable Property Value [3]	Debt Per Capita	Population	Taxable Value
2023	$ 7,761,263	$ 594,835	$ 7,166,428	0.10%	$ 89	80,940	$ 7,274,089,622
2022	8,920,015	539,757	8,380,258	0.13%	108	77,633	6,246,639,054
2021	10,030,182	502,512	9,527,670	0.16%	129	74,113	5,790,132,014
2020	11,118,466	476,043	10,642,423	0.20%	152	70,235	5,292,431,102
2019	12,182,518	449,163	11,733,355	0.25%	174	67,351	4,767,465,419
2018	13,226,270	405,124	12,821,146	0.30%	193	66,267	4,332,352,736
2017	14,245,023	370,408	13,874,615	0.35%	212	65,569	3,944,548,833
2016	15,243,775	341,255	14,902,520	0.41%	231	64,569	3,612,335,113
2015	16,222,524	315,260	15,907,264	0.46%	252	63,186	3,427,713,432
2014	17,181,279	267,745	16,913,534	0.52%	269	62,784	3,269,265,534

Sources: The City of Daytona Beach Finance Department.

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

[1] Net of original issuance premium and discount.

[2] Amount restricted for debt service payments.

[3] See TABLE 5 for property value data.

Table 14

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

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	$ -	14.9184%	$ -
Other debt:			
District School Board of Volusia County, Florida:			
State school bonds	-	14.9184	-
Sales tax revenue bonds	23,260	14.9184	3,470
Certificates of participation	240,640,000	14.9184	35,899,638
County of Volusia, Florida:			
Revenue bonds	46,540	14.9184	6,943
Notes payable	17,943,611	14.9184	2,676,900
Total overlapping debt			38,586,951
City direct debt			34,560,211
Total direct and overlapping debt			$ 73,147,162

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.

The City of Daytona Beach, Florida
Legal Debt Margin
Last Ten Fiscal Years

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.

Table 16

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Capital revenue bonds:										
Tax increment revenues	$ 5,175,699	$ 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
Less: operating expenses	4,443,817	782,656	407,517	304,869	391,517	662,523	695,998	870,030	754,600	683,815
Net revenue available for debt service	$ 731,882	$ 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
Debt service payments:										
Principal	$ 2,080,000	$ 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
Interest	427,570	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
Total debt service payments	$ 2,507,570	$ 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
Coverage (times)	0.29	1.43	1.79	1.61	1.57	1.38	1.36	1.12	1.11	1.13
Water and sewer bonds:										
Charges for services and other	$ 69,685,776	$ 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
Less: operating expenses	38,059,617	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
Net revenue available for debt service	$ 31,626,159	$ 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
Debt service payments:										
Principal	$ 3,055,000	$ 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	1,077,275	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
Total debt service payments	$ 4,132,275	$ 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
Coverage (times)	7.65	6.07	6.64	5.45	5.75	3.81	3.70	3.77	2.64	3.21

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.

Table 17

The City of Daytona Beach, Florida
Demographic and Economic Statistics
Last Ten Fiscal Years

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]
2023	82,485	$4,517,538,480	$ 54,768	$ 47,608	$ 78,700	3.4 %
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

Sources: [1] Bureau of Economic and Business Research, University of Florida, for 2018- 2023.

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 2014-2019. United States Census Bureau used for 2020-2023. Amounts indicated are for Deltona-Daytona Beach-Ormond Beach, FL Metro Area.

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

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

Table 18

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

Employer[1]	September 30, 2023 Total Employees	Rank	Percent to Total City Employment		September 30, 2014 Total Employees	Rank	Percent to Total City Employment	
[1] Volusia County School District	7,750	1	66.04	%	7,503	1	24.16	%
Advent Health Daytona Beach	7,794	2	66.41					
[1] Halifax Health	4,312	3	36.74		4,709	2	15.17	
Publix Supermarkets Incorporated	4,069	4	34.67					
Walmart Associates	3,586	5	30.56		701	10	2.26	
State of Florida	2,628	6	22.39					
[1] Volusia County, Florida	2,464	7	21.00		3,341	3	10.76	
Embry-Riddle Aeronautical University	1,973	8	16.81		1,423	5	4.58	
Stetson University	1,590	9	13.55		1,568	4	5.05	
Daytona State College	1,424	10	12.13					
The City of Daytona Beach, Florida					835	9	2.69	
Nascar Inc					1,300	6	4.19	
Tredway's Inc					1,000	7	3.22	
International Speedway Corporation					840	8	2.72	
Total	37,590		320.30	%	23,220		74.79	%
[2] Estimated civilian labor force	11,736				31,050			

Sources: Volusia County Schools Demographics & Statistics
Volusia County Department of Economic Development.
Voluisa County 2023 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 2023 estimate: US Bureau of Labor Statistics.
Source for 2014 estimate: 2014 CAFR

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

Table 19

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
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	15.7	16.8	16.8	16.8	15.0	13.0	14.5	13.5	13.0
Legal	10.0	10.0	10.0	10.0	10.0	10.0	10.0	9.0	8.0	8.0
Human resources	8.0	8.0	8.0	8.0	8.0	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	45.9	42.9	43.0	43.0	41.0	36.0	33.0	34.0	32.0	33.0
Redevelopment services	30.1	4.1	-	-	-	-	-	-	-	-
City clerk	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Information technology	23.3	20.8	19.8	19.8	19.3	18.3	18.3	17.3	16.8	15.5
Finance	32.8	32.3	37.3	37.3	37.8	36.8	36.8	35.8	34.8	35.0
Police:										
Chief of Police	8.0	9.0	13.0	13.0	15.0	12.0	11.0	11.0	10.0	10.0
Operations	197.0	206.0	207.0	207.0	207.0	185.0	186.0	187.0	188.0	190.5
Support bureau	87.0	100.0	97.0	97.0	94.0	89.0	88.0	89.0	85.5	81.0
COPS Grant	1.0	-	-	-	-	10.0	10.0	10.0	10.0	-
Fire:										
Administration	15.0	15.0	12.0	12.0	12.0	10.0	9.0	9.0	9.0	9.0
Operations	106.0	99.0	101.0	101.0	101.0	99.0	100.0	100.0	97.0	97.0
Public works:										
Administration	1.2	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0
Engineering	27.5	25.5	26.5	26.5	26.5	24.5	23.5	19.8	16.8	18.0
Maintenance and other	89.3	81.0	88.5	88.5	90.5	91.5	89.0	89.5	89.5	84.0
Culture and recreation:										
Municipal Golf Course	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.2
Florida Tennis Center	5.1	5.1	3.6	3.6	3.6	3.5	3.5	3.5	3.5	3.5
Halifax Harbor	1.2	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	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	7.0	10.0	10.0	8.0	-
Recreation	54.0	48.0	30.5	30.5	29.5	33.0	28.5	28.5	25.5	49.3
Solid waste services	3.3	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	3.0
Water and wastewater services	184.7	183.0	168.0	168.0	168.0	162.0	152.3	153.6	151.7	151.5
Total	980.1	944.0	920.5	920.5	920.5	884.1	872.0	871.0	848.1	835.5

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.

Table 20

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Police:										
Physical arrests	5,589	6,320	7,214	7,697	9,183	8,762	8,475	7,924	8,087	8,472
Parking violations	372	336	181	422	539	792	636	541	510	718
Traffic violations	1,494	2,120	5,203	7,197	9,315	11,613	11,515	16,058	12,655	12,741
Fire:										
Emergency responses	20,522	20,689	20,789	18,081	18,410	21,838	22,055	21,443	21,042	19,459
Non-fire/EMS	15,613	14,161	16,085	15,686	15,100	17,388	18,406	16,446	16,083	15,696
*Inspections by engine companies	-	406	123	82	685	932	1,680	2,016	1,848	2,302
*Inspections by fire inspectors	322	528	603	660	1,015	993	987	1,012	982	803
Solid waste:										
Refuse collected (tons per day)	216	217	207	208	211	209	223	201	171	162
Yard trash (tons per day)	20	20	17	19	23	22	23	23	26	24
Recyclables collected (tons per day)	5	5	5	5	5	6	5	5	5	5
Public works:										
Street construction (miles)	-	1.5	-	0.5	-	1.2	-	0.9	-	0.7
**Street resurfacing (miles)	19.0	25.0	4.3	-	1.5	2.2	5.2	3.2	1.5	0.5
Potholes repaired	60	100	158	1,722	1,248	1,017	830	931	788	871
Building development:										
Residential/single family permits issued	3,313	1,340	1,361	830	519	454	408	412	400	507
Commercial/multi-family permits issued	458	277	297	325	262	250	336	404	271	255
Miscellaneous permits issued	4,943	7,217	6,525	5,957	6,577	4,881	5,774	3,644	3,037	2,853
Water:										
New connections	1,033	1,001	1,069	692	419	402	180	188	186	167
Water main breaks	213	65	94	404	90	291	595	264	432	285
Average daily consumption (MGD)	13.0	12.8	12.8	12.9	12.4	11.9	12.5	11.8	12.2	12.8
Peak daily consumption (MGD)	13.9	13.5	13.8	16.8	16.3	12.6	15.2	13.7	14.2	14.2
Sewer:										
Average daily treatment (MGD)	8.1	12.2	12.3	11.3	11.3	13.0	11.1	11.2	11.1	11.0
Utilities system:										
Number of customers	31,292	30,002	29,107	28,818	27,643	27,157	26,825	24,584	24,409	24,249

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 Resurficing allocated in FY 20.

Table 21

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General government:										
Area (square miles)	68	68	68	68	68	68	68	68	68	68
Police:										
Stations	7	3	3	3	1	1	1	1	1	1
Patrol units (marked cars)	211	182	305	186	166	166	170	163	153	149
Fire:										
Fire stations	7	7	7	7	7	7	7	7	7	7
Solid waste:										
Collection trucks	24	24	17	19	18	18	12	12	12	12
Public works:										
Paved streets (miles)	242.2	242.2	305.0	305.5	305.0	305.0	302.9	302.9	302.9	302.9
Unpaved streets (miles)	0.9	0.9	0.9	0.9	0.9	0.9	0.2	0.2	0.2	0.2
Streetlights	6,200	6,200	8,373	8,373	8,373	8,367	8,324	8,324	8,303	8,282
Traffic signals	149	148	140	145	136	136	136	136	136	135
Parks and recreation:										
Area (acres)	858	858	858	858	858	858	858	858	858	858
Swimming pools	3	3	2	2	2	2	2	2	2	2
Tennis courts	10	16	38	38	38	38	36	36	36	36
Playgrounds	14	14	24	24	24	24	23	24	24	24
Recreation (community) centers	6	6	19	19	19	19	19	19	19	19
Shuffleboard/lawn bowling courts	0	0	4	4	4	4	5	5	5	5
Auditorium/Bandshell	1	1	4	4	4	4	4	4	4	4
Soccer/football fields	3	3	7	7	7	7	7	7	7	7
Baseball/softball diamonds	7	7	13	13	13	13	13	13	13	13
Basketball courts	21	21	26	26	26	26	26	26	26	26
18 hole golf courses	1	1	2	2	2	2	2	2	2	2
Marina boat slips	550	550	550	550	550	550	550	550	550	550
Boat ramps	8	8	18	18	18	18	18	18	18	18
Parks and picnic areas	32	32	38	38	38	38	38	38	38	38
Water:										
Water mains (miles)	518	510	504	496	498	587	700	700	700	700
Fire hydrants	3344	3309	3,232	2,666	2,529	3,018	2,897	2,884	2,866	2,840
Production capacity (MGD)	24	24	24	24	24	24	24	24	24	24
Sewer:										
Sanitary sewers (miles)	304	429	297	294	402	396	615	615	615	615
Storm sewers (miles)	129	130	127	125	124	113	203	203	203	203
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
Table 22 **September 30, 2023**

	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								
Age	0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35+	Total Number of Active Employees
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, 2023

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:				
CDBG - Entitlement Grants Cluster				
Community Development Block Grants	14.218	B-18-MC-12-0004	$ 350	$ -
Community Development Block Grants	14.218	B-20-MC-12-0004	29,647	-
Community Development Block Grants	14.218	B-21-MC-12-0004	13,697	13,697
Community Development Block Grants	14.218	B-22-MC-12-0004	378,677	11,303
Total CDBG - Entitlement Grants Cluster			422,371	25,000
HOME Investment Partnerships Program	14.239	M-18-MC-12-0203	60,000	-
HOME Investment Partnerships Program	14.239	M-21-MC-12-0203	11,535	-
HOME Investment Partnerships Program	14.239	M-22-MC-12-0203	21,561	-
Total HOME Investment Partnerships Program			93,096	-
Total US Department of Housing and Urban Development			515,467	25,000
US Department of Justice				
Direct Programs:				
Bulletproof Vest Partnership Program	16.607	BV 2020-2022	17,290	-
Edward Byrne Memorial Justice Assistance Grant Program:				
Justice Assistance Grant Program	16.738	2020-DJ-BX-0159	2,300	-
Justice Assistance Grant Program	16.738	15PBJA-21-GG-01371-JAGX	5,794	-
Total Edward Byrne Memorial Justice Assistance Grant Program			8,094	-
COVID-19 Coronavirus Emergency Supplemental Fund	16.034	2020-VD-BX-0429	93,888	-
Equitable Sharing Program	16.922	n/a	17,290	-
Indirect Programs:				
Passed Through Florida Office of the Attorney General:				
Crime Victim Assistance Programs:				
Victims of Crime Act - Victims Assistance Program	16.575	VOCA-2022-782	97,536	-
Total US Department of Justice			234,098	-
US Department of Transportation				
Indirect Programs:				
Highway Planning and Construction				
Passed through Florida Department of Transportation:				
Highway Planning and Construction - Fremont Ave	20.205	439971-2-58/68-01	215,457	-
Highway Planning and Construction - Beville Road Trail	20.205	439037-1-58/68-01	514,253	-
Highway Planning and Construction - Safe Routes to Schools	20.205	443394-1-38-01	65,486	-
Total Highway Planning and Construction			795,196	-
Total US Department of Transportation			795,196	-

The City of Daytona Beach, Florida
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended September 30, 2023

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	709,552	-
Indirect Programs:				
Passed Through Florida Department of State:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds				
African American Historical Cultural Grant - Daisy Stocking Park	21.027	23.s.aa.900.046	305,299	-
Total US Department of the Treasury			1,014,851	-
US Department of Homeland Security - Federal Emergency Management Agency				
Indirect Programs:				
Passed through Florida Division of Emergency Management:				
Disaster Grants - Public Assistance (Hurricane Irma)	97.036	17-PA-00-06-74-01-110	(11,427)	-
Total US Department of Homeland Security			(11,427)	-
US Environmental Protection Agency				
Indirect Programs:				
Clean Water State Revolving Funds Cluster				
Passed through Florida Department of Environmental Protection:				
Capitalization Grants for Clean Water State Revolving Funds:				
Influent Pump and Headworks	66.458	WW6409A0/4C-02D38022-0	15,163,647	-
.			15,163,647	-
Drinking Water State Revolving Funds Cluster				
Passed through Florida Department of Environmental Protection:				
Capitalization Grants for Drinking Water State Revolving Funds:				
Heineman Water Tank	66.468	DW640990/FS98452220-0	9,194,146	-
Total Drinking Water State Revolving Funds Cluster			9,194,146	-
Total US Environmental Protection Agency			24,357,793	-
Total Expenditures of Federal Awards			**$ 26,905,978**	**$ 25,000**

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, 2023. 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 $25,000 for the fiscal year ended September 30, 2023.

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, 2023.



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

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, 2023, 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 28, 2024. 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2023-003 to be a material weaknesses

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2023-004 to be a significant deficiency.

City of Daytona Beach, Florida's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Daytona Beach, Florida's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. City of Daytona Beach, Florida's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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, Riggs & Ingram, L.L.C.

Melbourne, Florida
June 28, 2024

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INDEPENDENT AUDITOR'S 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, 2023. The City of Daytona Beach, Florida's major federal programs are identified in the summary of auditor's 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, 2023.

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.

Auditor's 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.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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 a 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on City of Daytona Beach, Florida's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. City of Daytona Beach, Florida's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

Melbourne, Florida
June 28, 2024

Section I–Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	Yes
• Significant deficiency(ies) identified?	Yes
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal control over major federal programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	Yes
Type of auditor's report issued on compliance for major federal 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

Identification of major federal programs:

Federal ALN	Federal Program or Cluster
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds
66.458	Clean Water State Revolving Funds Cluster
66.468	Drinking Water State Revolving Funds Cluster

Dollar threshold used to distinguish between type A and B programs was $807,179.

Auditee qualified as low-risk auditee under 2 CFR 200.520?	Yes

Section II–Financial Statement Findings

A. Internal Control Over Financial Reporting

2023-003 REVENUE RECOGNITION

Criteria: GASB Codification (GASBC) 1600, *Basis of Accounting* requires governmental funds use the modified accrual basis of accounting when recognizing revenue and enterprise funds to use the full accrual basis of accounting.

Condition: The City did not recognize revenue and receivables consistent with GAAP and the City's revenue recognition criteria and did not correctly estimate the accrual for unbilled receivables for water and sewer charges.

Cause of condition: The City did not have proper cutoff and valuation regarding revenue and receivables and revenue recognition pursuant to GASBC 1600. The City did not report all the revenue that was earned by the City, did not correctly estimate the accrual for unbilled receivables and recognized revenue for intergovernmental funds that were collected outside of the City's revenue recognition period for governmental funds.

Potential effect of condition: By not recognizing revenues and receivables pursuant to GAAP and the City's revenue recognition criteria, receivables and revenue may not be accounted for in the correct accounting period, resulting in a misstatement of those account balances.

Entries were made to the General Fund ($42,616), the Water and Sewer System Fund ($1,379,614), the Solid Waste Fund ($210,934) and the Stormwater Fund ($112,523) to correct receivables and revenue recognition for fiscal year 2023. A prior period adjustment of $2,284,694 is included in the current year's financial report to account for revenues previously recognized that were not collected within the period of availability.

Recommendation: The City should evaluate their current controls over receivables to ensure appropriate consideration of whether the revenue was earned, or susceptible to accrual, in addition to the determination of the accuracy of the receivable and revenue recorded.

Management's Response: *Management acknowledges the comment. The City will review the current process for evaluating accruals of receivables – including unbilled receivables – and revise procedures, as necessary, to ensure revenue and receivables are accounted for in the proper accounting period. This review will include an evaluation of the City's current process for monitoring of the collection of receivables in governmental funds within the period of availability.*

2023-004 CAPITALIZATION OF EXPENDITURES

Criteria: The City's capital asset policy states "to be classified as a capital asset, the item must possess attributes with (1) a useful life of at least 2 years from date of acquisition; and (2) a capitalization threshold that meets or exceed the amounts listed below for that particular asset class or the individual items as shown." The City's capitalization threshold for all classes of capital assets is $5,000 other than land, where all land purchases are to be capitalized.

Condition: The City did not capitalize expenditures consistent with the City's capitalization policies.

Cause of condition: The City was not consistent in the application of the City's capitalization policy resulting in the expenditure/expensing of costs that should have been capitalized pursuant to the City's policies. As a result, entries to reclassify capital expenditures/expenses of approximately $5 million across multiple funds were needed to properly account for capital expenditures that met the City's criteria to be included as a capital asset.

Potential effect of condition: The City is not in compliance with their capitalization policies. As a result, capital assets could be understated and current year expenditures/expenses overstated.

Perspective: The City provided adjustments in the current year to align the accounting for capital items with the City's capitalization policies. Additionally, approximately $1.3 million of the adjustment made by the City was for assets whose individual cost was less than the City's capitalization threshold; however, the City noted that the purchases were funded by debt and cited GASB guidance that identified situations in which it may be appropriate to capitalize significant purchases of individually smaller assets.

Recommendation: The City should evaluate their current procedures and implement changes, as necessary, to ensure all expenditures/expenses that meet their capitalization policy are capitalized. Additionally, the City should consider updating their policies to include situations that would require capitalization of certain assets whose individual acquisition costs are less than the capitalization threshold for an individual asset.

Management's Response: *Management acknowledges the comment. The City will review the current process for accounting for capital projects versus maintenance projects to improve the consistency of applying the City's capitalization policies. Updates to the City's policies and procedures will be made, if needed. The City will review GASB guidance and consider the inclusion of policies that identify situations in which below-threshold asset purchases would be capitalized. Also, Finance personnel involved with the process of accounting for capital assets will be provided with additional training.*

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

2023-001 GRANT REPORTING

U.S. Department of Treasury
ALN 21.027 – Coronavirus State and Local Fiscal Recovery Funds
Contract No. 23.saa.900.46 (2023)
Passed through the Florida Department of State

Criteria: 2 CFR 200.303 requires non-federal entities to establish and maintain effective internal controls. Reports and reimbursement requests should be subject to independent review to verify completeness, validity and timeliness of submission.

Condition: Review of quarterly reports was not documented by City officials before submittal by their third party consultant.

Cause of condition: The City does not have a process in place to document their review of progress reports submitted to the Florida Department of State by their third party consultant.

Potential effect of condition: Reports submitted to the Florida Department of State may be incomplete, include errors, or be submitted late.

Perspective: The City utilized a third party consultant to assist in the management of this specific grant contract under this federal program. CRI noted the City did have documentation of review of grant reports prepared by the City for the other grant contract awarded to the City under this federal program.

Questioned costs: None.

Recommendation: The City should review and revise, as needed, its current control structure over grant reporting to ensure that all required reports are independently reviewed prior to being submitted to the grantor. This should include review of reports prepared by any third party consultants.

Management's Response: *The City will update its control process to incorporate procedures to ensure that reviews of reports prepared by third party consultants are subject to independent review by City personnel prior to the reports being remitted to the grantor and that such reviews will be documented.*

2023-002 SUSPENSION AND DEBARMENT

U.S. Department of Treasury
ALN 21.027 – Coronavirus State and Local Fiscal Recovery Funds
Contract No. 23.saa.900.46 (2023)
Passed through the Florida Department of State

U.S. Department of Environmental Protection
ALN 66.458 – Clean Water State Revolving Funds Cluster
Contract No. WW6409A0/4C-02D38022-0 (2022)
Passed through the Florida Department of Environmental Protection

U.S. Department of Environmental Protection
ALN 66.468 – Drinking Water State Revolving Funds Cluster
Contract No. DW640990/FS98452220-0 (2021)
Passed through the Florida Department of Environmental Protection

Criteria: 2 CFR 180.300 requires the City to ensure vendors and contractors are not disqualified, excluded, or debarred prior to entering into a covered transaction. Further, 2 CFR 200.303 requires non-federal entities to establish and maintain effective internal controls. The City should have a process to ensure compliance with 2 CFR 180.300.

Condition: The City did not document their initial verification (SAM check) that a vendor was not suspended or debarred before entering into a covered transaction for all vendors and contractors participating on Federally-funded projects, and follow-up verifications were not consistently performed.

Cause of condition: Procedures for documentation of verification that vendors or contractors were eligible to participate on federally-funded projects checks were not consistently applied to all vendors.

Potential effect of condition: Without initial verification of a vendor's status to participate on federally-funded projects and timely follow-up SAM checks, the City may inadvertently enter into covered transactions with federally suspended or debarred vendors.

Perspective: The City properly performed SAM checks for some, but not all, of the vendors and contractors used in covered transactions. None of the vendors tested during our audit were disqualified, excluded, or debarred per verification performed by the auditors. Additionally, the Florida Department of Environmental Protection and the Florida Department of State provide for on-going oversight and review, which mitigates the risk of non-compliance.

Questioned costs: None.

Recommendation: The City should evaluate its current procedures for ensuring that vendors are eligible to participate in federally-funded projects prior to signing contracts or issuing purchase orders to those vendors. Changes to procedures should be implemented, as necessary, to improve controls over compliance. Additionally, a process for periodic follow-up verification should be performed no less than annually.

Management's Response: *The City will set up the following controls to monitor and ensure compliance with Sam.gov requirements on an ongoing basis.*

- *The City's procurement process for federally funded projects will include an item on the Vendor Questionnaire where vendors can upload their Sam.gov proof at the time of their bid submission.*
- *The City's Purchasing staff will review all bid submissions against Sam.gov and provide screenshots of when the information was checked. These screenshots will be saved in the bid file. Any vendor that does not show an active Sam.gov status will be rejected as non-responsive.*
- *Any new vendor that is intended for use on a federally funded project will also be checked at the time of vendor entry into the City's financial software by Finance. A copy of this Sam.gov check will be included with the vendor file.*
- *Current vendors will be checked for Sam.gov compliance on an annual basis. The annual checks will be screenshot and uploaded into the vendor files. Vendor files will be updated accordingly with the date of the Sam.gov check by Finance. The annual compliance check will become part of the end-of-fiscal year closeout process.*
- *Current vendors working on federally funded projects will also be checked for Sam.gov compliance at the time of any change order, amendment, or contract adjustment that is requested.*

Section IV- Prior Findings and Questioned Costs for Federal Awards

No prior year findings were reported.



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Carr, Riggs & Ingram, LLC
215 Baytree Drive
Melbourne, Florida 32940

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Independent Auditor's 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, 2023, and have issued our report thereon dated June 28, 2024.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Chapter 10.550, Rules of the Florida Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's 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 Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an Examination Conducted in Accordance with *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 28, 2024, 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	2023 No.
2019-002	Unexpended Balance – Building Permits	Repeated	2023-005

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:

2023-005 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, 2023 exceeded the City's average operating budget for enforcing the Florida Building Code for the previous four (4) fiscal years by $11,478,318.

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, 2023.

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, as updated in March 2024. The City continues to monitor the Spending Plan and consult with the City's legal counsel on action items to bring the City's carryforward balance into compliance with Florida Statutes.*

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.

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	**None**
b.	The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year as	**3**
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	**$60,468**
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	
	Original	Final	Amounts	Variance
OPERATING REVENUES:				
Taxes	$ 173,662	$ 173,662	$ 208,570	$ 34,908
Operating grants and contributions	101,059	101,295	117,961	16,666
Income on investments	16	16	2,562	2,546
Miscellaneous	35,000	35,000	2,685	(32,315)
Appropriation	-	53,121	-	(53,121)
Total operating revenues	309,737	363,094	331,778	(31,316)
OPERATING EXPENSES:				
Current operating:				
Downtown development	309,737	363,094	331,321	31,773
Total operating expenses	309,737	363,094	331,321	31,773
Change in net position	-	-	457	457
NET POSITION:				
Beginning	50,251	50,251	50,251	-
Ending	$ 50,251	$ 50,251	$ 50,708	$ 457

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:

a. The millage rate or rates imposed by the District. **1.0 mils**

b. The total amount of ad valorem taxes collected by or on behalf of the District. **$208,570**

c. 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:

a. The rate or rates of non-ad valorem special assessments imposed by the District as **None**

b. The total amount of special assessments collected by or on behalf of the District as **None**

c. 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 28, 2024



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INDEPENDENT ACCOUNTANT'S 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, 2023. 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, 2023.

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 28, 2024

The CITY OF DAYTONA BEACH

"THE WORLD'S MOST FAMOUS BEACH"

Office of the City Manager

CORRECTIVE ACTION PLAN

June 28, 2024

The City of Daytona Beach, Florida respectfully submits the following corrective action plan for the year ended September 30, 2023.

Name and address of independent public accounting firm:

Carr, Riggs & Ingram, LLC
215 Baytree Drive
Melbourne, Florida 32940

Audit Period:

Fiscal Year October 1, 2022 – September 30, 2023

The finding from the Schedule of Findings and Questioned Costs is discussed below. The finding number corresponds to the number assigned in the schedule.

2023-001 GRANT REPORTING

Recommendation: The City should review and revise, as needed, its current control structure over grant reporting to ensure that all required reports are independently reviewed prior to being submitted to the grantor. This should include review of reports prepared by any third party consultants.

Management's Response: *The City will update its control process to incorporate procedures to ensure that reviews of reports prepared by third party consultants are subject to independent review by City personnel prior to the reports being remitted to the grantor and that such reviews will be documented.*

Responsible Parties: Natalia Eckroth, CFO and Christine Aiken, Assistance Finance Director

Anticipated Completion Date: December 31, 2024

2023-002 SUSPENSION AND DEBARMENT

Recommendation: The City should evaluate its current procedures for ensuring that vendors are eligible to participate in federally-funded projects prior to signing contracts or issuing purchase orders to those vendors. Changes to procedures should be implemented, as necessary, to improve controls over compliance. Additionally, a process for periodic follow-up verification should be performed no less than annually.

Management's Response: *The City will set up the following controls to monitor and ensure compliance with Sam.gov requirements on an ongoing basis.*

- *The City's procurement process for federally funded projects will include an item on the Vendor Questionnaire where vendors can upload their Sam.gov proof at the time of their bid submission.*
- *The City's Purchasing staff will review all bid submissions against Sam.gov and provide screenshots of when the information was checked. These screenshots will be saved in the bid file. Any vendor that does not show an active Sam.gov status will be rejected as non-responsive.*
- *Any new vendor that is intended for use on a federally funded project will also be checked at the time of vendor entry into the City's financial software by Finance. A copy of this Sam.gov check will be included with the vendor file.*
- *Current vendors will be checked for Sam.gov compliance on an annual basis. The annual checks will be screenshot and uploaded into the vendor files. Vendor files will be updated accordingly with the date of the Sam.gov check by Finance. The annual compliance check will become part of the end-of-fiscal year closeout process.*
- *Current vendors working on federally funded projects will also be checked for Sam.gov compliance at the time of any change order, amendment, or contract adjustment that is requested.*

Responsible Parties: Kristen Turner, Financial Business Analyst and Holly Prevatt, Purchasing Agent

Anticipated Completion Date: December 31, 2024

2023-003 REVENUE RECOGNITION

Recommendation: The City should evaluate their current controls over receivables to ensure appropriate consideration of whether the revenue was earned, or susceptible to accrual, in addition to the determination of the accuracy of the receivable and revenue recorded.

Management's Response: *Management acknowledges the comment. The City will review the current process for evaluating accruals of receivables – including unbilled receivables – and revise procedures, as necessary, to ensure revenue and receivables are accounted for in the proper accounting period. This review will include an evaluation of the City's current process for monitoring of the collection of receivables in governmental funds within the period of availability.*

Responsible Parties: Natalia Eckroth, CFO and Christine Aiken, Assistance Finance Director

Anticipated Completion Date: December 31, 2024

2023-004 CAPITALIZATION OF EXPENDITURES

Recommendation: The City should evaluate their current procedures and implement changes, as necessary, to ensure all expenditures/expenses that meet their capitalization policy are capitalized. Additionally, the City should consider updating their policies to include situations that would require capitalization of certain assets whose individual acquisition costs are less than the capitalization threshold for an individual asset.

Management's Response: *Management acknowledges the comment. The City will review the current process for accounting for capital projects versus maintenance projects to improve the consistency of applying the City's capitalization policies. Updates to the City's policies and procedures will be made, if needed. The City will review GASB guidance and consider the inclusion of policies that identify situations in which below-threshold asset purchases would be capitalized. Also, Finance personnel involved with the process of accounting for capital assets will be provided with additional training.*

Responsible Parties: Natalia Eckroth, CFO, Christine Aiken, Assistance Finance Director, and Valerie Bacmeister, Accounting Manager

Anticipated Completion Date: December 31, 2024