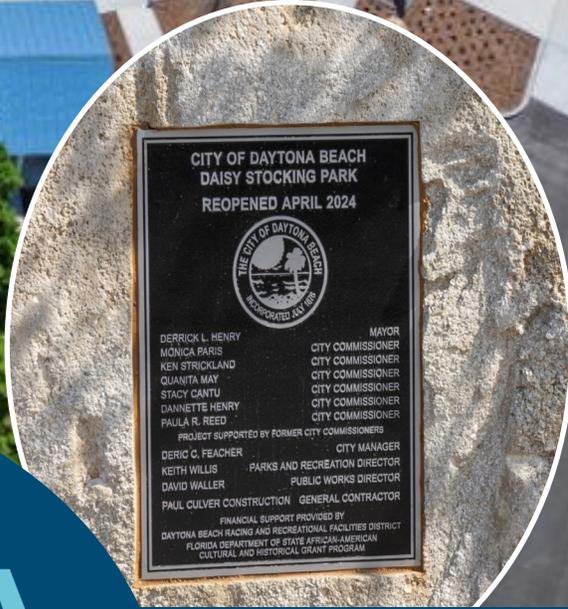




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DAYTONA
BEACH

THE CITY OF DAYTONA BEACH, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2024



ANNUAL
COMPREHENSIVE
(FINANCIAL REPORT)

FISCAL YEAR ENDED SEPTEMBER 30, 2024

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INTRODUCTION SECTION



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September 30, 2024

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OFFICE OF THE CITY MANAGER

City of Daytona Beach
301 S. Ridgewood Avenue
Daytona Beach, FL 32114
(386) 671-8010

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

May 22, 2025

We are pleased to submit the Annual Comprehensive Financial Report of The City of Daytona Beach, Florida, for the fiscal year ended September 30, 2024. 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, L.L.C., Certified Public Accountants, have issued an unmodified (“clean”) opinion on The City of Daytona Beach’s financial statements for the year ended September 30, 2024. 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 82,000 residents call this full-service city their home. The City is home to 6 colleges and universities serving approximately 40,000 college students.

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 4.3% from 82,485 in 2023 to 86,015 in 2024, according to the 2024 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 2022 U.S. Census, the four largest industries in Daytona Beach are retail trade, health care and social assistance, transportation and warehousing 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, 2024, the General Fund unassigned fund balance is \$37.6 million which is 30.7 percent of fiscal year 2024-25 budgeted operating expenditures of \$122.3 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 2024 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.
- 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 Southern portion of the Riverfront Esplanade. This portion includes an elaborate splash pad, a rose garden with other botanical gardens, a water feature, walking paths and restroom facility.
- Installed electric car charging station at City Hall and Cherry Cultural and Educational Center to continue the city's commitment to sustainable transportation. There are plans for more locations including the Florida Tennis Center and Breakers Oceanfront Park.
- Donated nearly \$1.1 million to community organizations and youth sports.
- Renovated Daisy Stocking Park with new pavilions, picnic tables, and children's playground equipment. Other improvements in the four-acre park include new lighting, gateway entrance, landscaping and pathways to provide connectivity to Mary McLeod Bethune Boulevard. Signage honoring Daisy Hardy Stocking's contributions to the community were created and prominently displayed within the park. The African-American Cultural and Historical Grant and Daytona Beach Racing and Recreational Facilities District helped to finance the project.
- Continued city-wide resurfacing and ADA sidewalks improvements.
- Added new playground equipment to Schnebly Recreation Center and Sunnyland Recreation Center.
- Resurfaced 24 courts at Florida Tennis Center and added a new fence with windscreens.

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 2025 and beyond include the following.

- The fifth year of the City's Road Resurfacing and Restoration Program is underway. Its goal is resurfacing of public roadways, streetscape and lighting improvements on major roads to create a vibrant and positive atmosphere. This initiative has repaved nearly 140 lane miles or 30% of the city's road network, greatly improving travel safety and roadway durability.
- New Fire Station One will be built on a 3.6-acre to replace the nearly 100-year-old historic Fire Station 1. The upcoming two-story, 31,000-square-foot headquarters will feature full solar power and other green technologies, community space, an emergency operations center and a fire department museum.
- Partnership with the U.S. Army Corps of Engineers for a comprehensive flood control study. A team of 25 experts joined forces on this three-year, fully funded federal study. This collaborative effort aims to address flooding concerns in the area bounded by the Nova Canal, Orange Avenue, Ridgewood Avenue and Beville Road, an area susceptible to flooding during major storms events.
- 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.
- 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. Upgrading treatment facilities to improve system reliability.

- City-owned Jackie Robinson Ballpark renovation to upgrade the historic venue MLB standards for minor league facilities. Once completed, a 30,000-square-foot multi-story player development facility will include home and visiting clubhouses, batting cages, umpire facilities, fitness and training spaces, fully equipped dining facilities, and a multi-purpose community room and office space.
- Complete Parks and Recreation Master Plan. Daytona Beach is home to nearly 30 parks, 5 community centers and numerous trails. The plan will address current needs and identify opportunities for enhancements within our parks, facilities and programming to better meet the residents' evolving needs.

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 2023-24, no new agreements were created and no previously adopted agreements became eligible for the program. The City abated 2023 real estate and tangible property taxes to six businesses at three locations totaling \$338,774.

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, 2023. This was the 52nd 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 L.L.C. 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**

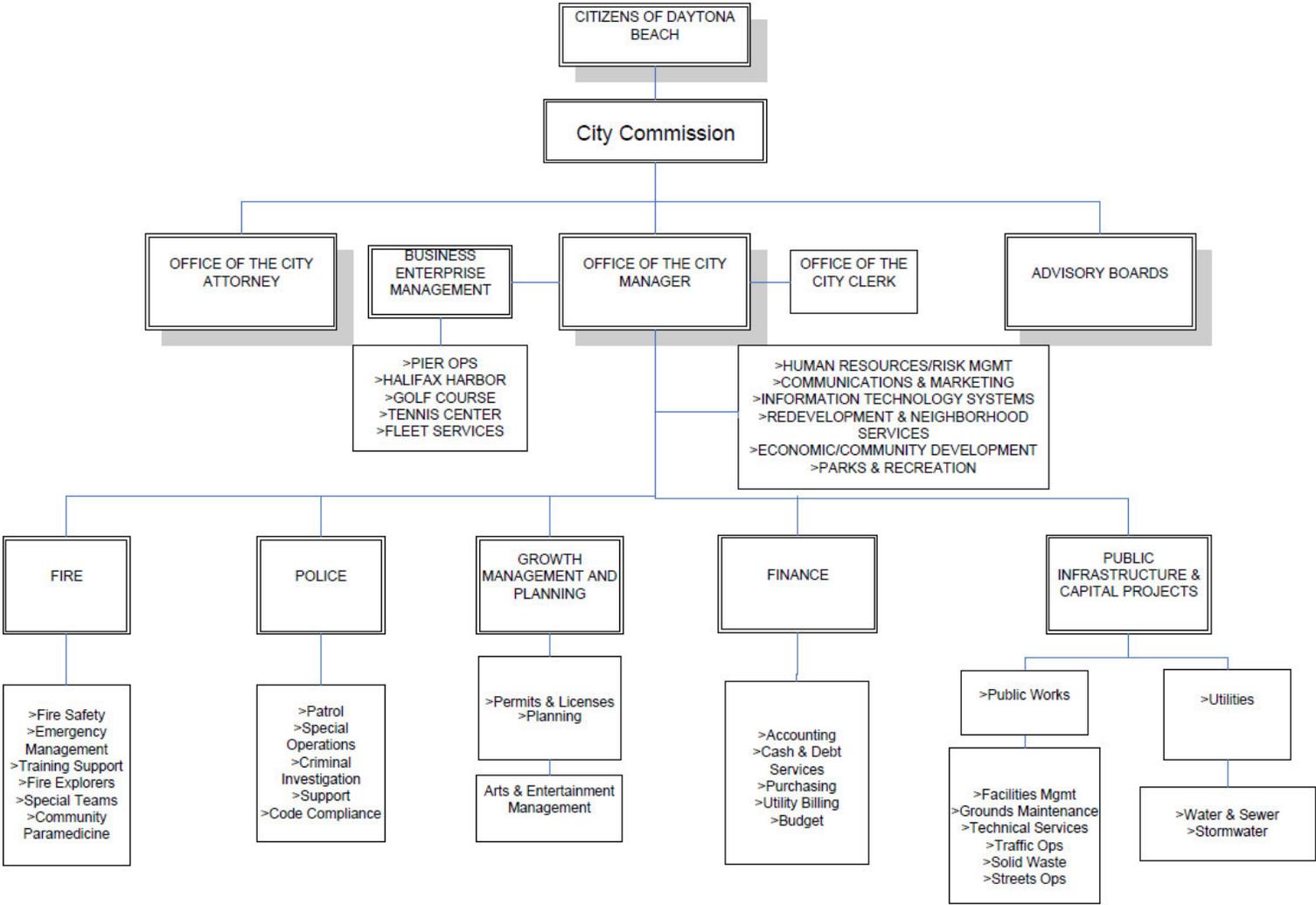
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Christopher P. Morill

Executive Director/CEO

City of Daytona Beach, Florida
 Organizational Structure
 Fiscal Year 2023-2024



**City of Daytona Beach, Florida
Mayor, City Commissioners and City Officials
September 30, 2024**

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





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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, 2024, 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, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, the Redevelopment Trust Special Revenue Fund and for the Emergency Management Grants 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 96%, 97%, and 83%, 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 1 to the financial statements, in fiscal year 2024, the City adopted new accounting guidance, GASB Statement No. 100, *Accounting Changes and Error Corrections*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

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, budgetary comparison information 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 and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.550, *Rules of the Auditor General*, 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 and State of Florida financial assistance 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 May 22, 2025, 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
May 22, 2025

MANAGEMENT'S
DISCUSSION AND
ANALYSIS



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

On behalf of the City of Daytona Beach (the “City”), management presents to the readers of the City’s financial statements this narrative overview and analysis of financial activities of the City of Daytona Beach for the fiscal year ended September 30, 2024. 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 37.

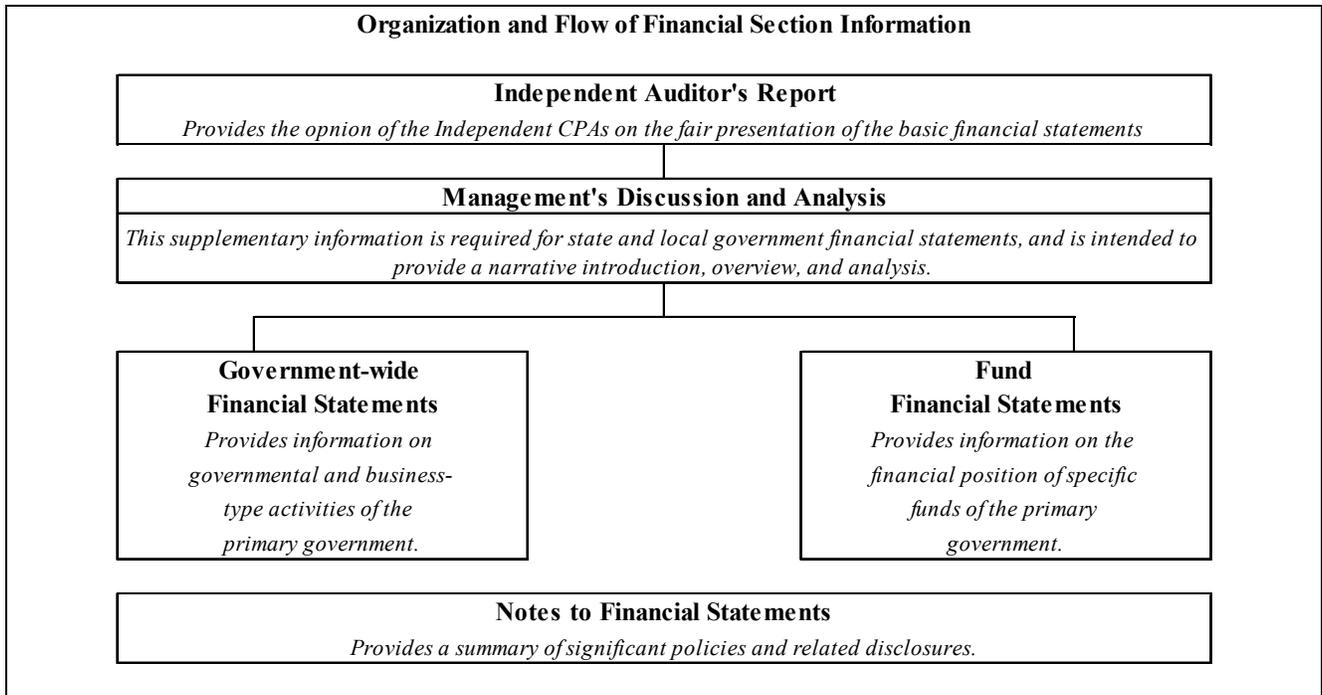
FINANCIAL HIGHLIGHTS

- The City’s assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of FY 2023-24 by \$339.2 million (*net position*).
- For FY 2023-24, the City’s total net position increased by \$49.8 million, or 17.2 percent when compared to last fiscal year’s net position. The governmental activities’ net position increased by \$18.2 million. The business-type activities net position increased by \$31.6 million.
- At the close of the fiscal year ended 09/30/2024, the City’s governmental funds reported combined fund balances of \$178.9 million, an increase of \$64.8 million from the prior fiscal year. Approximately \$26.7 million of the governmental fund balance is available for spending at the City’s discretion (*unassigned fund balance*).
- At the end of FY 2023-24, the General Fund’s unrestricted fund balance (the total of *committed, assigned, and unassigned* components of *fund balance*) was \$50.4 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, 2024, is 21.0 percent of the future year’s (FY 2024-25) 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 2023-24 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 increased by \$68.1 million for FY2023-24 over FY2022-23. Overall, governmental activities debt increased \$50.3 million, net of \$52.9 million in new bonds issuance, \$5.1 million in new bank loan, leases, and subscriptions less principal retirement of \$7.2 million. Business-type activities debt increased by \$17.1 million which is net of principal retirement of \$8.3 million and new borrowing of \$25.5 million, which consists primarily of State Revolving Fund (SRF) loans for ongoing and new utility projects.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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



Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The *statement of net position* presents information on all the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The *statement of activities* presents information on how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government services, public safety, transportation, economic environment, human services, cultural, leisure and recreation. The business-type activities of the City include the water and sewer system, solid waste management, stormwater improvement, marina with office plaza, and pier operations. The government-wide financial statements include not only the City itself (known as the *primary government*), but also the legally separate Downtown Development Authority and First Step Shelter, Inc. for which the City discretely reports separately from the primary government. The government-wide financial statements can be found on pages 37 and 38 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*

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

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 40 and 42.

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, Capital Projects Fund and Emergency Management Grants Fund, all of which are major funds. Data from the other sixteen (16) nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major 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, Redevelopment Trust Fund and Emergency Managements Grants Fund. Budgetary comparison schedules have been provided for the General Fund, Redevelopment Trust Fund, and Emergency Management Grants Fund (special revenue funds) to demonstrate compliance with the adopted budgets. The schedules can be found on pages 119-121 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 non-major 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 44-47 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 50 and 51 of this report.

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

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 51-118 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 123-127 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 131-176 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 FY2024. The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of FY2023-24 by \$339.2 million, which is an increase of \$49.8 million or 17.2 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 (\$197.2 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 20.1% or \$122.6 million for a balance at year-end of \$732.0 million in total assets. This increase was primarily due to a combination of activities that took place in FY2024 which included: an increase in cash and cash equivalents of \$81.3 million relating to bond issuance of \$52.8 million in August 2024 for a new fire station and capital improvements to the Jackie Robinson Ball Park, an uptick in income on investments, charges for services and unspent loan proceeds at the end of the fiscal year.

Liabilities – Total government-wide liabilities increased by \$53.5 million. This change is primarily attributable to increases in bonds, loans, and notes payable acquired during the fiscal year for capital improvements and new projects.

Net Position – As noted previously, net position may serve as a useful indicator of a government's financial position over time. Approximately 42.2% of the City's net position reflects its investment in capital assets (land, equipment, buildings, improvements, machinery and equipment, infrastructure, and right-to-use lease assets 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 \$339.2 million. Total net position increased \$49.8 million from last year. Net position

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

of the City’s governmental activities increased by \$18.2 million and totaled \$129.6 million at the end of the fiscal year. Of this amount, approximately 88.3% 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 \$31.6 million, for a total of \$209.6 million compared to \$178.0 million in FY2022-23, primarily due to activities in the Water and Sewer System Fund that includes amounts restricted for capital projects and invested in capital projects which increased by \$30.8 million over the previous fiscal year.

The following is a summary of net position for the years ended September 30, 2024, and 2023:

The City of Daytona Beach, Florida
Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 208,508,241	\$ 140,646,857	\$ 153,683,259	\$ 139,297,423	\$ 362,191,500	\$ 279,944,280
Capital assets	138,622,243	130,234,007	231,147,913	199,127,002	369,770,156	329,361,009
Total assets	<u>347,130,484</u>	<u>270,880,864</u>	<u>384,831,172</u>	<u>338,424,425</u>	<u>731,961,656</u>	<u>609,305,289</u>
Total deferred outflows of resources	<u>19,685,529</u>	<u>34,472,493</u>	<u>4,123,943</u>	<u>4,407,626</u>	<u>23,809,472</u>	<u>38,880,119</u>
Current liabilities	26,563,700	24,680,662	30,294,543	32,022,021	56,858,243	56,702,683
Long-term liabilities	205,143,837	167,285,128	144,134,788	128,623,576	349,278,625	295,908,704
Total liabilities	<u>231,707,537</u>	<u>191,965,790</u>	<u>174,429,331</u>	<u>160,645,597</u>	<u>406,136,868</u>	<u>352,611,387</u>
Total deferred inflows of resources	<u>5,498,981</u>	<u>1,990,075</u>	<u>4,929,352</u>	<u>4,145,610</u>	<u>10,428,333</u>	<u>6,135,685</u>
Net position:						
Net investment in capital assets	110,533,663	97,806,426	86,703,441	70,880,694	197,237,104	168,687,120
Restricted	82,904,805	70,023,679	73,457,534	66,552,114	156,362,339	136,575,793
Unrestricted (deficit)	(63,828,973)	(56,432,613)	49,435,457	40,608,036	(14,393,516)	(15,824,577)
Total net position	<u>\$ 129,609,495</u>	<u>\$ 111,397,492</u>	<u>\$ 209,596,432</u>	<u>\$ 178,040,844</u>	<u>\$ 339,205,927</u>	<u>\$ 289,438,336</u>

Changes in Net Position. While the statement of net position shows a summary of the City’s financial position at the end of the fiscal year, the statement of changes in net position provides answers as to the nature and source of those changes. During FY2024, the City’s net position totaled \$339.2 million, an increase of \$49.8 million over the previous year. The City’s total revenues increased by \$18.3 million over FY2023 to a total of \$272.0 million, primarily due to a \$6.4 million increase in property taxes from increased property values, increases in income on investments, which rose by \$3.1 million, given favorable market conditions; charges for services, which increased by \$7.9 million being equally attributed to increases in governmental and business-type activities; and a \$3.8 million increase in capital grants and contributions from utility impact fees, a growth indicator of increased usage of city utilities.

Government-wide expenses increased by \$5.6 million or 2.5 percent during the reporting period, primarily due to expenditures relating to public safety, which rose by \$3.6 million or 4.9 percent over last fiscal year due to regular operations; coupled with slight uptick in interest and fiscal charges which increased by \$0.7 million, and culture and recreation which increased by \$0.4 million due to increased governmental activities. On the other hand, governmental spending relating to general government, economic environment, and transportation decreased by \$8.1 million over the prior reporting period as a result Business-type expenses relating to water and sewer system, solid waste management, and stormwater improvement were slightly decreased by \$2.0, \$0.1 and \$0.3 million respectively. A reduction in interest expense of \$2.2 million from the previous fiscal year in the water and sewer system fund is credited for the decrease and is indicative of the utilities department’s decision to utilize low-interest state revolving fund loans to finance several large utility projects.

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

The following is a comparison of major revenue and expense categories for the fiscal years ending September 30, 2024, and 2023:

The City of Daytona Beach, Florida Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
REVENUES:						
Program revenues:						
Charges for services	\$ 33,326,947	\$ 29,280,589	\$ 121,755,992	\$ 117,858,156	\$ 155,082,939	\$ 147,138,745
Operating grants and contributions	2,905,850	3,937,336	-	-	2,905,850	3,937,336
Capital grants and contributions	33,052	313,484	11,941,957	7,852,817	11,975,009	8,166,301
General revenues:						
Property taxes	46,065,662	39,661,044	-	-	46,065,662	39,661,044
Gas taxes	2,035,990	1,870,152	-	-	2,035,990	1,870,152
Public services taxes	15,421,115	14,568,751	-	-	15,421,115	14,568,751
Sales taxes	5,125,464	5,199,916	-	-	5,125,464	5,199,916
Franchise taxes	8,496,719	8,496,276	-	-	8,496,719	8,496,276
Tax increment taxes	5,069,209	4,570,838	-	-	5,069,209	4,570,838
Other taxes	1,625,574	1,393,607	-	-	1,625,574	1,393,607
Intergovernmental revenue not restricted to specific programs	5,258,300	5,628,782	-	-	5,258,300	5,628,782
Income on investments	7,099,105	4,014,122	3,977,204	5,115,231	11,076,309	9,129,353
Other general revenues	1,701,556	3,233,391	146,449	682,303	1,848,005	3,915,694
Total revenues	134,164,543	122,168,288	137,821,602	131,508,507	271,986,145	253,676,795
EXPENSES:						
General government	29,089,605	33,295,990	-	-	29,089,605	33,295,990
Public safety	78,330,034	74,740,759	-	-	78,330,034	74,740,759
Transportation	13,223,362	13,922,477	-	-	13,223,362	13,922,477
Economic environment	5,369,947	8,502,462	-	-	5,369,947	8,502,462
Human services	829,927	825,263	-	-	829,927	825,263
Culture and recreation	17,876,780	17,503,451	-	-	17,876,780	17,503,451
Interest and fiscal charges	1,557,585	884,471	-	-	1,557,585	884,471
Water and sewer system	-	-	51,798,858	53,795,476	51,798,858	53,795,476
Solid waste management	-	-	13,121,632	13,214,098	13,121,632	13,214,098
Stormwater improvement	-	-	6,111,779	6,454,682	6,111,779	6,454,682
Halifax Harbor Marina	-	-	3,799,986	3,602,829	3,799,986	3,602,829
Daytona Beach Pier	-	-	1,109,059	1,024,509	1,109,059	1,024,509
Total expenses	146,277,240	149,674,873	75,941,314	78,091,594	222,218,554	227,766,467
Excess (deficiency) before transfers	(12,112,697)	(27,506,585)	61,880,288	53,416,913	49,767,591	25,910,328
Net transfers - in (out)	30,324,700	32,656,467	(30,324,700)	(32,656,467)	-	-
Change in net position	18,212,003	5,149,882	31,555,588	20,760,446	49,767,591	25,910,328
NET POSITION:						
Net position - beginning	111,397,492	106,247,610	178,040,844	157,280,398	289,438,336	263,528,008
Net position - ending	\$ 129,609,495	\$ 111,397,492	\$ 209,596,432	\$ 178,040,844	\$ 339,205,927	\$ 289,438,336

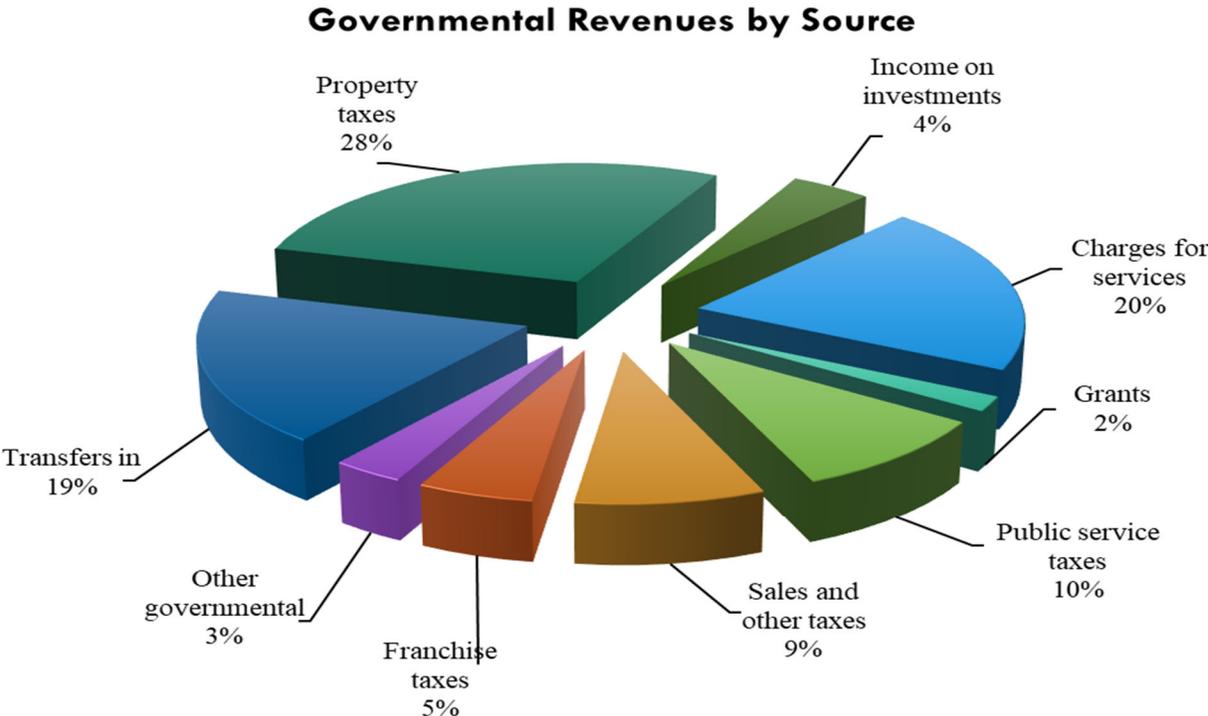
Governmental Activities:

Revenues for the governmental activities increased by \$12.0 million, or 9.8 percent from the prior fiscal year. This increase is primarily attributable to increases in property taxes which rose by \$6.4 million due to increased property values, income on investment rose by \$3.1 million relating to positive market movements, and charges for services, which experienced an uptick of \$4.0 million. On the contrary, operating and capital grants and contributions was reduced over the last fiscal year by \$1.0 million; and other general revenues that also decreased by \$1.5 million.

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

Revenues by Source – Governmental Activities

An individual comparison of the City’s functional program revenues and costs of providing program services to its citizens during FY2024 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:



FY2023-24 Expenses and Program Revenues – Governmental Activities



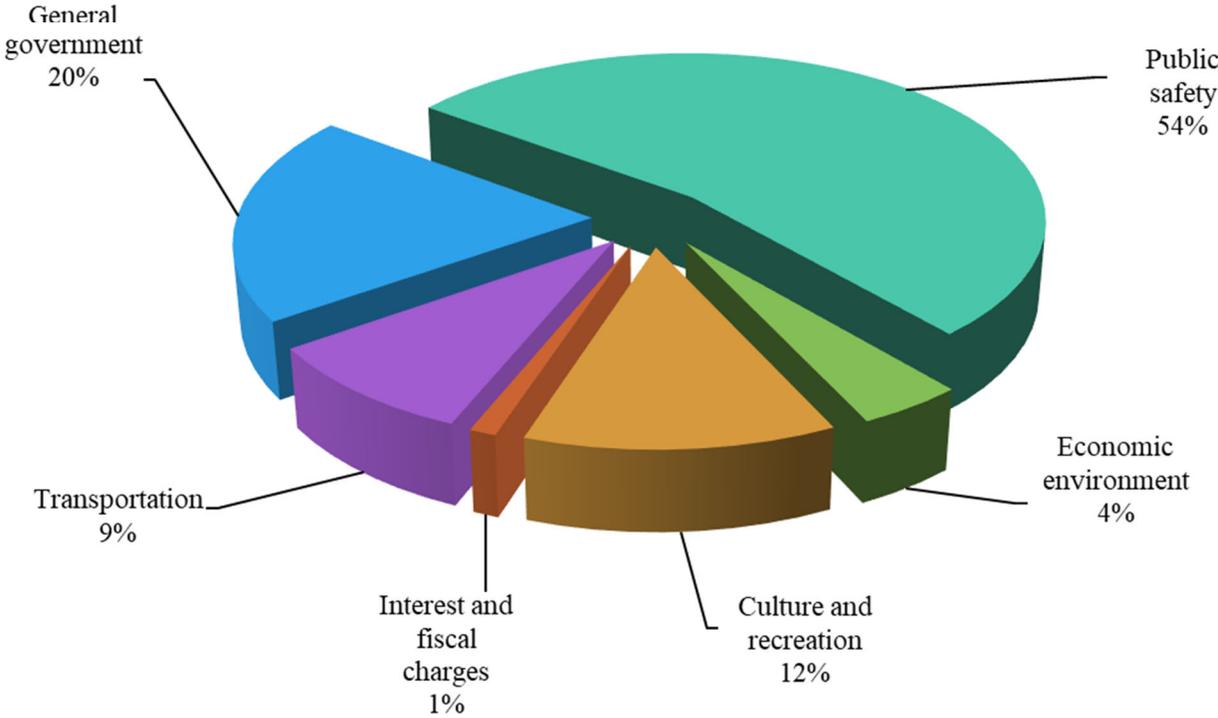
The cost of all governmental activities expended this fiscal year totaled \$146.3 million compared to \$149.7 million last fiscal year, which denotes a \$3.4 million or 2.3 percent decrease over last fiscal year. This decrease is a net effect of reductions in general government, economic environment, and transportation spending of \$4.2, \$3.1, and \$0.7 million respectively, offset by increases in public safety expenditures of \$3.6 million, primarily attributable to payroll related expenditures. Culture and recreation expenditures also rose by \$0.4 million, and interest and

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

fiscal charges increased by \$0.7 million and is directly related to cost of issuance for the series 2025 capital improvement revenue bonds.

The following is a summary of the City’s governmental activities expenses by function for FY2023-24:

Governmental Expenses by Function



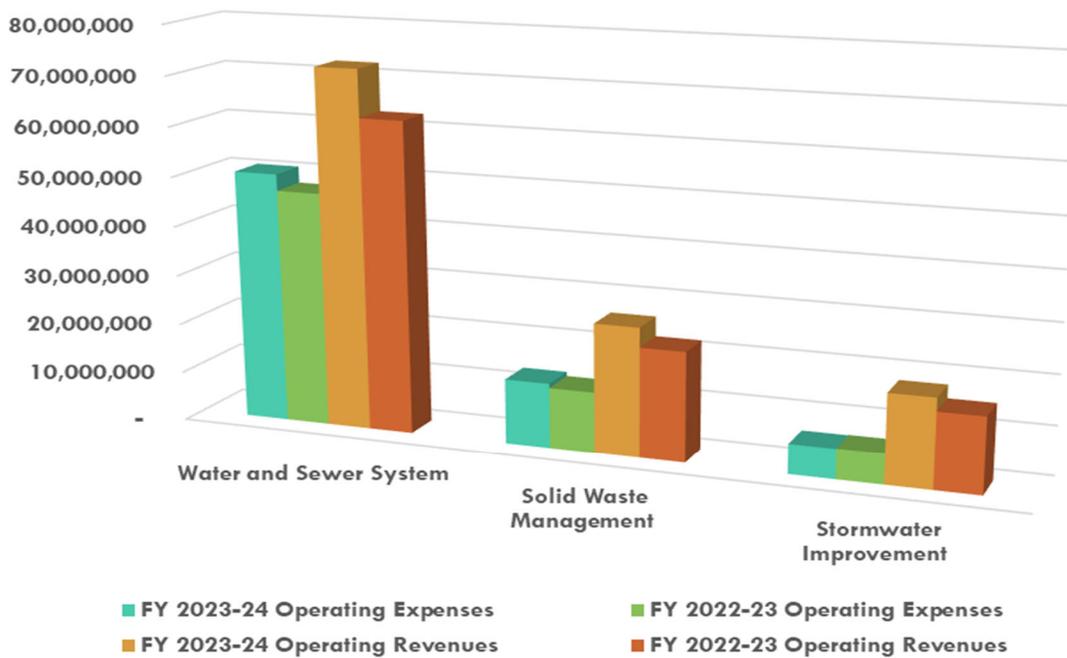
Business-Type Activities:

The results of the City’s business-type activities for FY2023-24 were positive in that overall net position increased to an ending balance of \$209.6 million. The City's utilities department have acquired subsidized, low-interest rate loans from the Florida Department of Environmental Protection, one of which \$0.8 million in principal forgiveness was received. The total increase in net position was \$31.6 million, or 17.7 percent, compared to FY2022-23. The growth in net position, in large part, is attributable to the collection of excess water, sewer, stormwater and solid waste revenues, coupled with the City’s ongoing growth that resulted in increased impact fees collected 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 2024 is useful in identifying the capabilities of producing revenues sufficient to operate their programs and are presented in the graph below:

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

FY 2023-24 Business-Type Activities – Major Funds – Operating Expenses and Operating Revenues



Water and Sewer System Fund operating revenues increased \$2.3 million or 3.3 percent from the prior fiscal year primarily due to the net effect of a 5.7% 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 \$1.9 million. Operating expenses increased by \$3.0 million, or 6.2 percent, from the prior fiscal year, and is primarily related to contractual services and materials and supplies expenses from operating and capital projects being undertaken. The fund’s net operating income decreased by \$0.6 million to a total of \$21.7 million, a 2.8 percent reduction from the prior fiscal year. The fund reported a change in net position of \$26.0 million primarily due to increased revenues attributed to usage increases, continued growth in the City, new construction, and a reduction in interest expense given the city’s utilization of low-interest loans from the State Department of Environmental Protection for several water and sewer projects.

Solid Waste Management Fund operating revenues increased by \$1.4 million, or 5.7 percent, from the prior fiscal year primarily due to the annual CPI adjustment relating to charges for services. Operating expenses slightly decreased by \$0.1 million, or 0.6 percent primarily due to slight reductions in spending related to contractual services for solid waste collection with Waste Pro, for landfill tipping fee with Volusia County, and landfill post-closure charges, and personnel services. The fund reported net operating income of \$12.9 million for fiscal year 2023-24, as compared to \$11.4 million in FY 2022-23, a 13.0 percent increase. Net position increased by \$2.4 million, largely attributed to revenues generated from charges for services.

Stormwater Improvement Fund operating revenues increased \$0.8 million, or 4.7 percent, from the prior fiscal year to \$18.0 million. This increase was primarily due to the annual CPI rate change. Operating expenses marginally decreased by \$0.2 million or 2.5 percent, when compared to the prior fiscal year, and are primarily attributed to decreases in contractual services and material and supplies. Net operating income at the end of the fiscal year 2023-24 was \$11.9 million, an increase of \$1.0 million, or 8.8 percent, over the previous fiscal year. The fund reported an increase in net position of \$2.8 million and ended the fiscal year at \$27.0 million. The increase was largely due to transfers out to the general fund to offset general government expenditures being reduced by \$2.3 million when compared to last fiscal year.

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 FY2023-24, governmental funds reported combined fund balances of \$178.9 million, an increase of \$64.8 million, or 56.8 percent when compared to FY2022-23, primarily due to the City's issuance of capital improvement revenue bonds to construct a new fire station and complete capital improvements to the Jackie Robinson Ball Park. Approximately 14.9 percent of this total fund balance amount, \$26.7 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 (\$0.8 million)
- legally required to be maintained intact for debt covenants (\$0.8 million)
- restricted by external grantors and outside agencies for specific purposes (\$82.1 million)
- assigned by the City for specific purposes (\$68.5 million)

The General Fund is the chief operating fund of the City. At the end of FY2023-24, the general fund reported a fund balance of \$51.2 million. Of this amount, \$0.8 million is considered non-spendable 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 FY2024-25 budget (\$1.3 million) and capital/other projects (\$11.5 million). As of September 30, 2024, the unassigned fund balance in the General Fund was \$37.6 million, which is an increase of \$15.4 million compared to FY 2022-23. 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 21.0 percent of total current year's (FY 2023-24) General Fund expenditures (excluding transfers out, capital, and other financing uses). Total fund balance represents approximately 43.7 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, 2024, the Redevelopment Trust Fund reflected an increase of \$5.2 million when revenues are compared to expenditures including transfers, mainly due to intergovernmental revenues derived from increased property values, and increased income on investment because of positive changes in the market environment; coupled with decreased capital expenditures when compared to last fiscal year. Total revenues increased slightly by \$0.3 million over the last fiscal year; while total expenditures decreased by \$2.6 million when compared to FY2022-23, primarily due to reduction in capital expenditures. Ending fund balance on September 30, 2024, was \$20.5 million, an increase of \$5.3 million over the last fiscal year. This increase is in part attributable to loan proceeds of \$2.1 million in the Midtown redevelopment area for land/property acquisition. Notably, 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 176 in the combining and individual fund statements and schedules section of this report.

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

The Capital Projects Fund reflected a total fund balance of \$55.7 million at the end of FY 2023-24 compared to \$6.3 million in the prior fiscal year. The fund has remaining unspent funds for several high-dollar capital projects expected to be completed in the next year, to include the construction of a new fire station, and capital improvements to Jackie Robinson Ball Park, for approximately \$52 million.

The Emergency Management Grants Fund (previously reported as a nonmajor fund) provides additional tracking for grants received from federal and state grants related to storm events, ended the fiscal year with a \$10.6 million deficit fund balance. This is primarily attributable to the net effect of intergovernmental receivables due from the Federal Emergency Management Agency (FEMA) of \$1.8 million relating to Hurricanes Dorian, Irma, and Matthew; and \$13.4 million for expenditures incurred from Hurricanes Ian and Nicole but not yet obligated by FEMA, of which \$4.3 million was expended in FY2023-24.

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 \$70.7 million, or 33.7 percent, from the originally adopted expenditure budget. The most significant amendments made to the budget were as follows:

- \$54.6 million for debt and bond premium proceeds (issuance of bonds and associated bond premiums for new fire station, and capital improvement to Jackie Robinson Ball Park).
- \$18.4 million for capital projects, including the carryforward of unexpended project funds from FY 2022-23 to FY 2023-24.
- \$3.5 million for transfers in from enterprise funds (Stormwater and Solid Waste to offset governmental expenditures).

Actual expenditures (excluding transfers) were \$16.7 million lower than final budgeted appropriations. A large portion of this variance is attributed to \$10.8 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; and \$1.9 million for unfinished capital related projects which will be carried forward to the new fiscal year. Expenditures for all departments except Finance exhibited positive variances compared to budgeted amounts.

Final budgeted revenues in the General Fund (excluding reserves) increased by \$424.8 thousand or 0.5 percent more than originally budgeted. This increase is primarily attributed to a \$265.5 thousand budget added for the sale of fixed assets. All areas except fines and forfeitures performed better than originally budgeted.

Overall, actual General Fund revenues, not including reserves, increased by \$8.7 million over final budgeted revenues. Some of the major increases include \$3.6 million in income on investments given the better than last year's performance of the market, \$3.0 million in property taxes due to increased property values, and \$1.2 million in licenses and permits.

A budgetary comparison schedule can be found in the basic financial statements section on page 119.

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets includes land, buildings, improvements and infrastructure, equipment, construction in progress, and right-to-use assets. As of September 30, 2024, the City had investment in capital assets, net of related depreciation, of \$369.8 million. This represents a net increase consisting of additions, deletions, depreciation and amortization of \$40.4 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 Water Reclamation Facility, a new 5 MG potable water ground storage tank and pump station on Heineman Street, and general government land acquisition of \$2.5 million over last fiscal year.

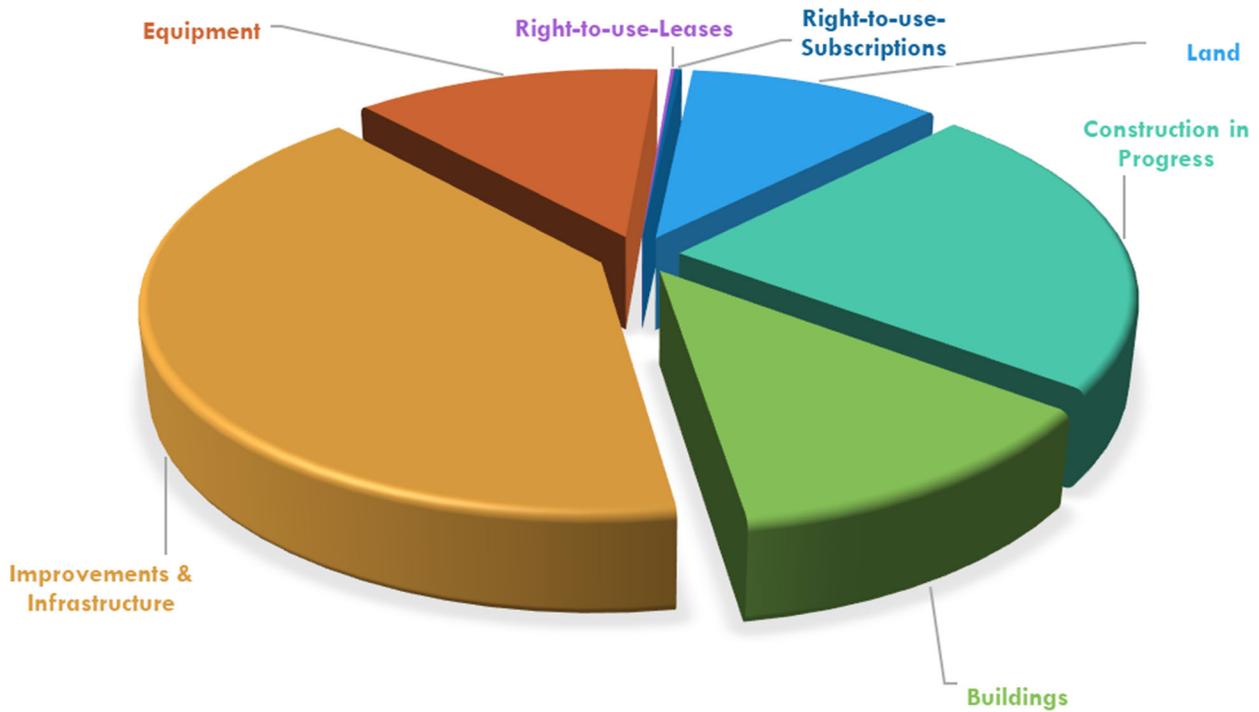
The following is a summary of the City's capital assets, net of depreciation, as of September 30, 2024, and 2023:

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Land	\$ 32,932,300	\$ 30,397,364	\$ 6,428,187	\$ 6,428,187	\$ 39,360,487	\$ 36,825,551
Construction in progress	12,967,394	16,736,107	71,869,674	42,717,563	84,837,068	59,453,670
Buildings	33,484,107	31,105,970	11,697,441	12,179,919	45,181,548	43,285,889
Improvements and infrastructure	41,084,480	38,719,883	109,343,422	105,399,634	150,427,902	144,119,517
Equipment	16,596,657	11,048,865	31,015,999	31,704,786	47,612,656	42,753,651
Right-to-use assets:						
Equipment	359,042	458,245	-	-	359,042	458,245
Land and infrastructure	205,726	98,019	184,688	230,491	390,414	328,510
Right-to-use subscription assets	992,537	1,669,554	608,502	466,422	1,601,039	2,135,976
Total	<u>\$ 138,622,243</u>	<u>\$ 130,234,007</u>	<u>\$ 231,147,913</u>	<u>\$ 199,127,002</u>	<u>\$ 369,770,156</u>	<u>\$ 329,361,009</u>

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

Capital Assets



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

- Brennan Water Treatment Plant - \$7,216,644
- FDOT Utility Relocation – \$4,392,078
- Peabody Auditorium Renovations - \$2,567,734
- Land Acquisition– \$2,534,936
- Dickerson Center Improvements - \$1,938,465
- Lift Station 22 Force Main - \$992,682
- Regional Sludge Drying Beds - \$795,067
- Josie Rogers House Improvements - \$600,000

Additional information regarding the City's capital assets can be found in Note 8 of the financial statements (see pages 77-81)

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

Debt Administration

At fiscal year ended September 30, 2024, the City had \$222.2 million in debt outstanding compared to \$154.8 million for FY2022-23 as shown in the table below.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Revenue bonds	\$ 52,893,895	\$ -	\$ -	\$ -	\$ 52,893,895	\$ -
General obligation bonds	6,572,511	7,761,263	-	-	6,572,511	7,761,263
Notes payable	20,032,397	20,993,325	31,465,000	35,625,000	51,497,397	56,618,325
State Revolving Fund loans	-	-	105,106,219	83,897,308	105,106,219	83,897,308
Financed purchases	4,005,927	3,724,038	-	-	4,005,927	3,724,038
Lease liabilities	567,066	558,885	193,492	237,624	760,558	796,509
Subscription liabilities	805,301	1,522,700	599,736	469,084	1,405,037	1,991,784
Total	\$ 84,877,097	\$ 34,560,211	\$ 137,364,447	\$ 120,229,016	\$ 222,241,544	\$ 154,789,227

Governmental debt increased by \$50.3 million, net of \$57.5 million in capital improvement revenue bond issuance (\$52.9 million), taxable revenue note (\$2.1 million), capital lease (\$1.7 million), leases and subscriptions (\$0.8 million); less principal retirement of \$7.2 million. Business-type debt increased by \$17.1 million which is net of principal retirement of \$8.3 million and new debt issuance of \$25.5 million, primarily in the form of Florida Department of Environmental Protection State Revolving Funds loans of \$25.2 million and new subscriptions of \$0.2 million. Currently, the City has 100 percent fixed rate debt. Of the outstanding debt, approximately 3.0 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.

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

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

The City of Daytona Beach, Florida Bond Ratings

Revenue Bond Issue	Moody's	Standard & Poor's
General Obligation Refunding Bonds, Series 2012	Aa2	AA
Capital Improvement Revenue Bonds (Taxable), Series 2024A	Aa2	AA
Capital Improvement Revenue Bonds, Series 2024B	Aa2	AA

Additional information on the City's long-term debt can be found in Notes 9 and 10 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 2020-24 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.

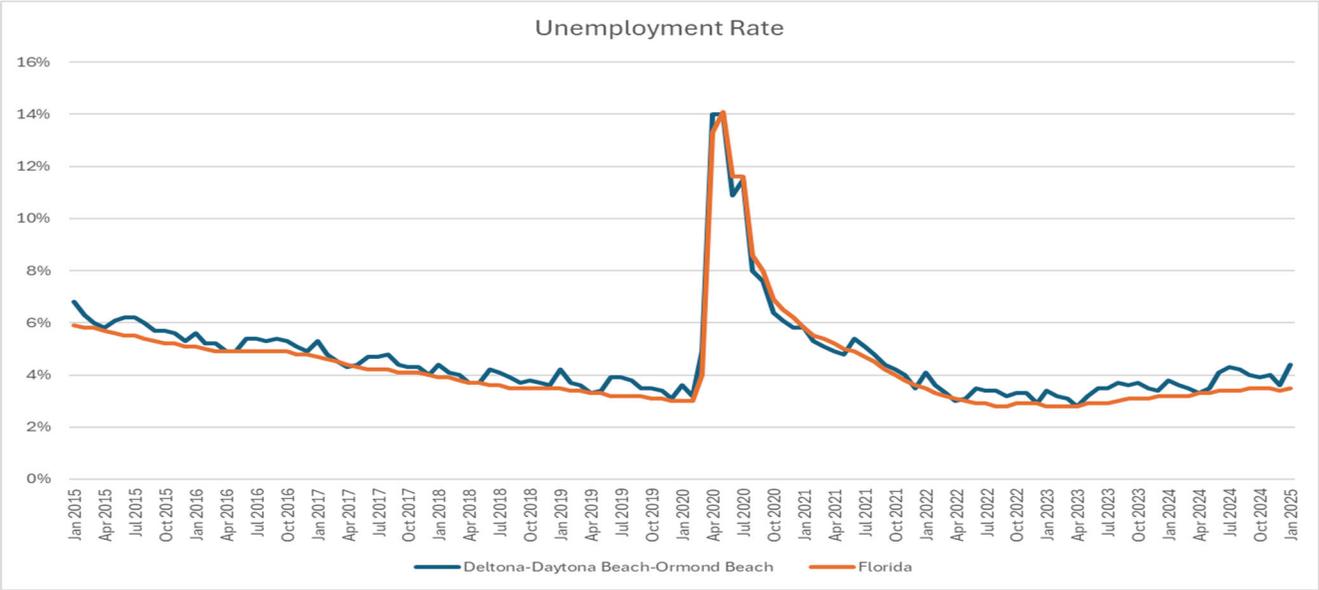
The purpose of the FY 2018-19 amendment was to clarify the policy as it relates to segregated budgetary cash reserves which changes terminology applied to unassigned fund balance, establish renewal and replacement fund for certain other enterprise funds, and modified the re-appropriation budgetary process 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 (FY2024-25) budgeted operating expenditures and by appropriating 8 percent of the prior year's (FY 2022-23) 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

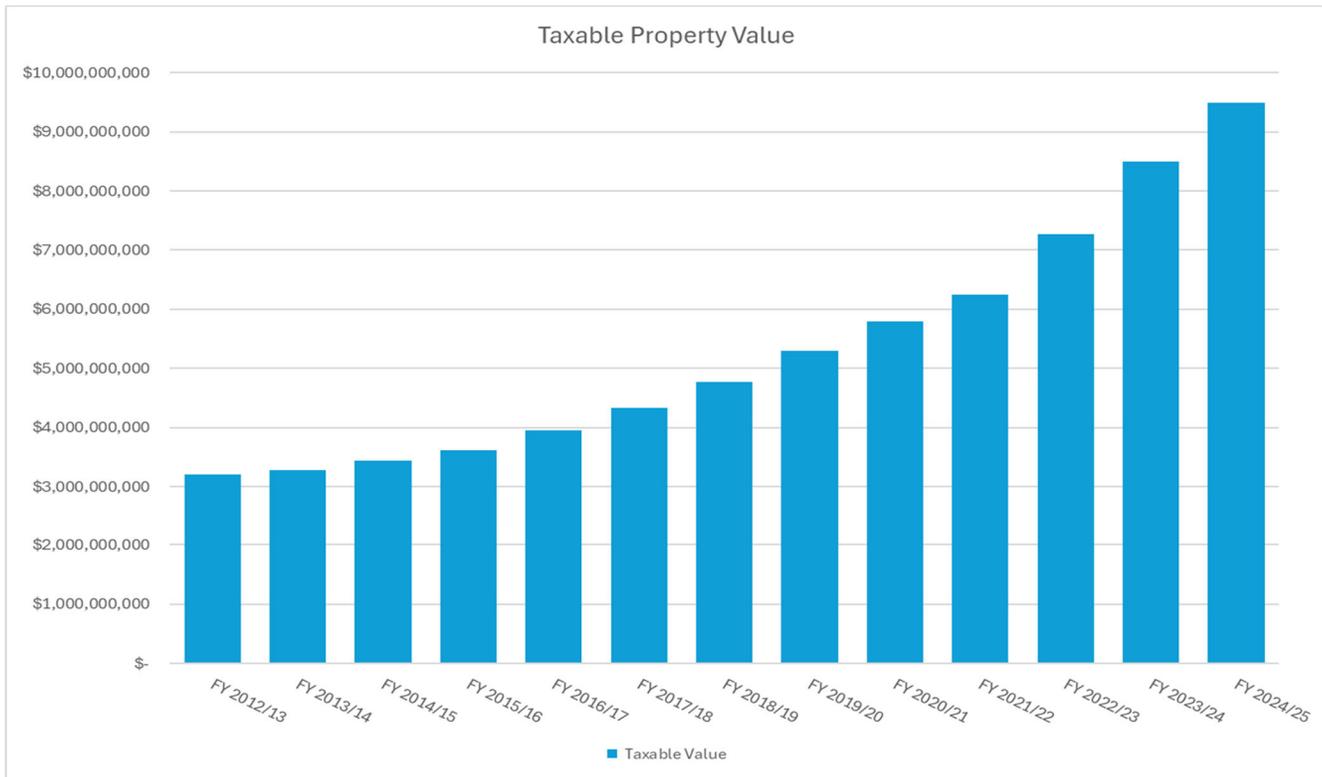
Many factors are considered each year by the City Commission in its efforts to establish an operating budget, evaluate its personnel needs, and develop uniform user fees that are reasonable, and more importantly, capable of cost recovery. Some of the major factors considered in this process are the local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

The most recent estimates available for unemployment data in the Deltona-Daytona Beach-Ormond Beach Area are compiled by the U.S. Bureau of Labor Statistics. This agency estimates a local area unemployment rate of 4.4% at the end of January 2025, an increase from the 3.8% recorded January 2024, the result of a couple of years of increasing unemployment rates beginning with the recovery from the economic shutdowns resulting from the COVID pandemic. The peak unemployment rate during the pandemic was 14.0%, recorded in April and May 2020. This trend can be compared to the change in State of Florida rates as well, which is currently reporting 3.5%, from a pandemic peak of 14.1%.



When the FY 2024/25 budget was developed, taxable property values had increased for the twelfth straight year since 2012 by an overall growth of 195.7%. The latest single year growth was 11.7%. 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 \$5.9300 per \$1,000 of taxable value for the FY 2024/25 annual operating budget is a 0.5000 increase to the millage rate for FY 2023/24.

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



Property tax is the City's major source of revenue, followed by water and sewer utility revenue, which in accordance with City ordinances, there is an automatic annual rate adjustment tied to the CPI index was increased by 4.1% for the FY 2024/25 budget year.

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 have an impact on future budgets.

The FY 2024/25 budget was developed to address the City Commission's priorities, which included 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 2025/26 will be met with current financial resources including federal aid and grants.

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

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: <https://www.daytonabeach.gov>.

BASIC FINANCIAL
STATEMENTS



City of Daytona Beach, Florida
Statement of Net Position
September 30, 2024

<i>September 30, 2024</i>	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS:				
Equity in pooled cash, cash equivalents and investments	\$ 193,319,715	\$ 70,717,448	\$ 264,037,163	\$ 1,949,444
Receivables (net)	4,245,899	15,254,511	19,500,410	25,258
Lease receivables	1,114,671	1,453,795	2,568,466	-
Intergovernmental receivable	5,637,347	512,372	6,149,719	-
Internal balances	(1,021,276)	1,021,276	-	-
Inventory	859,018	1,213,262	2,072,280	-
Prepays	455,945	156,511	612,456	4,160
Other assets	510,150	27,000	537,150	19,145
Restricted assets:				
Equity in pooled cash, cash equivalents and investments	3,386,772	63,327,084	66,713,856	-
Capital assets:				
Non-depreciable	45,899,694	78,297,861	124,197,555	-
Depreciable (net)	91,165,244	152,056,862	243,222,106	66,849
Right-to-use lease assets (net)	564,768	184,688	749,456	-
Right-to-use subscription assets (net)	992,537	608,502	1,601,039	-
Total assets	347,130,484	384,831,172	731,961,656	2,064,856
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred amount on refunding	81,172	537,873	619,045	-
Deferred amount for other post-employment benefits	523,042	147,826	670,868	-
Deferred amount for pensions	19,081,315	3,438,244	22,519,559	-
Total deferred outflows of resources	19,685,529	4,123,943	23,809,472	-
LIABILITIES:				
Accounts payable and other liabilities	6,244,042	3,464,728	9,708,770	58,204
Contracts payable	-	272,565	272,565	-
Intergovernmental payable	220,276	43,275	263,551	-
Unearned revenue	5,825,318	2,311,735	8,137,053	-
Payable from restricted assets:				
Accounts payable and other liabilities	-	4,330,626	4,330,626	-
Contracts payable	144,307	1,406,944	1,551,251	-
Accrued interest	562,913	562,229	1,125,142	-
Deposits	546,926	8,146,665	8,693,591	-
Due within one year:				
Bonds, loans, and notes payable	6,428,967	8,647,367	15,076,334	-
Other post-employment benefits	180,758	51,275	232,033	-
Insurance claims payable	2,390,000	-	2,390,000	-
Lease liabilities	252,299	45,716	298,015	-
Subscription liabilities	512,750	78,313	591,063	-
Compensated absences	3,255,144	885,937	4,141,081	10,128
Landfill closure and post closure liabilities	-	47,168	47,168	-
Due in more than one year:				
Bonds, loans, and notes payable	77,075,763	127,923,852	204,999,615	-
Net pension liability	108,286,043	13,362,412	121,648,455	-
Other post-employment benefits	3,275,517	796,730	4,072,247	-
Insurance claims payable	9,417,000	-	9,417,000	-
Lease liabilities	314,767	147,776	462,543	-
Subscription liabilities	292,551	521,423	813,974	-
Pollution remediation	5,779	8,124	13,903	-
Landfill closure and post closure liabilities	-	76,421	76,421	-
Compensated absences	6,476,417	1,298,050	7,774,467	-
Total liabilities	231,707,537	174,429,331	406,136,868	68,332
DEFERRED INFLOWS OF RESOURCES:				
Deferred amount on refunding	-	1,587,651	1,587,651	-
Deferred amount for pensions	3,399,757	1,638,092	5,037,849	-
Deferred amount for other post-employment benefits	997,171	303,635	1,300,806	-
Deferred amount for leases	1,102,053	1,399,974	2,502,027	-
Total deferred inflows of resources	5,498,981	4,929,352	10,428,333	-
NET POSITION:				
Net investment in capital assets	110,533,663	86,703,441	197,237,104	66,849
Restricted for:				
Debt covenants	782,091	9,650,444	10,432,535	-
General government	12,567,970	-	12,567,970	-
Public safety	29,982,637	-	29,982,637	-
Transportation	6,191,556	-	6,191,556	-
Economic environment	21,064,004	-	21,064,004	-
Human services	-	-	-	1,861,163
Culture and recreation	12,316,547	-	12,316,547	-
Capital projects	-	63,531,710	63,531,710	-
Landfill	-	275,380	275,380	-
Unrestricted (deficit)	(63,828,973)	49,435,457	(14,393,516)	68,512
Total net position	\$ 129,609,495	\$ 209,596,432	\$ 339,205,927	\$ 1,996,524

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, 2024

Year Ended September 30, 2024

FUNCTIONS/PROGRAMS:	EXPENSES	PROGRAM REVENUES			Net (Expense) Revenue and Changes in Net Position			
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business - type Activities	Total	
Primary Government:								
Governmental Activities:								
General government	\$ 29,089,605	\$ 13,700,515	\$ -	\$ -	\$ (15,389,090)	\$ -	\$ (15,389,090)	\$ -
Public safety	78,330,034	4,819,998	282,939	33,052	(73,194,045)	-	(73,194,045)	-
Physical environment	-	-	133,769	-	133,769	-	133,769	-
Transportation	13,223,362	1,097,714	1,220,187	-	(10,905,461)	-	(10,905,461)	-
Economic environment	5,369,947	493,446	814,155	-	(4,062,346)	-	(4,062,346)	-
Human services	829,927	-	400,000	-	(429,927)	-	(429,927)	-
Culture and recreation	17,876,780	13,215,274	54,800	-	(4,606,706)	-	(4,606,706)	-
Interest and fiscal charges	1,557,585	-	-	-	(1,557,585)	-	(1,557,585)	-
Total governmental activities	146,277,240	33,326,947	2,905,850	33,052	(110,011,391)	-	(110,011,391)	-
Business-Type Activities:								
Water and sewer system	51,798,858	72,436,353	-	11,899,657	-	32,537,152	32,537,152	-
Solid waste management	13,121,632	26,050,188	-	-	-	12,928,556	12,928,556	-
Stormwater improvement	6,111,779	17,970,115	-	42,300	-	11,900,636	11,900,636	-
Halifax Harbor	3,799,986	4,221,601	-	-	-	421,615	421,615	-
Daytona Beach Pier	1,109,059	1,077,735	-	-	-	(31,324)	(31,324)	-
Total business-type activities	75,941,314	121,755,992	-	11,941,957	-	57,756,635	57,756,635	-
Total primary government	\$ 222,218,554	\$ 155,082,939	\$ 2,905,850	\$ 11,975,009	(110,011,391)	57,756,635	(52,254,756)	-
Component Units:								
Downtown Development Authority	\$ 326,465	\$ -	\$ 117,961	\$ -	-	-	-	(208,504)
First Step Shelter, Inc.	1,606,891	-	1,618,068	-	-	-	-	11,177
Total component units	\$ 1,933,356	\$ -	\$ 1,736,029	\$ -	-	-	-	(197,327)

GENERAL REVENUES:

Taxes:						
Property taxes, levied for general purposes			46,065,662	-	46,065,662	223,026
Local option gas taxes			2,035,990	-	2,035,990	-
Public service taxes			15,421,115	-	15,421,115	-
Sales taxes			5,125,464	-	5,125,464	-
Franchise taxes			8,496,719	-	8,496,719	-
Tax increment taxes			5,069,209	-	5,069,209	-
Other taxes			1,625,574	-	1,625,574	-
Intergovernmental revenues not restricted to specific programs			5,258,300	-	5,258,300	-
Income on investments			7,099,105	3,977,204	11,076,309	76,457
Miscellaneous			1,701,556	146,449	1,848,005	-
Transfers			30,324,700	(30,324,700)	-	-
Total general revenues and transfers			128,223,394	(26,201,047)	102,022,347	299,483
Change in net position			18,212,003	31,555,588	49,767,591	102,156
NET POSITION:						
Beginning of year			111,397,492	178,040,844	289,438,336	1,894,368
End of year			\$ 129,609,495	\$ 209,596,432	\$ 339,205,927	\$ 1,996,524

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

City of Daytona Beach, Florida
Balance Sheet – Governmental Funds
September 30, 2024

	General	Redevelopment Trust	Capital Projects	Emergency Management Grants (formally nonmajor)	Nonmajor Governmental	Total Governmental Funds
ASSETS:						
Equity in pooled cash, cash equivalents, and investments	\$ 39,529,094	\$ 17,685,792	\$ 56,059,477	\$ 39,657	\$ 64,933,001	\$ 178,247,021
Receivables (net):						
Accounts	3,411,224	-	-	-	140,554	3,551,778
Taxes	190,501	-	-	-	8,425	198,926
Notes	-	70,396	-	-	-	70,396
Accrued interest	424,638	161	-	-	-	424,799
Due from other funds	11,247,300	-	-	-	-	11,247,300
Intergovernmental receivable	1,951,915	-	-	1,830,911	1,854,521	5,637,347
Deposits	10,150	500,000	-	-	-	510,150
Inventory	760,751	-	-	-	-	760,751
Prepays	30,991	-	-	-	-	30,991
Lease receivable	1,076,968	37,703	-	-	-	1,114,671
Restricted equity in pooled cash, cash equivalents, and investments	-	2,494,801	-	-	891,971	3,386,772
Total assets	\$ 58,633,532	\$ 20,788,853	\$ 56,059,477	\$ 1,870,568	\$ 67,828,472	\$ 205,180,902
LIABILITIES:						
Accounts payable and other liabilities	\$ 3,443,142	\$ 249,562	\$ 386,543	\$ 338,453	\$ 350,525	\$ 4,768,225
Due to other funds	-	-	-	10,314,000	933,300	11,247,300
Intergovernmental payable	205,505	1,430	-	-	4,347	211,282
Deposits	478,519	10,000	-	-	58,407	546,926
Contracts payable	-	5,249	4,054	16,960	118,044	144,307
Unearned revenue	2,273,493	-	-	-	3,551,825	5,825,318
Pollution remediation	-	5,779	-	-	-	5,779
Total liabilities	6,400,659	272,020	390,597	10,669,413	5,016,448	22,749,137
DEFERRED INFLOWS OF RESOURCES:						
Deferred amount for leases	1,055,552	46,501	-	-	-	1,102,053
Deferred inflows-unavailable revenue	-	-	-	1,830,911	623,870	2,454,781
Total deferred inflows of resources	1,055,552	46,501	-	1,830,911	623,870	3,556,834
FUND BALANCES:						
Non-Spendable:						
Inventory	760,751	-	-	-	-	760,751
Prepays	30,991	-	-	-	-	30,991
Restricted:						
Debt covenants	-	-	-	-	782,091	782,091
General government	-	-	-	-	12,567,970	12,567,970
Public safety	-	-	-	-	29,982,637	29,982,637
Transportation	-	-	-	-	6,191,556	6,191,556
Economic environment	-	20,470,332	-	-	593,672	21,064,004
Culture and recreation	-	-	-	-	12,316,547	12,316,547
Assigned:						
Capital projects	10,829,207	-	55,668,880	-	-	66,498,087
Fiscal year 2025 budget	1,342,109	-	-	-	-	1,342,109
Other projects	629,176	-	-	-	-	629,176
Unassigned (deficit)	37,585,087	-	-	(10,629,756)	(246,319)	26,709,012
Total fund balances (deficit)	51,177,321	20,470,332	55,668,880	(10,629,756)	62,188,154	178,874,931
Total liabilities, deferred inflows of resources, and fund balances	\$ 58,633,532	\$ 20,788,853	\$ 56,059,477	\$ 1,870,568	\$ 67,828,472	\$ 205,180,902

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, 2024

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

Fund balance - governmental funds		\$	178,874,931
Capital assets, net of accumulated depreciation or amortization, used in governmental activities are not financial resources and, therefore, are not reported in the funds:			
Land	\$	32,932,300	
Construction in progress		12,897,632	
Buildings (net)		33,473,124	
Improvements and infrastructure (net)		41,019,409	
Equipment (net)		15,890,137	
Right-to-use lease assets (net)		289,163	
Right-to-use subscription assets (net)		198,155	
Total			136,699,920
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.			
			(3,437,380)
Long-term liabilities - liabilities are not due and payable in the current period and are not reported in the funds:			
Accrued interest payable	\$	(544,990)	
Bonds, loans, notes payable, lease liabilities and subscription liabilities		(83,888,982)	
Net pension liability		(103,204,826)	
Compensated absences		(8,725,584)	
Other post-employment benefits		(3,208,101)	
Total			(199,572,483)
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position:			
Deferred amount on refunding (to be amortized as interest revenue)	\$	81,172	
Deferred amount for pensions (net)		14,939,472	
Deferred amount for other post-employment benefits (net)		(430,918)	
			14,589,726
Certain tax and other revenues are considered unavailable for governmental funds but are recognized as revenue for the government-wide statements.			
			2,454,781
Net position - governmental activities			\$ 129,609,495

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, 2024

	General	Redevelopment Trust	Capital Projects	Emergency Management Grants (formally nonmajor)	Nonmajor Governmental	Total Governmental Funds
REVENUES:						
Taxes	\$ 63,808,903	\$ -	\$ -	\$ -	\$ 2,309,592	\$ 66,118,495
Licenses and permits	8,517,966	-	-	-	8,204,123	16,722,089
Intergovernmental	10,157,109	5,187,170	-	253,130	2,589,067	18,186,476
Charges for services	14,427,330	243,104	-	-	768,825	15,439,259
Fines and forfeitures	1,059,947	-	-	-	151,205	1,211,152
Special assessments/impact fees	47,833	-	-	-	7,604,578	7,652,411
Income on investments	3,929,474	629,320	165,070	-	1,984,603	6,708,467
Miscellaneous	1,340,730	9,302	-	-	647,573	1,997,605
Total revenues	103,289,292	6,068,896	165,070	253,130	24,259,566	134,035,954
EXPENDITURES:						
Current operating:						
General government	20,244,099	-	504,625	4,167,401	3,930	24,920,055
Public safety	65,301,367	-	240,256	-	5,979,443	71,521,066
Transportation	7,222,130	-	4,199,439	-	460,826	11,882,395
Economic environment	1,973,542	2,741,408	-	-	847,942	5,562,892
Grants and aids	688,666	-	-	-	-	688,666
Human services	400,000	-	29,927	-	400,000	829,927
Culture and recreation	15,353,710	-	237,369	-	17,628	15,608,707
Capital outlay	4,007,717	1,524,544	5,253,239	110,392	7,011,197	17,907,089
Debt service:						
Principal	-	-	-	-	6,503,114	6,503,114
Interest and fiscal charges	-	25,000	-	-	1,327,494	1,352,494
Total expenditures	115,191,231	4,290,952	10,464,855	4,277,793	22,551,574	156,776,405
Excess (deficiency) of revenues over (under) expenditures	(11,901,939)	1,777,944	(10,299,785)	(4,024,663)	1,707,992	(22,740,451)
OTHER FINANCING						
SOURCES (USES):						
Issuance of debt	51,036,444	2,107,543	-	-	-	53,143,987
Issuance of debt premiums	3,818,895	-	-	-	-	3,818,895
Insurance recoveries	246,944	-	-	-	-	246,944
Transfers in	30,324,700	4,379,394	59,644,794	420,000	6,475,172	101,244,060
Transfers (out)	(67,232,189)	(3,016,421)	-	-	(670,750)	(70,919,360)
Total other financing sources (uses)	18,194,794	3,470,516	59,644,794	420,000	5,804,422	87,534,526
Net change in fund balances	6,292,855	5,248,460	49,345,009	(3,604,663)	7,512,414	64,794,075
FUND BALANCES (DEFICIT):						
Beginning of year, as previously reported	44,884,466	15,221,872	6,323,871	-	47,650,647	114,080,856
Adjustments	-	-	-	(7,025,093)	7,025,093	-
Beginning of year, after adjustments	44,884,466	15,221,872	6,323,871	(7,025,093)	54,675,740	114,080,856
End of year	\$ 51,177,321	\$ 20,470,332	\$ 55,668,880	\$ (10,629,756)	\$ 62,188,154	\$ 178,874,931

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, 2024

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

Net change in fund balance - total governmental funds	\$	64,794,075
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. Also, certain capital assets are contributed to the City upon completion, requiring recognition of capital contributions not reported in the funds.</p>		
Capital assets acquired by use of financial resources	\$ 17,907,089	
Current year depreciation and amortization	<u>(9,708,756)</u>	
Total		8,198,333
<p>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.</p>		
		29,690
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Earned but unavailable grant revenues		23,795
<p>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.</p>		
Principal paid	\$ 6,503,114	
Issuance of debt	(53,143,987)	
Issuance of debt premiums	<u>(3,818,895)</u>	
Total		(50,459,768)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Amortization of deferred amount on refunding	\$ (13,760)	
Amortization of bond premium	13,752	
Accrued interest	(199,450)	
Pension expense	(3,248,781)	
Compensated absences	(1,215,594)	
Other post-employment benefits	<u>28,819</u>	
Total		(4,635,014)
<p>Internal service funds are used by management to charge the costs of fleet maintenance, employment services, property maintenance, information systems, and insurance to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.</p>		
		260,892
Change in net position - governmental activities	\$	18,212,003

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, 2024

	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	\$ 50,117,242	\$ 8,459,585	\$ 9,489,856	\$ 2,650,765	\$ 70,717,448	\$ 15,072,694
Accounts receivable (net)	9,854,306	3,333,913	2,065,577	-	15,253,796	-
Accrued Interest receivable	-	-	-	715	715	-
Intergovernmental receivable	470,072	-	42,300	-	512,372	-
Lease receivables	-	-	-	1,453,795	1,453,795	-
Inventory	1,152,889	-	-	60,373	1,213,262	98,267
Prepays	-	-	-	156,511	156,511	424,954
Total current assets	61,594,509	11,793,498	11,597,733	4,322,159	89,307,899	15,595,915
Noncurrent assets:						
Restricted equity in pooled cash, cash equivalents, and investments	62,448,623	275,380	151,860	451,221	63,327,084	-
Deposits	27,000	-	-	-	27,000	-
Capital assets:						
Non-depreciable	73,333,889	25,021	4,741,089	197,862	78,297,861	69,762
Depreciable (net)	128,583,627	24,144	16,992,765	6,456,326	152,056,862	782,574
Right-to-use lease assets (net)	92,624	-	-	92,064	184,688	275,605
Right-to-use subscription assets (net)	608,502	-	-	-	608,502	794,382
Total noncurrent assets	265,094,265	324,545	21,885,714	7,197,473	294,501,997	1,922,323
Total assets	326,688,774	12,118,043	33,483,447	11,519,632	383,809,896	17,518,238
DEFERRED OUTFLOWS OF RESOURCES:						
Deferred amount on refunding	491,374	-	5,559	40,940	537,873	-
Deferred amount for other post-employment benefits	119,534	2,177	24,648	1,467	147,826	44,508
Deferred amount for pensions	2,513,661	82,291	710,608	131,684	3,438,244	1,330,721
Total deferred outflows of resources	3,124,569	84,468	740,815	174,091	4,123,943	1,375,229

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

City of Daytona Beach, Florida
Statement of Net Position
Proprietary Funds
September 30, 2024

	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	2,061,353	1,074,300	160,214	168,861	3,464,728	1,493,740
Contracts payable	211,588	-	53,014	7,963	272,565	-
Intergovernmental payable	19,755	659	4,197	18,664	43,275	8,994
Insurance claims payable	-	-	-	-	-	2,390,000
Unearned revenues	-	-	2,214,181	97,554	2,311,735	-
Compensated absences	682,300	27,538	152,881	23,218	885,937	340,509
Other post-employment benefits	38,738	1,931	10,343	263	51,275	14,891
Lease liabilities	3,720	-	-	41,996	45,716	68,563
Subscription liabilities	78,313	-	-	-	78,313	465,211
Notes and loans payable	7,990,603	-	40,764	616,000	8,647,367	-
Landfill closure and post-closure	-	47,168	-	-	47,168	-
Payable from restricted assets:						
Accounts payable	4,330,626	-	-	-	4,330,626	-
Contracts payable	1,406,944	-	-	-	1,406,944	-
Accrued interest	501,608	-	11,891	48,730	562,229	-
Deposits	8,013,147	-	-	133,518	8,146,665	-
Total current liabilities	25,338,695	1,151,596	2,647,485	1,156,767	30,294,543	4,781,908
Noncurrent liabilities:						
Insurance claims payable	-	-	-	-	-	9,417,000
Compensated absences	873,909	59,285	259,087	105,769	1,298,050	665,468
Other post-employment benefits	601,919	30,009	160,719	4,083	796,730	233,283
Net pension liability	9,930,377	391,935	2,590,700	449,400	13,362,412	5,081,217
Pollution remediation	-	8,124	-	-	8,124	-
Landfill closure and post-closure	-	76,421	-	-	76,421	-
Lease liabilities	93,192	-	-	54,584	147,776	206,117
Subscription liabilities	521,423	-	-	-	521,423	248,224
Notes and loans payable	124,080,780	-	1,159,072	2,684,000	127,923,852	-
Total noncurrent liabilities	136,101,600	565,774	4,169,578	3,297,836	144,134,788	15,851,309
Total liabilities	161,440,295	1,717,370	6,817,063	4,454,603	174,429,331	20,633,217
DEFERRED INFLOWS OF RESOURCES:						
Deferred amount on refunding	1,534,724	-	52,927	-	1,587,651	-
Deferred amount on other post-employment benefits	242,496	4,127	52,387	4,625	303,635	87,719
Deferred amount for pensions	1,211,051	61,534	303,415	62,092	1,638,092	588,635
Deferred amount for leases	-	-	-	1,399,974	1,399,974	-
Total deferred inflows of resources	2,988,271	65,661	408,729	1,466,691	4,929,352	676,354
NET POSITION:						
Net investment in capital assets	62,900,753	49,165	20,370,874	3,382,649	86,703,441	934,208
Restricted for:						
Debt covenants	8,209,423	-	1,038,475	402,546	9,650,444	-
Capital projects	62,965,234	566,476	-	-	63,531,710	-
Landfill	-	275,380	-	-	275,380	-
Unrestricted (deficit)	31,309,367	9,528,459	5,589,121	1,987,234	48,414,181	(3,350,312)
Total net position (deficit)	\$ 165,384,777	\$ 10,419,480	\$ 26,998,470	\$ 5,772,429	\$ 208,575,156	\$ (2,416,104)
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time					1,021,276	
Net position of business-type activities					\$ 209,596,432	

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, 2024

	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	\$ 71,602,268	\$ 26,050,188	\$ 17,970,115	\$ 4,756,469	\$ 120,379,040	\$ 21,537,703
Lease revenue	-	-	-	542,867	542,867	-
Other receipts	690,760	950	-	9,170	700,880	90,258
Total operating revenues	72,293,028	26,051,138	17,970,115	5,308,506	121,622,787	21,627,961
OPERATING EXPENSES:						
Personnel services	15,177,836	550,721	3,396,310	415,305	19,540,172	6,692,654
Contractual services	18,013,635	12,516,002	1,183,761	3,025,909	34,739,307	11,892,625
Materials and supplies	7,724,670	51,615	245,385	830,228	8,851,898	2,361,988
Depreciation and amortization	9,661,214	5,039	1,238,333	518,090	11,422,676	831,898
Total operating expenses	50,577,355	13,123,377	6,063,789	4,789,532	74,554,053	21,779,165
Operating income (loss)	21,715,673	12,927,761	11,906,326	518,974	47,068,734	(151,204)
NONOPERATING REVENUE (EXPENSE):						
Income on investments	3,293,980	277,656	307,003	98,565	3,977,204	424,390
Interest expense	(1,261,363)	-	(29,673)	(129,391)	(1,420,427)	(5,633)
Gain (loss) on disposal of capital assets	(127,594)	-	-	-	(127,594)	26,505
Total nonoperating revenue (expense)	1,905,023	277,656	277,330	(30,826)	2,429,183	445,262
Income (loss) before capital grants, contributions and transfers	23,620,696	13,205,417	12,183,656	488,148	49,497,917	294,058
Capital grants and contributions	12,306,905	-	42,300	-	12,349,205	-
Transfers (out)	(9,953,063)	(10,831,915)	(9,430,062)	(109,660)	(30,324,700)	-
Change in net position	25,974,538	2,373,502	2,795,894	378,488	31,522,422	294,058
NET POSITION (DEFICIT):						
Beginning	139,410,239	8,045,978	24,202,576	5,393,941	177,052,734	(2,710,162)
Ending	\$ 165,384,777	\$ 10,419,480	\$ 26,998,470	\$ 5,772,429	\$ 208,575,156	\$ (2,416,104)
Change in net position from above					\$ 31,522,422	
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise fund					33,166	
Change in net position of business-type activities					\$ 31,555,588	

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, 2024

	Business-Type Activities - Enterprise Funds					Governmental
	Water and Sewer System	Solid Waste Management	Stormwater Improvement	Nonmajor Enterprise	Totals	Internal Service Funds
CASH FLOWS FROM						
OPERATING ACTIVITIES:						
Receipts from customers	\$ 69,743,673	\$ 26,134,456	\$ 18,141,793	\$ 5,302,321	\$ 119,322,243	\$ 21,537,703
Other receipts	690,760	950	-	9,170	700,880	90,258
Payments to suppliers	(17,749,415)	(9,898,150)	501,200	(3,911,988)	(31,058,353)	(13,483,886)
Payments to employees	(14,831,466)	(513,823)	(3,287,256)	(405,831)	(19,038,376)	(6,496,272)
Payment to other funds for services provided	(8,258,389)	(2,932,111)	(1,901,965)	-	(13,092,465)	-
Net cash provided by operating activities	29,595,163	12,791,322	13,453,772	993,672	56,833,929	1,647,803
CASH FLOWS FROM NONCAPITAL						
FINANCING ACTIVITIES:						
Transfers (to) other funds	(9,953,063)	(10,831,915)	(9,430,062)	(109,660)	(30,324,700)	-
Net cash provided by (used for) noncapital financing activities	(9,953,063)	(10,831,915)	(9,387,762)	(109,660)	(30,282,400)	-
CASH FLOWS FROM CAPITAL AND						
RELATED FINANCING ACTIVITIES:						
Proceeds from sale of capital assets	-	-	-	-	-	26,505
Acquisition and construction of capital assets	(40,703,100)	(1)	(2,589,213)	(159,259)	(43,451,573)	(451,104)
Issuance of debt	25,267,914	-	-	-	25,267,914	-
Principal payments on debt, leases and subscriptions	(7,668,273)	-	(40,070)	(635,475)	(8,343,818)	(671,010)
Interest payments on debt, leases and subscriptions	(1,281,903)	-	(35,368)	(128,174)	(1,445,445)	(5,633)
Capital grants and contributions for purchase of capital assets	12,306,905	-	-	-	12,306,905	-
Net cash used for capital and related financing activities	(12,078,457)	(1)	(2,664,651)	(922,908)	(15,666,017)	(1,101,242)
CASH FLOWS FROM INVESTING						
ACTIVITIES:						
Interest received	3,293,980	277,656	307,003	98,766	3,977,405	424,390
Net cash provided by investing activities	3,293,980	277,656	307,003	98,766	3,977,405	424,390
Net increase (decrease) in cash, cash equivalents, and investments	10,857,623	2,237,062	1,708,362	59,870	14,862,917	970,951
EQUITY IN POOLED CASH,						
CASH EQUIVALENTS, AND INVESTMENTS:						
Beginning	101,708,242	6,497,903	7,933,354	3,042,116	119,181,615	14,101,743
Ending	\$ 112,565,865	\$ 8,734,965	\$ 9,641,716	\$ 3,101,986	\$ 134,044,532	\$ 15,072,694
Classified as:						
Unrestricted	\$ 50,117,242	\$ 8,459,585	\$ 9,489,856	\$ 2,650,765	\$ 70,717,448	\$ 15,072,694
Restricted	62,448,623	275,380	151,860	451,221	63,327,084	-
Total	\$ 112,565,865	\$ 8,734,965	\$ 9,641,716	\$ 3,101,986	\$ 134,044,532	\$ 15,072,694

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, 2024

	Business-Type Activities - Enterprise Funds					Totals	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)	\$ 21,715,673	\$ 12,927,761	\$ 11,906,326	\$ 518,974	\$ 47,068,734	\$ (151,204)	
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:							
Depreciation and amortization	9,661,214	5,039	1,238,333	518,090	11,422,676	831,898	
(Increase) decrease in:							
Accounts receivable (net)	1,049,627	84,268	3,143	-	1,137,038	-	
Lease receivable	-	-	-	160,331	160,331	-	
Intergovernmental receivable	-	-	(42,300)	-	(42,300)	-	
Inventory	(256,691)	-	-	(10,586)	(267,277)	48,037	
Intergovernmental receivable	(465,125)	-	-	(12,612)	(477,737)	8,318	
Deferred outflow amount for pensions	147,712	8,016	35,692	6,762	198,182	69,820	
Deferred outflow amount for OPEB	(19,763)	(448)	(4,446)	(385)	(25,042)	(7,925)	
Increase (decrease) in:							
Accounts payable and other liabilities	(304,205)	(136,141)	61,293	(49,410)	(428,463)	(48,236)	
Contracts payable	285,961	-	(34,078)	7,963	259,846	-	
Intergovernmental payable	5,436	266	1,166	(3,819)	3,049	2,608	
Insurance claims payable	-	-	-	-	-	760,000	
Unearned revenues	-	-	210,835	11,562	222,397	-	
Deposits	(2,443,097)	-	-	12,613	(2,430,484)	-	
Pollution remediation obligation	-	(28,686)	-	-	(28,686)	-	
Landfill closure and post-closure	-	(98,083)	-	-	(98,083)	-	
Compensated absences	237,115	30,745	82,538	4,289	354,687	144,234	
Other post-employment benefits	40,468	917	9,104	787	51,276	16,228	
Net pension liability	(910,380)	(49,398)	(219,974)	(41,680)	(1,221,432)	(430,297)	
Deferred inflow amount for leases	-	-	-	(168,908)	(168,908)	-	
Deferred inflow amount for pensions	879,012	47,696	212,393	40,242	1,179,343	415,467	
Deferred inflow amount for OPEB	(27,794)	(630)	(6,253)	(541)	(35,218)	(11,145)	
Total adjustments	7,879,490	(136,439)	1,547,446	474,698	9,765,195	1,799,007	
Net cash provided by operating activities	\$ 29,595,163	\$ 12,791,322	\$ 13,453,772	\$ 993,672	\$ 56,833,929	\$ 1,647,803	
Noncash capital and related financing activities:							
Amortization of deferred amounts on refunding	\$ 99,822	\$ -	\$ -	\$ 10,026	\$ 109,848	\$ -	
Prior year construction-in-progress costs abandoned	\$ 127,594	\$ -	\$ -	\$ 7,987	\$ 135,581	\$ -	
Issuance of debt	\$ 211,335	\$ -	\$ -	\$ -	\$ 211,335	\$ 541,007	
Deferred gain on refunding	\$ (185,157)	\$ -	\$ (6,318)	\$ -	\$ (191,475)	\$ -	

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, 2024

	Police and Fire Pension Trust Fund	Police Asset Custodial Fund
ASSETS:		
Cash and cash equivalents	\$ 3,400,917	\$ 782,010
Investments, at fair value:		
Equities - stocks	157,183,072	-
Fixed income - bonds and notes	61,320,751	-
Receivables:		
Contributions	97,610	-
Accrued interest and dividends	24,976	-
Total assets	222,027,326	782,010
LIABILITIES:		
Accounts payable and other liabilities	394,723	147
Total liabilities	394,723	147
NET POSITION:		
Restricted for pensions	221,632,603	-
Restricted for criminal investigations	-	781,863
Total net position	\$ 221,632,603	\$ 781,863

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, 2024

	Police and Fire Pension Trust Fund	Police Asset Custodial Fund
ADDITIONS:		
Contributions:		
Employer	\$ 9,339,886	\$ -
Employee	2,316,354	-
Employer from state	1,657,580	-
Total contributions	13,313,820	-
Asset seizures	-	571,848
Investment income:		
Net appreciation in fair value of investments plan investments	26,243,845	-
Interest and dividends	3,004,557	-
Class action settlement	5,904	-
Total investment income	29,254,306	-
Less: Investment expense	(462,961)	-
Net investment income	28,791,345	-
Total additions	42,105,165	571,848
DEDUCTIONS:		
Benefit payments	19,446,038	-
Refunds on member contributions	133,474	-
Administrative expenses	282,254	-
Asset forfeitures	-	139,020
Assets released in adjudication	-	465,444
Total deductions	19,861,766	604,464
Change in net position	22,243,399	(32,616)
NET POSITION - beginning	199,389,204	814,479
NET POSITION - ending	\$ 221,632,603	\$ 781,863

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 176 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation – Fund Financial Statements (Continued)

The City reports the following major governmental funds:

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

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

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

Emergency Management Grants Fund – a special revenue fund which was established to provide an additional tracking mechanism for grants from federal and state grants related to storm events.

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation – Fund Financial Statements (Continued)

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

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Measurement Focus and Basis of Accounting

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund, 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

Cash, Cash Equivalents, and Investments

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

Receivables and Payables

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".

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.

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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 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.

Inventories and Prepaid Items (Continued)

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 \$10,000 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:

<u>Capital Asset Class</u>	<u>Lives in Years</u>
Buildings.....	10-50
Improvements.....	10-50
Infrastructure.....	15-50
Vehicles.....	3-5
Machinery and equipment	3-30
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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Long-Term Obligations (Continued)

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.

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Other Post-Employment Benefits (OPEB)

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for *deferred outflows of resources*. Deferred outflows of resources represent a consumption of net assets that applies to future periods. The City has three (3) items that qualify for reporting as deferred outflows of resources; the *deferred amount on refunding*, the *deferred amount for other post-employment benefits* and the *deferred amount for pensions*.

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

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 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.

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Pensions and Net Pension Liability (Continued)

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

Fund Balance Policies

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

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

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

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

Committed – fund balance amounts that can only be used for specific purposes pursuant to constraints imposed by ordinance of the City Commission. Those committed amounts cannot be used for any other purpose unless the City Commission removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The City has no committed fund balance at September 30, 2024.

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fund Balance Policies (Continued)

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

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

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

Net Position

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

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2024

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Net Position (Continued)

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

	Government-wide		Water and Sewer System	Solid Waste Management	Stormwater Improvement	Nonmajor Enterprise	Internal Service Funds
	Governmental	Business-type					
	Activities	Activities					
Capital assets, net	\$ 138,622,243	\$ 231,147,913	\$ 202,618,642	\$ 49,165	\$ 21,733,854	\$ 6,746,252	\$ 1,922,323
Capital-related accounts payable	-	(4,350,738)	(4,287,976)	-	(62,762)	-	-
Contracts (retainage) payable	(144,307)	(1,679,509)	(1,618,532)	-	(53,014)	(7,963)	-
Capital-related debt outstanding	(84,877,097)	(137,364,447)	(132,768,031)	-	(1,199,836)	(3,396,580)	(988,115)
Deferred amounts on refunding	81,172	(1,049,778)	(1,043,350)	-	(47,368)	40,940	-
Unspent capital-related debt proceeds	56,851,652	-	-	-	-	-	-
Net investment in capital assets	\$ 110,533,663	\$ 86,703,441	\$ 62,900,753	\$ 49,165	\$ 20,370,874	\$ 3,382,649	\$ 934,208

Net Position Flow Assumption

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

Revenues and Expenditures/Expenses

Property Taxes

Under Florida law, the assessment of all properties and the collection of all county, municipal and school district property taxes are consolidated in the offices of the Volusia County Property Appraiser and Chief Financial Officer. The laws of the state regulating tax assessment are designed to assure a consistent property valuation method statewide. State statutes permit municipalities to levy property taxes at a rate of up to ten (10) mills. The millage rate assessed by the City for operating purpose was 5.4300 mills and for debt service was 0.1749 mills for a total millage rate of 5.6049 mills for the fiscal year ended September 30, 2024.

The property tax calendar is as follows:

Valuation date January 1, 1899

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, 1899

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2024

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Expenditures/Expenses (Continued)

Property Taxes (Continued)

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 1899

All real and tangible personal property taxes are due and payable (levy date).....November 1, 1899

The County mails Notice of Taxes to property owners on the assessment roll.....November 1899

Taxes are paid from November 1899 through March 2024, 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, 2024

Tax certificates are sold on all parcels with unpaid real property taxes (lien date).....May 31, 2024

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 2024

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Expenditures/Expenses (Continued)

Proprietary Funds Operating and Nonoperating Revenues and Expenses (Continued)

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

Fair Value Measurement

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

Use of Estimates

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

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, May 22, 2025. See Note 20 for relevant disclosures. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recently Issued and Implemented Accounting Pronouncements

GASB Statement No. 100, *Accounting Changes and Error Corrections*. This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reporting retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting the 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 restated.

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2024

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (Continued)

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). Implementation of this statement had the following impact to the City’s financial statements for fiscal year ended September 30, 2024.

	Fund Financial Statements	
	Governmental	
	Emergency Management Grants Fund	Nonmajor Governmental Funds
Fund balance, September 30, 2024 as previously reported	\$ -	\$ 47,650,647
Change from nonmajor to major presentation	(7,025,093)	7,025,093
Fund balance (deficit), September 30, 2024 as adjusted	\$ (7,025,093)	\$ 54,675,740

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

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.

GASB Statement No. 102, *Certain Risk Disclosures*. This Statement was issued in December 2023 to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. This statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government’s highest level of decision-making authority. Concentrations and constraints may limit a government’s ability to acquire resources or control spending.

This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government’s vulnerability to the risk of a substantial impact. Statement 102 will be effective for the fiscal year ending September 30, 2025.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (Continued)

GASB Statement 103, *Financial Reporting Model Improvements*. This Statement was issued April 2024 to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

This establishes new accounting and financial reporting requirements—or modifies existing requirements—related to Management's discussion and analysis (MD&A); unusual or infrequent items; presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position; information about major component units in basic financial statements; budgetary comparison information; and financial trends information in the statistical section. This Statement will supersede and amend portions of GASB Statements 34 and 37. This Statement further amends portions of GASB Statements 14, 41, 42, 44, 49, 56, 58, 61, 62 and 69. Related guidance will also be superseded or amended upon implementation. Statement 103 will be effective for the fiscal year ending September 30, 2026.

GASB Statement 104, *Disclosure of Certain Capital Assets*. This Statement was issued September 2024 to provide users of government financial statements with essential information about certain types of capital assets. This requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, Leases, and intangible right-to-use assets recognized in accordance with Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, Subscription-Based Information Technology Arrangements, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. Statement 104 will be effective for the fiscal year ending September 30, 2026.

The City is currently evaluating the requirements of the above statements and the impact on reporting.

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

The following funds had a deficit net position at fiscal year-end September 30, 2024.

Fleet Maintenance Fund – The Fleet Maintenance Fund had a deficit net position of \$92,437 at September 30, 2024. 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.

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2024

Note 2: DEFICIT NET POSITION AND FUND BALANCE, STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY
(Continued)

Employment Services Fund – The Employment Services Fund had a deficit net position of \$507,195 at September 30, 2024. 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.

Property Maintenance Fund - The Property Maintenance Fund had a deficit of net position of \$567,909 at September 30, 2024. The deficit is primarily due to an increased costs and need for contracted services in excess of charges to the user funds. The deficit will be reduced in the next fiscal year through an adjustment to the service charges.

Information Technology Fund - The Information Technology Fund had a deficit net position of \$139,667 at September 30, 2024. The deficit is primarily due to the prior year implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which required 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 \$1,108,896 at September 30, 2024. 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 \$260,962 at September 30, 2024. The deficit was primarily due to receivables from grantors which were not collected within the City’s revenue recognition period where the City deferred the revenue to future periods. The City has \$623,870 as unavailable revenue at September 30, 2024 in the Grants Special Revenue Fund.

Emergency Management Grants Special Revenue Fund – The Emergency Management Grants Special Revenue Fund had a deficit net position of \$10,629,756 at September 30, 2024. The deficit was primarily due approximately \$4 million in expenditures related to emergency management relief efforts for two hurricanes that effected the City during fiscal year 2023 and continuing recovery efforts.

Note 3: DEPOSITS AND INVESTMENTS

A common cash and investment pool is maintained for the use of all funds. All cash and investments are managed in accordance with City ordinances except the Police and Fire Pension Trust Fund which is separately managed under the direction of the Police and Fire Pension Board. See Note 16 for further information regarding

Note 3: DEPOSITS AND INVESTMENTS (Continued)

the Police and Fire Pension. On February 21, 2001, the City Commission formally adopted a comprehensive investment policy pursuant to Section 218.415, Florida Statutes, which established permitted investments, asset allocation limits, credit ratings requirements and maturity limits to protect the City's cash and investments. On August 5, 2009 the City Commission approved a revised policy to change the asset allocations due to changes that had occurred in the financial markets.

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

Interest Rate Risk – Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value. The City's investment policy limits investments to those having a maturity, at the time of purchase, of less than ten (10) years. There were no investments that exceeded this maximum maturity at September 30, 2024. The City utilizes "duration" as a measurement of interest rate risk and as of September 30, 2024, the combined cash and investment portfolios had a weighted average duration of 1.90 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, 2024, 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.

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2024

Note 3: 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, 2024:

Portfolio	Fair Value	Duration (Years)	Weighted Average Rating Moody's/S&P	Percent Distribution
Cash Deposits	\$ 276,736,086	-	Not Rated	83.67%
First American Treasury Money Market Fund	208,332	-	Aaa/AAAm	0.06%
US Treasury Notes	41,668,722	2.01	Aaa/AA+	12.60%
US Instrumentalities:				
Federal Home Loan Bank	3,933,228	1.67	Aaa/AA+	1.19%
Federal Home Loan Mortgage Corporation	1,930,668	0.98	Aaa/AA+	0.58%
Federal Farm Credit Bank	1,012,082	1.73	Aaa/AA+	0.31%
Municipal Bonds:				
Florida State Board of Education	1,949,640	0.67	Aaa/AAA	0.59%
State of Georgia	1,535,880	2.75	Aaa/AAA	0.46%
State of Wisconsin	1,468,263	0.58	Aa1/AA+	0.44%
State of Hawaii	308,118	1.50	Aa2/AA+	0.09%
Total	\$ 330,751,019			100.00%

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

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2024

Note 3: DEPOSITS AND INVESTMENTS (Continued)

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

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

Level 2: Inputs to the valuation methodology include:

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

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

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

The City had the following fair value measurements as of September 30, 2024. 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	\$ 41,668,722	\$ 41,668,722
US Instrumentalities:		
Federal Home Loan Bank	3,933,228	3,933,228
Federal Home Loan Mortgage Corporation	1,930,668	1,930,668
Federal Farm Credit Bank	1,012,082	1,012,082
Municipal Bonds:		
Florida State Board of Education	1,949,640	1,949,640
State of Georgia	1,535,880	1,535,880
State of Wisconsin	1,468,263	1,468,263
State of Hawali	308,118	308,118
Subtotal	53,806,601	53,806,601
First American Treasury Money Market Fund	208,332	N/A
Cash Deposits	276,736,086	N/A
Total	\$ 330,751,019	\$ 53,806,601

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2024

Note 3: DEPOSITS AND INVESTMENTS (Continued)

The City has the following recurring fair value measurements as of September 30, 2024:

- 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, 2024. In accordance with GASB Codification 150: *Investments*, money market funds have not been classified in the fair value hierarchy as they are measured at net asset value (NAV). There are no unfunded commitments for money market funds and they can be redeemed daily with no redemption notice period.

Note 4: RECEIVABLES

Below is the detail of receivables, including applicable allowances for uncollectible accounts, at September 30, 2024:

Description	Receivables	(Less) Allowance for Uncollectibles	Receivables (Net)
General Fund	\$ 4,686,694	\$ 660,331	\$ 4,026,363
Redevelopment Trust	70,557	-	70,557
Nonmajor governmental funds	289,185	140,206	148,979
Total - Governmental Funds	5,046,436	800,537	4,245,899
Proprietary Funds:			
Water and Sewer System	11,969,909	2,115,603	9,854,306
Solid Waste Management	3,983,770	649,857	3,333,913
Stormwater Improvement	2,315,396	249,819	2,065,577
Nonmajor Enterprise Funds	715	-	715
Total - Proprietary Funds	18,269,790	3,015,279	15,254,511
Fiduciary Funds:			
Police and Fire Pension Trust	122,586	-	122,586
Component unit - First Step Shelter	25,154	-	25,154
Component unit - Downtown Development Authority	104	-	104
Total	\$ 23,464,070	\$ 3,815,816	\$ 19,648,254

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, 2024.

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.

Note 4: RECEIVABLES (Continued)

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 \$183,384, Water and Sewer System Fund of \$5,466,777, Solid Waste Management Fund of \$2,225,878, and Stormwater Improvement Fund of \$1,541,008 and represents services rendered but not yet billed as of the end of the fiscal year.

Note 5: NOTES RECEIVABLE

The following is a summary of notes receivable at September 30, 2024:

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 where 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. In FY 2020-21 due to delinquency of payments, the City modified the loan whereas Central Florida Community and Economic Development Corporation, LLC would make monthly payments of \$2,000 until the loan was repaid, which has been consistently made since January of 2021. The remaining principal balance owed at September 30, 2024 was \$70,396.

Note 6: 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 2024 and 2045. Most leases include increases of a minimum percentage or escalate on some other basis.

General Fund - On January 1, 2024, the City entered into a long term lease agreement with Tortugas Baseball Club, 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 20 years. Lessee pays a fixed rate monthly fee for the entire duration of the lease. The year following completing contractually-obligated capital improvements to the property, expected to be completed by December 31, 2025, there will be a variable lease component included to the monthly payments, whereas the lessee will pay 25% of net earnings for the previous year, capped at \$100,000 per year. For the fiscal year September 30, 2024, the General Fund recognized \$54,067 of lease revenue and \$33,481 of lease interest.

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2024

Note 6: LEASE RECEIVABLES (Continued)

Community Redevelopment Trust Fund – On September 7, 2023, the City purchased the building at 562 W. International Speedway, Daytona Beach, Florida. The property included an existing lease for the signage on the rooftop of the building which expires on June 30, 2027. The lessee pays a fixed annual rate during the duration of the lease. For the fiscal year September 30, 2024, the Community Redevelopment Trust Fund recognized \$4,202 of lease revenue and \$0 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, 2024, the Halifax Harbor Fund recognized \$241,139 of lease revenue and \$1,810 of lease interest.

Daytona Beach Pier Fund – On December 6, 2011, the City entered into a 10-year agreement with Crab Addison, Inc. to lease the City-owned Daytona Beach Pier. The agreement contains four (4) options to extend the term an additional five (5) years each. Effective January 3, 2017, Crab Addison, Inc., a Texas corporation was converted to Joe’s Crab Shack, LLC, a Texas limited liability company as the new Tenant entity under the Lease. For the fiscal year September 30, 2024, the Daytona Beach Pier Fund recognized \$301,728 of lease revenue and \$7,952 of lease interest.

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

Year ending September 30,	Governmental Activities		Business-Type Activities		Total Future Minimum Lease Payments
	Principal	Interest	Principal	Interest	
2025	\$ 36,970	\$ 40,584	\$ 532,015	\$ 7,064	\$ 616,633
2026	39,403	39,430	495,452	3,946	578,231
2027	41,950	38,187	339,666	1,075	420,878
2028	31,616	36,852	47,309	139	115,916
2029	33,575	35,641	39,353	39	108,608
2030 - 2034	210,876	156,532	-	-	367,408
2035 - 2039	296,131	109,517	-	-	405,648
2040 - 2040	400,892	44,597	-	-	445,489
2045	23,258	145	-	-	23,403
Total	\$ 1,114,671	\$ 501,485	\$ 1,453,795	\$ 12,263	\$ 3,082,214

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2024

Note 7: INTERFUND BALANCES AND TRANSFERS

The following is a summary of interfund receivable and payable balances at September 30, 2024:

Due To/From Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Emergency Management Grant Fund	\$ 10,314,000
General Fund	Nonmajor Governmental Funds	933,300
Total		\$ 11,247,300

\$11,247,300 represent amounts payable from the Community Development Fund, Grants Fund and the Emergency Management Grants Fund, which were needed to cover cash deficits caused by timing of cash receipts from grant reimbursements.

Interfund Transfers

Description	Total Transfers (Out)	Transfers In				
		Governmental Funds				
		General Fund	Redevelopment Trust	Capital Projects	Emergency Management Grant Fund	Nonmajor Governmental Funds
Governmental Funds:						
General Fund	\$ 67,232,189	\$ -	\$ 4,379,394	\$ 59,644,794	\$ 420,000	\$ 2,788,001
Redevelopment Trust	3,016,421	-	-	-	-	3,016,421
Nonmajor governmental	670,750	-	-	-	-	670,750
Total - governmental funds	70,919,360	-	4,379,394	59,644,794	420,000	6,475,172
Proprietary Funds:						
Water and Sewer System	9,953,063	9,953,063	-	-	-	-
Solid Waste Management	10,831,915	10,831,915	-	-	-	-
Stormwater Improvement	9,430,062	9,430,062	-	-	-	-
Nonmajor Enterprise	109,660	109,660	-	-	-	-
Total - proprietary funds	30,324,700	30,324,700	-	-	-	-
Total	\$ 101,244,060	\$ 30,324,700	\$ 4,379,394	\$ 59,644,794	\$ 420,000	\$ 6,475,172

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 2024. 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 the General Fund to the 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.

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2024

Note 8: CAPITAL ASSETS

Fiscal Year Activity

Capital asset activity for the fiscal year ended September 30, 2024 was as follows:

Description	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
(Includes internal service funds)				
Capital assets, not being depreciated/amortized:				
Land	\$ 30,397,364	\$ 2,534,936	\$ -	\$ 32,932,300
Construction in progress	16,736,107	9,660,057	(13,428,770)	12,967,394
Total capital assets, not being depreciated/amortized	47,133,471	12,194,993	(13,428,770)	45,899,694
Capital assets, being depreciated/amortized:				
Buildings	67,674,453	4,214,878	(34,919)	71,854,412
Equipment	44,584,818	9,633,659	(5,534,115)	48,684,362
Improvements and infrastructure	98,683,593	5,608,494	(554,489)	103,737,598
Right-to-use lease assets				
Equipment	1,064,951	237,512	(383,849)	918,614
Buildings	159,281	202,763	-	362,044
Right-to-use subscription assets	2,508,876	362,122	(246,369)	2,624,629
Total capital assets, being depreciated/amortized	214,675,972	20,259,428	(6,753,741)	228,181,659
Less accumulated depreciation/amortization for:				
Buildings	(36,568,483)	(1,836,741)	34,919	(38,370,305)
Equipment	(33,535,953)	(4,012,334)	5,460,582	(32,087,705)
Improvements and infrastructure	(59,963,710)	(3,242,936)	553,528	(62,653,118)
Right-to-use lease assets				
Equipment	(606,706)	(336,715)	383,849	(559,572)
Buildings	(61,262)	(95,056)	-	(156,318)
Right-to-use subscription assets	(839,322)	(1,016,872)	224,102	(1,632,092)
Total accumulated depreciation/amortization	(131,575,436)	(10,540,654)	6,656,980	(135,459,110)
Total capital assets, being depreciated/amortized, net	83,100,536	9,718,774	(96,761)	92,722,549
Governmental activities capital assets, net	\$ 130,234,007	\$ 21,913,767	\$ (13,525,531)	\$ 138,622,243

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2024

Note 8: CAPITAL ASSETS (Continued)

Fiscal Year Activity (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	42,717,563	39,716,570	(10,564,459)	71,869,674
Total capital assets, not being depreciated/amortized	49,145,750	39,716,570	(10,564,459)	78,297,861
Capital assets, being depreciated/amortized:				
Buildings	60,754,240	639,708	(279,495)	61,114,453
Equipment	156,612,333	2,965,697	(2,499,048)	157,078,982
Improvements and infrastructure	181,550,505	10,602,334	(44,320)	192,108,519
Right-to-use lease assets				
Land	204,588	-	-	204,588
Infrastructure	107,277	-	-	107,277
Right-to-use subscription assets	507,084	211,333	-	718,417
Total capital assets, being depreciated/amortized	399,736,027	14,419,072	(2,822,863)	411,332,236
Less accumulated depreciation/amortization for:				
Buildings	(48,574,321)	(1,119,976)	277,285	(49,417,012)
Equipment	(124,907,547)	(3,529,098)	2,373,662	(126,062,983)
Improvements and infrastructure	(76,150,871)	(6,658,546)	44,320	(82,765,097)
Right-to-use lease assets				
Land	(71,606)	(40,918)	-	(112,524)
Infrastructure	(9,768)	(4,885)	-	(14,653)
Right-to-use subscription assets	(40,662)	(69,253)	-	(109,915)
Total accumulated depreciation/amortization	(249,754,775)	(11,422,676)	2,695,267	(258,482,184)
Total capital assets, being depreciated/amortized, net	149,981,252	2,996,396	(127,596)	152,850,052
Business-type activities capital assets, net	\$ 199,127,002	\$ 42,712,966	\$ (10,692,055)	\$ 231,147,913

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2024

Note 8: CAPITAL ASSETS (Continued)

Construction in Progress

As of the end of the fiscal year, the City had active construction projects including improvements to utilities, roads and right-of-way, public safety and recreational facilities, and drainage systems. Following is a schedule of construction in progress at September 30, 2024:

Project Description	Project Budget	Cumulative Amount Spent
Governmental activities:		
Halifax River Greenway Trail	\$ 2,292,581	\$ 2,069,891
Streets and Sidewalk Improvement Program	761,999	519,299
Park Renovations/Improvements	26,638,306	5,657,576
CRA Streetscape Improvements	3,187,893	638,803
Boat/House	1,298,728	276,291
ISB Streetscape	8,112,127	55,600
Land Acquisition	5,188,556	18,501
P&L Tech Surcharge Projects	400,798	61,000
Vehicle Replacement	969,666	7,601
P&L Marine Unit Staging Platform	750,000	52,066
Rehab Building Code Facility	975,000	563,279
Citywide Video Surveillance	143,240	69,762
GRANDVIEW SUBSTATION	168,522	167,145
PROPERTY & EVIDENCE EXPANSION	272,047	222,717
JIMMY ANN TRAFFIC SIGNAL	1,060,000	90,120
GENERATOR PURCHASE	156,150	148,040
PUBIC WORKS SITE IMPROVEMENTS	297,300	137,443
FIRE STATION 1 PROJECT	2,092,250	1,637,248
SCBA Cascade System	115,000	101,734
Small Biz Resource Center	300,000	300,000
PD Training Center	250,000	77,618
Bethune Pt Field Light Replacement	95,660	95,660
Total construction in progress – governmental activities	\$ 55,525,823	\$ 12,967,394

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2024

Note 8: CAPITAL ASSETS (Continued)

Construction in Progress (Continued)

Project Description	Project Budget	Cumulative Amount Spent
Business-type activities:		
Wastewater Treatment Plant Improvements	\$ 50,385,965	\$ 43,050,996
Brennan Ozone Compressor	945,000	668,840
Lift Stations & Force Mains	53,810,002	6,187,273
Beach Street Water & Stormwater Improvements	756,083	750,196
Potable Water Tank & Pump Station	14,309,779	13,820,509
SCADA Eval, Design & Implmentation	4,775,141	2,293,263
Bethune WRF Process Upgrades	2,342,074	1,146,757
Well 44 Construction	1,169,259	104,102
Lime Sludge Disposal Process	97,682	97,682
CIPP Lining	3,521,237	2,776,081
Bennett Swamp Weir Replacement	79,050	7,689
ERP System	847,064	134,559
Oak & Walnut Intersection Improvements	936,243	13,740
Lead & Copper Compliance	6,262,427	115,671
Main St Coquina Arch Repair	244,917	159,259
RAW Water Metering Improvements	101,636	94,817
Manhole Lining/Rehab	960,425	310,416
Derbyshire Neighborhood Sidewalks	138,800	137,824
Total construction in progress – business-type activities	\$ 141,682,784	\$ 71,869,674

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2024

Note 8: 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, 2024 as follows:

Function/Program:	Depreciation Expense
Governmental activities:	
General government	\$ 3,189,336
Public safety	3,587,609
Transportation	875,055
Economic environment	33,794
Culture and recreation	2,022,962
Subtotal	9,708,756
Capital assets held by internal service funds are charged to the various functions based on their usage of the assets	831,898
Total depreciation expense – governmental activities	\$ 10,540,654
 Business-type activities:	
Water and sewer system	\$ 9,661,214
Solid waste management	5,039
Stormwater improvement	1,238,333
Halifax Harbor	220,084
Main Street Pier	298,006
Total depreciation expense – business-type activities	\$ 11,422,676

Note 9: 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 capital improvement revenue bonds.

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2024

Note 9: LONG-TERM DEBT AND LIABILITIES (Continued)

Bonds Payable (Continued)

Following is a description of bonds payable at September 30, 2024:

Description	Original Amount Issued	Principal Outstanding at September 30, 2024	Interest Rate	Final Maturity
Governmental activities:				
General Obligation Refunding Bonds:				
Series 2012	\$ 18,810,000	\$ 6,490,000	2% - 3.375%	2029
Capital Revenue Bonds				
Series 2024 A	20,000,000	20,000,000	4.285% - 5.34%	2054
Series 2024 B	29,075,000	29,075,000	5% - 5.5%	2054
Total - governmental activities	\$ 67,885,000	\$ 55,565,000		

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

On May 15, 2012, the City issued General Obligation Refunding Bonds, Series 2012 in the amount of \$18,810,000 for the purpose of refunding General Obligation Revenue Bonds, Series 2004 of \$18,560,000. The original bonds were issued to construct a new police complex. The reacquisition price exceeded the net carrying amount of the old debt by \$223,392. This amount is being shown as a deferred outflow of resources and amortized over the term of the new debt issued, which is the same as the term of the old debt. The City reduced its total debt payments over 18 years by \$2,634,350, which resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$2,090,135. The City has pledged the full faith and credit of its taxing power for the payment of principal and interest on the bonds. The remaining principal balance at September 30, 2024 was \$6,490,000.

Annual debt service requirements to maturity for General Obligation Refunding Bonds, Series 2012 bonds payable are as follows:

General Obligation Refunding Bonds, Series 2012				
Governmental activities				
Fiscal Year				
Ending	Principal	Interest	Total	
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	1,385,000	46,744	1,431,744	
	6,490,000	660,426	7,150,426	
Unamortized				
Premium	82,511	-	82,511	
Total	\$ 6,572,511	\$ 660,426	\$ 7,232,937	

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2024

Note 9: LONG-TERM DEBT AND LIABILITIES (Continued)

Bonds Payable (Continued)

Capital Improvement Revenue Bonds, Series 2024 A – (Governmental Activities)

On September 1, 2024, the City issued Capital Improvement Revenue Bonds, Series 2024 A in the amount of \$20,000,000 for the purpose of completing capital improvements at City-owned Jackie Robinson Ballpark. The bonds have maturity dates ranging from September 1, 2025, through September 1, 2054. The City has pledged the full faith and credit of its taxing power for the payment of principal and interest on the bonds. The remaining principal balance at September 30, 2024 was \$20,000,000.

Annual debt service requirements to maturity for Capital Improvement Revenue Bonds, Series 2024 A bonds payable are as follows:

Capital Improvement Revenue Bonds Series 2024 A			
Governmental activities			
Fiscal Year			
Ending	Principal	Interest	Total
2025	\$ 285,000	\$ 1,037,901	\$ 1,322,901
2026	390,000	1,002,556	1,392,556
2027	405,000	985,844	1,390,844
2028	425,000	968,235	1,393,235
2029	440,000	949,479	1,389,479
2030-2034	2,520,000	4,428,518	6,948,518
2034-2039	2,000,000	3,869,488	5,869,488
2040-2044	3,425,000	3,228,809	6,653,809
2045-2049	4,400,000	2,254,014	6,654,014
2050-2054	5,710,000	946,782	6,656,782
Total	\$ 20,000,000	\$ 19,671,626	\$ 39,671,626

Capital Improvement Revenue Bonds, Series 2024 B – (Governmental Activities)

On September 1, 2024, the City issued Capital Improvement Revenue Bonds, Series 2024 B in the amount of \$29,075,000 plus an original issue premium of \$3,818,895 for the purpose of design, installation, acquisition, construction, reconstruction, and equipping of various capital projects of the City relating to the Fire Station No. 1 and related facilities and the acquisition of certain new equipment including a fire engine apparatus and an aerial truck, and paying certain costs of issuance incurred with respect thereto. The bonds have maturity dates ranging from September 1, 2025 through September 1, 2054 and the bond premium will be amortized over the same period. The City has pledged the full faith and credit of its taxing power for the payment of principal and interest on the bonds. The remaining principal balance at September 30, 2024 was \$29,075,000.

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2024

Note 9: LONG-TERM DEBT AND LIABILITIES (Continued)

Bonds Payable (Continued)

Capital Improvement Revenue Bonds, Series 2024 B – (Governmental Activities) (Continued)

Annual debt service requirements to maturity for Capital Improvement Revenue Bonds, Series 2024 B bonds payable are as follows:

Capital Improvement Revenue Bonds Series 2024 B			
Governmental activities			
Fiscal Year			
Ending	Principal	Interest	Total
2025	\$ 400,000	\$ 1,561,674	\$ 1,961,674
2026	455,000	1,507,725	1,962,725
2027	480,000	1,484,975	1,964,975
2028	500,000	1,460,975	1,960,975
2029	525,000	1,435,975	1,960,975
2030-2034	3,055,000	6,757,625	9,812,625
2034-2039	3,895,000	5,914,125	9,809,125
2040-2044	4,970,000	4,838,375	9,808,375
2045-2049	6,415,000	3,400,925	9,815,925
2050-2054	8,380,000	1,432,200	9,812,200
	29,075,000	29,794,574	58,869,574
Unamortized Premium	3,818,895	-	3,818,895
Total	\$ 32,893,895	\$ 29,794,574	\$ 62,688,469

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. The remaining principal balance at September 30, 2024 was \$16,265,000.

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2024

Note 9: LONG-TERM DEBT AND LIABILITIES (Continued)

Notes and Loans Payable (Continued)

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

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

Capital Improvement Revenue Note, Series 2020			
Governmental activities			
Fiscal Year			
Ending	Principal	Interest	Total
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	2,370,000	133,980	2,503,980
2029-2033	4,905,000	108,515	5,013,515
Total	\$ 16,265,000	\$ 1,283,335	\$ 17,548,335

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. The remaining principal balance at September 30, 2024 was \$786,000.

Note 9: LONG-TERM DEBT AND LIABILITIES (Continued)

Notes and Loans Payable (Continued)

Capital Improvement Revenue Note, Series 2017 (Continued)

Business-Type Activities – Water and Sewer System Fund

The City refinanced the Capital Improvement Revenue Note with a 3.54% fixed rate loan from Branch Banking & Trust Company in the amount of \$15,504,000. The reacquisition price exceeded the net carrying amount of the old debt by \$156,473. This amount is being shown as a deferred outflow of resources and amortized over the term of the new debt issued, which is the same as the term of old debt. The City reduced its total debt payments over 7 years by \$1,003,574 which resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$929,853. The original proceeds were used to finance certain water and sewer system improvements. Principal and interest are payable from water and sewer net operating revenues; additionally, the City has covenanted and agreed to budget and appropriate sufficient amounts of non-ad valorem revenues to satisfy any loan payments required. This portion of the note's final maturity is November 1, 2024. The remaining principal balance at September 30, 2024 was \$2,360,000.

Business-Type Activities – Halifax Harbor Fund

The City refinanced the Capital Improvement Revenue Note with a 3.54% fixed rate loan from Branch Banking & Trust Company in the amount of \$6,583,000. The reacquisition price exceeded the net carrying amount of the old debt by \$75,936. This amount is being shown as a deferred outflow of resources and amortized over the term of the new debt issued, which is the same as the term of old debt. The City reduced its total debt payments over 11 years by \$672,873, which resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$570,700. The principal and interest on this loan are payable from marina operating revenues; additionally, the City has covenanted and agreed to budget and appropriate sufficient amounts of non-ad valorem revenues to satisfy any loan payments required. This portion of the note's final maturity is November 1, 2028. The remaining principal balance at September 30, 2024 was \$3,300,000.

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. The remaining principal balance at September 30, 2024 was \$823,854.

Note 9: LONG-TERM DEBT AND LIABILITIES (Continued)

Notes and Loans Payable (Continued)

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, 2024 the City had drawn down \$2,157,543 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. The principal balance at September 30, 2024 was \$2,157,543.

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, 2024 was \$5,310,000.

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. The remaining principal balance at September 30, 2024 was \$19,784,370.

Note 9: LONG-TERM DEBT AND LIABILITIES (Continued)

Notes and Loans Payable (Continued)

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

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. The remaining principal balance at September 30, 2024 was \$710,630.

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

Stormwater Improvement 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 \$1,352,754 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. The remaining principal balance at September 30, 2024 was \$489,206, 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 \$25,809,212 at an interest rate of 2.25% to begin the construction phase. 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. The remaining principal balance at September 30, 2024 was \$13,321,914.

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

Note 9: 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)

\$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 operating revenues. The remaining principal balance at September 30, 2024 was \$2,016,781.

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 \$19,609,300 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%, for a total amount awarded for disbursements totaling \$43,594,885, the City had drawn down \$43,560,925 and accrued \$112,743 in capitalized interest to be paid beginning December 15, 2021 and semiannually thereafter until all amounts due have been fully paid. Principal and interest are payable from water and sewer operating revenues. The remaining principal balance at September 30, 2024 was \$37,898,509.

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. The remaining principal balance at September 30, 2024 was \$2,491,365.

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. The remaining principal balance at September 30, 2024 was \$6,223,969.

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

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2024

Note 9: 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)

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 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. The remaining principal balance at September 30, 2024 was \$3,836,785.

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 \$9,163,080 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 \$13,759,536, the City has drawn down \$12,565,630 of which they have received principal forgiveness in the amount of \$1,755,695, with the first payment to be paid May 15, 2025 and semiannually thereafter until all amounts due have been fully paid. Principal and interest are payable from water and sewer operating revenues. The remaining principal balance at September 30, 2024 was \$10,809,935.

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%. During fiscal year 2024 the loan was amended with an additional award of \$18,634,000. The City has drawn down \$28,017,755 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. The remaining principal balance at September 30, 2024 was \$28,017,755.

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

Fiscal Year Ending	Notes and Loans Payable								Total
	Governmental Activities		Business-Type Activities						
	Bank Notes		Bank Notes		State Revolving Fund Loans				
	Principal	Interest	Principal	Interest	Principal	Interest			
2025	\$ 3,145,854	\$ 491,285	\$ 4,256,000	\$ 966,353	\$ 4,391,367	\$ 374,589		\$ 13,625,448	
2026	2,525,099	423,669	3,687,000	832,772	5,352,216	362,171		13,182,927	
2027	2,583,215	360,639	3,814,000	708,937	6,079,682	349,156		13,895,629	
2028	2,646,776	295,941	3,937,000	581,016	6,107,315	321,523		13,889,571	
2029	2,711,806	229,482	3,661,000	455,976	6,135,575	293,265		13,487,104	
2030-2034	5,927,773	417,407	12,110,000	779,910	31,124,602	1,019,587		51,379,279	
2034-2039	491,874	40,790	-	-	27,932,984	297,966		28,763,614	
2040-2044	-	-	-	-	15,647,169	144,472		15,791,641	
2045-2049	-	-	-	-	2,335,309	42,027		2,377,336	
Total	\$ 20,032,397	\$ 2,259,213	\$ 31,465,000	\$ 4,324,964	\$ 105,106,219	\$ 3,204,756		\$ 166,392,549	

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2024

Note 9: 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	\$ 837,777	\$ 2,453,634	\$ 837,777	34%
Tax Increment	Note Series 2023	3,047,895	786,847	54,235	7%
	Note Series 2020	17,548,335	5,109,195	383,390	8%
	Note Series 2017	857,403	792,626	172,338	22%
		<u>21,453,633</u>	<u>6,688,668</u>	<u>609,963</u>	<u>9%</u>
Utility System Operating Revenues	Note Series 2023	23,068,985		1,058,455	
	Note Series 2017	2,401,772		2,541,895	
	Note Series 2016	5,871,322		529,383	
	State Revolving Fund Loans	107,771,938		4,410,434	
		<u>139,114,017</u>	<u>31,376,887</u>	<u>8,540,167</u>	<u>27%</u>
Marina Operating Revenues	Note Series 2017	3,600,016	3,989,271	719,874	18%
Stormwater Operating Revenues	State Revolving Fund Loans	539,037	13,144,659	49,003	0%
Totals		<u>\$ 165,544,480</u>	<u>\$ 57,653,119</u>	<u>\$ 10,756,784</u>	

Financed Purchases – Governmental Activities:

Fire – Pumper Trucks: Commencing March 2015, the City entered into a financing agreement with U.S. Bancorp Government Leasing and Finance, Inc. for the purchase of two (2) fire pumper trucks valued at \$755,366. The General Fund is responsible for all payments which are due semi-annually, including interest at 2.041%, for a term of 10 years. The remaining principal balance at September 30, 2024 was \$0.

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, 2024 was \$179,112.

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, 2024 was \$0.

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, 2024 was \$192,363.

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, 2024 was \$73,354.

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2024

Note 9: 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 (20) 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, 2024 was \$0.

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, 2024 was \$857,291.

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, 2024 was \$1,003,807.

Police Vehicles and Golf Carts: Commencing March 1, 2024 the City entered into a financing agreement with TD Equipment Finance, Inc. for the purchase of 20 police vehicles and 250 golf carts for a total value of \$1,700,000. The General Fund is responsible for all payments, which are due in annual installments, including interest at 4.15% for a term of four (4) years. The remaining principal balance at September 30, 2024 was \$1,700,000.

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
2025	\$ 1,383,113	\$	124,618	\$ 1,507,731
2026	1,348,319		84,740	1,433,059
2027	773,487		44,948	818,435
2028	501,008		19,871	520,879
Total	\$ 4,005,927	\$	274,177	\$ 4,280,104

Lease Liabilities

Governmental Activities: The City has entered into lease agreements to obtain the right-to-use vehicles, office equipment, office space 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, 2024, the value of the lease liability was \$567,066.

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2024

Note 9: LONG-TERM DEBT AND LIABILITIES (Continued)

Lease Liabilities (Continued)

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, 2024, the value of the lease liability was \$193,492.

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

Fiscal Year Ending	Governmental Activities		Business-type Activities		Total
	Principal	Interest	Principal	Interest	
2025	\$ 252,299	\$ 4,035	\$ 45,716	\$ 2,222	\$ 304,272
2026	136,470	1,036	47,349	1,865	186,720
2027	99,714	396	14,870	1,573	116,553
2028	54,990	127	4,459	1,494	61,070
2029	23,593	17	4,538	1,416	29,564
2030-2034	-	-	25,105	5,852	30,957
2035-2039	-	-	30,576	3,476	34,052
2040-2043	-	-	20,879	733	21,612
Total	\$ 567,066	\$ 5,611	\$ 193,492	\$ 18,631	\$ 784,800

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 recognizes a subscription liability and an intangible right-to-use subscription asset for the software arrangements.

Governmental Activities: The City has entered into twelve (12) software arrangements to obtain the rights various software. The software arrangements have monthly and annual payments ranging from \$7,055 to \$328,516 and discount rates ranging from 0% to 3.59%, with agreements expiring in fiscal year 2024 to 2028. As of September 30, 2024, the value of the subscription liability was \$805,301.

Business-type Activities: The City has entered into two (2) software arrangements to obtain the rights-to-use water metering software and financial software. The software arrangements have annual payment of \$40,742 and \$67,668, with arrangements expiring in fiscal years 2033 and 2027, respectively. The City has used a 3.41% discount rate for the right-to-use water metering software and a 3.00% discount rate for the right-to-use financial software. As of September 30, 2024, the value of the subscription liability was \$599,736.

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2024

Note 9: 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:

<i>For the years ending September 30,</i>	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 512,750	\$ 23,044	\$ 535,794	\$ 78,313	\$ 19,648	\$ 97,961
2026	188,715	8,974	197,689	112,018	16,916	128,934
2027	57,305	3,584	60,889	55,482	13,517	68,999
2028	46,531	337	46,868	59,445	11,625	71,070
2029	-	-	-	63,604	9,598	73,202
2030-2033	-	-	-	230,874	15,179	246,053
Total	\$ 805,301	\$ 35,939	\$ 841,240	\$ 599,736	\$ 86,483	\$ 686,219

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2024

Note 9: LONG-TERM DEBT AND LIABILITIES (Continued)

Changes in Long-Term Debt and Liabilities:

Following is a summary of the changes in long-term debt and liabilities for the fiscal year ended September 30, 2024:

Description	Beginning Balance	Additions	Reductions	Ending Balance	Due in One Year
Governmental activities (Includes internal service funds):					
Bonds, loans and notes:					
General obligation bonds	\$ 7,665,000	\$ -	\$ (1,175,000)	\$ 6,490,000	\$ 1,215,000
Revenue bonds	-	49,075,000	-	49,075,000	685,000
Premium	96,263	3,818,895	(13,752)	3,901,406	-
Total bonds payable (net)	7,761,263	52,893,895	(1,188,752)	59,466,406	1,900,000
Direct borrowings:					
Notes	20,993,325	2,107,543	(3,068,471)	20,032,397	3,145,854
Financed purchases	3,724,038	1,700,000	(1,418,111)	4,005,927	1,383,113
Total bonds, loans and notes	32,478,626	56,701,438	(5,675,334)	83,504,730	6,428,967
Lease liabilities	558,885	440,267	(432,086)	567,066	252,299
Subscription liabilities	1,522,700	350,591	(1,067,990)	805,301	512,750
Net pension liability	122,390,609	-	(14,104,566)	108,286,043	-
Insurance claims payable	11,047,000	4,582,459	(3,822,459)	11,807,000	2,390,000
Other liabilities:					
Compensated absences	8,371,733	5,299,673	(3,939,845)	9,731,561	3,255,144
Pollution remediation	-	5,779	-	5,779	5,779
Other post-employment benefits	3,275,516	385,398	(204,639)	3,456,275	180,758
Total other liabilities	11,647,249	5,690,850	(4,144,484)	13,193,615	3,441,681
Total - governmental activities	\$ 179,645,069	\$ 67,765,605	\$ (29,246,919)	\$ 218,163,755	\$ 13,025,697

Description	Beginning Balance	Additions	Reductions	Ending Balance	Due in One Year
Business-type activities					
Loans and notes:					
Notes	\$ 35,625,000	\$ -	\$ (4,160,000)	\$ 31,465,000	\$ 4,256,000
State Revolving Fund loans	83,897,308	25,267,914	(4,059,003)	105,106,219	4,391,367
Total loans and notes	119,522,308	25,267,914	(8,219,003)	136,571,219	8,647,367
Net pension liability	14,583,844	-	(1,221,432)	13,362,412	-
Lease liabilities	237,624	-	(44,132)	193,492	45,716
Subscription liability	469,084	211,333	(80,681)	599,736	78,313
Other liabilities:					
Landfill closure and post-closure	221,672	-	(98,083)	123,589	47,168
Pollution remediation	36,810	-	(28,686)	8,124	-
Compensated absences	1,829,300	1,870,141	(1,515,454)	2,183,987	885,937
Other post-employment benefits	796,729	109,324	(58,048)	848,005	51,275
Total other liabilities	2,884,511	1,979,465	(1,700,271)	3,163,705	984,380
Total - business type activities	\$ 137,697,371	\$ 27,458,712	\$ (11,265,519)	\$ 153,890,564	\$ 9,755,776

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2024

Note 9: LONG-TERM DEBT AND LIABILITIES (Continued)

Changes in Long-Term Debt and Liabilities (Continued):

At September 30, 2024, the long-term liabilities for internal service funds are included as part of the above totals for governmental activities: lease liability of \$274,680, subscription liability of \$713,435, net pension liability of \$5,081,217, insurance claims payable of \$11,807,000, compensated absences of \$1,005,977, and other post-employment benefits of \$248,174. 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 10: DISCOUNT, PREMIUM, PREPAID BOND INSURANCE COSTS AND DEFERRED AMOUNT ON REFUNDING

At September 30, 2024, 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)	\$ (4,054,435)	\$ 153,029	\$ (3,901,406)
Deferred amount on refunding	1,237,489	(1,156,317)	81,172
Total governmental activities	\$ (2,816,946)	\$ (1,003,288)	\$ (3,820,234)
Business-type activities:			
Deferred amount on refunding, outflows	2,458,687	(1,920,814)	537,873
Deferred amount on refunding, inflows	(1,914,754)	327,103	(1,587,651)
Total business-type activities	\$ 543,933	\$ (1,593,711)	\$ (1,049,778)

Note 11: 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.

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2024

Note 11: RISK MANAGEMENT (Continued)

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, 2024, the amount of these liabilities discounted at 2.5 percent was \$11,807,000; the current portion of this amount was \$2,390,000.

Changes in the reported claims liability since October 1, 1899, were as follows:

Fiscal Year Ending	Current Year			
	Balance at October 1,	Claims and Changes in Estimates	Claims Paid	Balance at September 30,
2024	\$ 11,047,000	\$ 4,582,459	\$ (3,822,459)	\$ 11,807,000
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

At September 30, 2024, the Consolidated Insurance Fund held cash and investments of \$12,110,682 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/\$3,000,000 aggregate limit of liability and a \$15,000 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 \$253,935,712 for all perils other than named windstorm and earthquake with a \$48,000,000 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 \$85,244,299 for all perils including named windstorm, earthquake, and flood. Named windstorm has a 5% 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

Note 11: RISK MANAGEMENT (Continued)

Self-Insurance Program (Continued)

\$25,000 deductible. Named windstorm covers the buildings at their reported value, while flood coverage is limited to \$2,000,000. A third and fourth policy with Endurance American Insurance Company and National Fire Marine Insurance Company provide a combined layer of protection for the buildings insured under the Landmark policy for \$2,000,000 in named storm and additional flood coverage with a 5% deductible at each location subject to a minimum of \$500,000 per occurrence.

Boiler and machinery coverage is purchased separately and is maintained with a \$100,000,000 limit of liability and a \$10,000 deductible. The City maintains a crime policy in the amount of \$10,000,000 with a \$100,000 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 12: 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 liability was \$123,589 at September 30, 2024, 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, 2024, investments of \$224,714 (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 paid 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 \$50,666 at September 30, 2024.

Note 13: 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 \$13,903, and a noncurrent liability for pollution remediation has been recorded in the Solid Waste Management Fund in the amount of \$8,124 and is a current liability in the Community Redevelopment Trust Fund in the amount of \$5,779. The City records the pollution remediation in the solid Waste Management Fund as a noncurrent liability, as the City has no current estimate of costs due within the next 12 months. The estimated liabilities were 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 14: COMMITMENTS AND CONTINGENCIES

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, 2024.

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 19 for details.

Note 15: TAX ABATEMENTS

The City enters into property tax abatement agreements with new or expanding businesses under the Economic Development Ad Valorem Tax Exemption Program, authorized by the City of Daytona Beach Resolution 13-313 and Florida Statutes 196.1995. Under this program, the City grants property tax abatements ranging from 100% to 25% for a period from one to ten years to attract or retain businesses, which contribute to the economy of the City with new jobs and improvements to real and personal property.

The program criteria scores applicants on the number of employees, average payroll, capital investment, and additional high economic impact factors, or targeted industries. Benefitting businesses are required to file an annual report detailing their year-end investment and employment levels and verifying their new or expansion status as outlined in the Florida Statutes Section 196.012.

For the fiscal year ending September 30, 2024, the City abated 1899 property taxes to six businesses at three locations totaling \$338,774.

Note 16: RETIREMENT PLANS

Pension Plans

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

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

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

Plan Description

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 16: RETIREMENT PLANS (Continued)

Defined Benefit Pension Plans (Continued)

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

Benefits Provided

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

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

Contributions

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS, and there are no employee contributions to the HIS program. The employer's contribution rates as of September 30, 2024 were as follows:

	FRS	HIS
Regular	11.63%	2.00%
Special Risk	30.79%	2.00%
Senior Management Service	32.52%	2.00%
Elected Officials	56.68%	2.00%
DROP Participants	19.13%	2.00%

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2024, the City reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2024, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2024. The City's proportions of the net pension liabilities were based on the City's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2024

Note 16: RETIREMENT PLANS (Continued)

Defined Benefit Pension Plans (Continued)

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

		FRS		HIS
Net Pension Liability	\$	28,740,006	\$	13,415,038
Proportionate share:				
At current measurement date		0.0743%		0.0915%
At prior measurement date		0.0790%		0.0894%
Pension expense (benefit)	\$	4,815,428	\$	699,864

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2024, 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	\$ 2,903,512	\$ -	\$ 129,531	\$ (25,759)
Changes of assumptions	3,939,081	-	237,415	(1,588,168)
Net difference between projected and actual earnings on pension plan investments	-	(1,910,210)	-	(4,852)
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,399,397	(1,219,620)	579,093	(289,240)
Employer contributions subsequent to the measurement date	1,074,710	-	192,053	-
Total	\$ 9,316,700	\$ (3,129,830)	\$ 1,138,092	\$ (1,908,019)

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, 2024. 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
2025	\$	(452,835)	\$	(156,066)
2026		4,919,368		(192,563)
2027		358,615		(280,514)
2028		16,962		(196,130)
2029		270,050		(106,865)
Thereafter		-		(29,842)
Total	\$	5,112,160	\$	(961,980)

Note 16: RETIREMENT PLANS (Continued)

Defined Benefit Pension Plans (Continued)

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

Actuarial Assumptions

The total pension liability for both FRS and HIS plans were measured as of June 30, 2024. The FRS liability was determined by an actuarial valuation dated July 1, 2024, and the HIS liability was determined by an actuarial valuation dated July 1, 2024. 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	3.50%	3.50%
Investment rate of return	6.70%	N/A
Discount rate	6.70%	3.93%

Mortality assumptions for both plans were based on the PUB-2010 base tables projected generationally with Scale MP-2021.

For both plans, the actuarial assumptions that determined the total pension liability as of June 30, 2024 were based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023.

The following changes in key actuarial assumptions occurred in 2024:

For FRS and HIS: The payroll assumed growth rate, including inflation increased from 3.25% to 3.50%.

All demographic assumptions and methods were reviewed as part of the 2024 Experience Study. Changes were adopted by the 2024 FRS Actuarial Assumption Conference during its meeting in October 2024.

For HIS: The discount rate used in calculation of the pension liability increased from 3.65% to 3.93%.

The coverage election assumptions were updated to reflect recent and anticipated future experience of HIS program participants. Changes were adopted by the 2024 FRS Actuarial Assumption Conference during its 2024 meeting.

Note 16: RETIREMENT PLANS (Continued)

Defined Benefit Pension Plans (Continued)

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

Actuarial Assumptions (Continued)

The long-term expected investment rate of return assumption for the FRS Pension Plan was based on two building block components: 1) a long-term average annual inflation assumption of 2.40% and 2) an inferred real (in excess of inflation) return of 4.20%. Geometrically combining those building blocks user the formula $(1 + .024) \times (1 + .042) - 1$ generates an expected nominal return of 6.70%. In the opinion of the FRS consulting actuary, both building block components and the overall 6.70% return assumption were determined reasonable and appropriate per Actuarial Standards of Practice. The 6.70% reported investment return assumption is the same as the investment return assumption chosen by the 2023 FRS Actuarial Assumption Conference for funding policy purposes. Each asset class assumption is based on a consistent set of underlying assumptions.

For the FRS Pension Plan, the table below summarizes the consulting actuary’s assumptions based on the long-term target asset allocation. Each asset class assumption is based on a consistent set of underlying real return assumptions from the FRS consulting actuary’s model combined with the FRS Actuarial Assumption Conference’s 2.4% inflation assumption. The FRS consulting actuary’s assumptions are not based on historical returns, but instead on a forward-looking capital market economic model.

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return
Cash	1.0%	3.3%	3.3%
Fixed income	29.0%	5.7%	5.6%
Global equity	45.0%	8.6%	7.0%
Real estate	12.0%	8.1%	6.8%
Private equity	11.0%	12.4%	8.8%
Strategic investments	2.0%	6.6%	6.2%
	<u>100.0%</u>		

Discount Rate

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

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 3.93% was used to determine the total pension liability for the program. The Bond Buyer General Obligation 20-Year Municipal Bond Index rate as of June 30, 2024 was used as the applicable municipal bond index.

Note 16: RETIREMENT PLANS (Continued)

Defined Benefit Pension Plans (Continued)

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

Sensitivity Analysis

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

	FRS			HIS		
	Current			Current		
	1% Decrease (5.70%)	Discount Rate (6.70%)	1% Increase (7.70%)	1% Decrease (2.93%)	Discount Rate (3.93%)	1% Increase (4.93%)
Employer's proportionate share of the net pension liability	\$ 50,552,664	\$ 28,740,006	\$ 10,467,278	\$ 15,271,297	\$ 13,415,038	\$ 11,874,043

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 20 years of credited service or at age 55 with 10 years of credited service.

Note 16: 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, 1899, the most recent actuarial valuation date:

	Plan Membership
Inactives currently receiving benefits	447
Inactives not yet receiving benefits	98
Active plan members	296
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.

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.

Contributions

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

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2024

Note 16: RETIREMENT PLANS (Continued)

Defined Benefit Pension Plans (Continued)

Police Officers and Firefighters Defined Benefit Pension Plan (Continued)

Contributions (Continued)

For the fiscal year ended September 30, 2024, total pension expense was \$13,964,147, and the City recognized as revenue, total contributions to the Plan of \$13,313,820 which consisted of the following:

		Plan Contributions
Employer	\$	9,339,886
Member		2,254,839
State		1,657,580
Buy-Back		61,515
Total Contributions	\$	13,313,820

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, 2024, the investments of the Plan were allocated as follows:

Investment		Percent of Pension Portfolio
Domestic equities		28.00%
Fixed income		24.00%
Real estate		10.00%
Alternative investments		13.00%
International equities		25.00%
Total investments		100.00%

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, 2024, the annual money-weighted rate of return on pension plan investments was 14.50%.

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2024

Note 16: 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, 2024, 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, 2024, 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, 2023	\$ 290,307,362	\$ 199,347,130	\$ 90,960,232
Changes for the fiscal year:			
Service cost	3,812,357	-	3,812,357
Interest	21,324,747	-	21,324,747
Difference between expected and actual experience	5,435,199	-	5,435,199
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Contributions - employer	-	9,339,886	(9,339,886)
Contributions - member	-	2,254,839	(2,254,839)
Contributions - State	-	1,657,580	(1,657,580)
Contributions - Buy Back	61,515	61,515	-
Net investment income	-	29,059,654	(29,059,654)
Benefit payments, including refunds of member contributions	(19,579,512)	(19,579,512)	-
Administrative Expenses	-	(272,835)	272,835
Net change	11,054,306	22,521,127	(11,466,821)
Balance at September 30, 2024	<u>\$ 301,361,668</u>	<u>\$ 221,868,257</u>	<u>\$ 79,493,411</u>

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2024

Note 16: 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, 2024, 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	\$ 5,307,538	\$ -
Changes of Assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	6,757,229	-
Total	\$ 12,064,767	\$ -

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)
2025	\$	5,228,182
2026		10,895,755
2027		(1,188,407)
2028		(2,870,763)
Total	\$	12,064,767

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2024

Note 16: 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, 1899
Measurement date	September 30, 2024
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 16: 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, 2024 are summarized as follows:

Asset Class	Target Allocation	Expected Long- Term Rate of Return
Domestic equities	28.00%	5.43%
Fixed income	24.00%	1.74%
Real estate	10.00%	3.13%
Alternative investments	13.00%	7.69%
International equities	25.00%	5.56%
Total	100.00%	

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.

Note 16: RETIREMENT PLANS (Continued)

Defined Benefit Pension Plans (Continued)

Police Officers and Firefighters Defined Benefit Pension Plan (Continued)

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	\$ 112,634,454	\$ 79,493,411	\$ 51,843,898

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, 2024 totaled \$1,661,138. Employee contributions totaled \$45,370 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, 2024, there were a total of 10 employees participating in the plan with a covered payroll of \$1,247,308. Employees do not contribute into this plan. The City contributed 12% effective July 1, 2024 of covered employees’ gross wages for general employees. City contributions for the fiscal year ending September 30, 2024 totaled \$160,315.

Note 16: RETIREMENT PLANS (Continued)

Pension Expense Summary

The total of the City’s pension expense for the fiscal year ended September 30, 2024 is as follows:

Plan Description	Pension Expense
Defined Benefit Plans:	
FRS Pension Plan	\$ 4,815,428
Retiree Health Insurance Subsidy Program (HIS)	699,864
Police Officers' and Firefighters' Pension Plan	13,964,147
Total defined benefit pension expense	19,479,439
Defined Contribution Plan:	
FRS Investment Plan	1,661,138
ICMA Deferred Compensation Plan	160,315
Total defined contribution pension expense	1,821,453
Total pension expense	\$ 21,300,892

Note 17: 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 family coverage. The ultimate implicit and

Note 17: OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Funding Policy (Continued)

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 3.97% per annum and is based on the prescribed discount interest rate methodology under GASB No. 75 based on an average of two 20-year bond indices (e.g., S&P Municipal Bond 20 Year High Grade Rate Index, Fidelity GA AA 20 Years) as of September 30, 2024. 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, 2023, OPEB membership consisted of the following:

Active Members	922
Retirees (including surviving spouses)	<u>120</u>
Total	<u>1,042</u>
Active Members Eligible for Benefits	86

Actuarial Assumptions and Other Inputs

The total OPEB liability in the September 30, 2024 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, 2023 to September 30, 2024 were based on a valuation as of October 1, 2023 and projected to year end September 30, 2024. This valuation was based on census information provided in October 2023, 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, 2022. 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.

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2024

Note 17: OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Actuarial Assumptions and Other Inputs (Continued)

Valuation date	October 1, 2023
Actuarial cost method	Entry Age Normal as a Level Percentage of Payroll
Discount rate	3.97%

Assumed healthcare cost trend rates:

	<u>Year</u>	<u>Age</u> <u>Pre-65</u>	<u>Age</u> <u>Post-65</u>
Year 1 Trend	May 1, 2025	7.0%	7.0%
Ultimate Trend	May 1, 2035 & Later	4.5%	4.5%
Grading Per Year	-	0.25%	0.25%

At September 30, 2024 the City of Daytona Beach reported a Total OPEB liability of \$4,304,280. The GASB 75 information has been provided as of the year ended September 30, 2024.

	<u>Increase (Decrease)</u>		
	<u>Total OPEB</u>	<u>Plan</u>	<u>Net OPEB</u>
<u>Change in Net OPEB Liability</u>	<u>Liability (a)</u>	<u>Fiduciary</u> <u>Net</u> <u>Position</u> <u>(b)</u>	<u>Liability (a) -</u> <u>(b)</u>
Balance Recognized as of Beginning of Year (End of Prior Year)	\$ 4,072,246	\$ -	\$ 4,072,246
Changes Recognized for Fiscal Year			
Service Cost	66,119	-	66,119
Interest	156,454	-	156,454
Changes in Assumptions	272,149	-	272,149
Benefit Payments	(262,688)	(262,688)	-
Contributions from employer	-	262,688	(262,688)
Net Changes	232,034	-	232,034
Balance Recognized as of End Year	\$ \$ 4,304,280	\$ -	\$ 4,304,280

The liability decrease is due to changes in the discount rate from 4.75% to 3.97% 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.

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2024

Note 17: OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Sensitivity of the Total OPEB Liability

The following table represents the City's total OPEB liability calculated using the discount rate of 3.97%, 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 (2.97%)	Current Discount Rate (3.97%)	1% Increase (4.97%)
Total OPEB Liability	\$ 4,734,818	\$ 4,304,280	\$ 3,938,181

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	\$ 3,870,464	\$ 4,304,280	\$ 4,823,861

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

For the fiscal year ended September 30, 2024, the City of Daytona Beach recognized an OPEB expense of \$222,043. 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	\$ 670,868	\$ (1,300,806)
Total	\$ 670,868	\$ (1,300,806)

City of Daytona Beach, Florida
Notes to Financial Statements
September 30, 2024

Note 17: OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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/ Deferred (Inflow)
2025	\$ (530)
2026	(530)
2027	(24,088)
2028	(94,006)
2029	(134,045)
Thereafter	(376,739)
Total	\$ (629,938)

Note 18: 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.

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 19: 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, 2024 and, accordingly, has not recorded an asset retirement obligation for this matter.

Note 20: SUBSEQUENT EVENTS

Receivables – Hurricane Milton

In October 2024, Hurricane Milton made landfall in the Daytona Beach area at a category 3 which caused substantive damages to city owned properties, and as such the City has also incurred debris removal expenditures. The City Commission has approved work authorizations and emergency protective measures of \$5.5 million pending approval from the Federal Emergency Management Agency (FEMA). It is anticipated that FEMA will reimburse seventy-five percent (75%) of total claims, less any insurance proceeds, the State of Florida will reimburse an additional twelve and a half percent (12.5%), and the City will be responsible for the remaining balance. The City has to date expend \$3.8 million.

Long-Term Debt – Taxable Line of Credit

On April 10, 2025, the City executed a taxable revolving line of credit note, Series 2025 not to exceed the amount of \$15 million, with Truist Bank for additional funding to assist in financing capital improvements of Jackie Robinson Ball Park (Phase 1). The General Fund is responsible for all debt service payments.

Grants – Florida Department of Environmental Protection

On April 17, 2025, the City executed a grant agreement with the Florida Department of Environmental Protection – Resilient Florida Program to assist with the relocation and construction of Fire Station No. 1 in the amount of \$10,092,000.

REQUIRED
SUPPLEMENTARY
INFORMATION



City of Daytona Beach, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual – General Fund
For the Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Taxes	\$ 60,799,064	\$ 60,799,064	\$ 63,808,903	\$ 3,009,839
Licenses and permits	7,275,369	7,275,369	8,517,966	1,242,597
Intergovernmental	10,118,509	10,118,509	10,157,109	38,600
Charges for services	13,755,294	13,789,854	14,427,330	637,476
Fines and forfeitures	1,374,880	1,374,880	1,059,947	(314,933)
Special assessment/impact fees	-	-	47,833	47,833
Income (loss) on investments	271,339	271,339	3,929,474	3,658,135
Miscellaneous	612,489	1,002,757	1,340,730	337,973
Total revenues	94,206,944	94,631,772	103,289,292	8,657,520
EXPENDITURES:				
General government:				
Legislative	1,545,488	3,012,550	1,230,326	1,782,224
City Manager	4,103,303	3,777,077	2,686,009	1,091,068
City Attorney	2,029,745	2,017,711	1,868,968	148,743
Finance	2,945,573	2,951,940	3,199,604	(247,664)
Comprehensive Planning	1,911,380	1,824,144	1,558,675	265,469
Other General Government Services	821,320	821,320	802,421	18,899
Other Physical Environment	9,660,974	9,136,727	8,898,096	238,631
Public safety:				
Police	46,284,726	47,365,307	45,304,857	2,060,450
Fire	20,511,641	20,857,581	19,996,510	861,071
Transportation	8,469,364	8,118,180	7,222,130	896,050
Economic environment	392,067	7,020,230	1,973,542	5,046,688
Grants and aids	-	689,095	688,666	429
Human services	500,000	500,000	400,000	100,000
Culture and recreation	14,877,533	16,040,233	15,353,710	686,523
Capital outlay	1,566,501	7,735,640	4,007,717	3,727,923
Total expenditures	115,619,615	131,867,735	115,191,231	16,676,504
Excess (deficiency) of revenues over (under) expenditures	(21,412,671)	(37,235,963)	(11,901,939)	25,334,024
OTHER FINANCING				
SOURCES (USES):				
Budgetary reserves, net	7,301,305	19,451,417	-	(19,451,417)
Issuance of debt	-	54,593,895	51,036,444	(3,557,451)
Proceeds from insurance recovery	227,256	227,256	246,944	19,688
Transfers in	25,958,900	29,422,638	30,324,700	902,062
Transfers (out)	(12,074,790)	(66,459,243)	(67,232,189)	(772,946)
Total other financing sources (uses)	21,412,671	37,235,963	14,375,899	(22,860,064)
Net change in fund balance	-	-	2,473,960	2,473,960
FUND BALANCE:				
Beginning of year	44,884,466	44,884,466	44,884,466	-
End of year	\$ 44,884,466	\$ 44,884,466	\$ 47,358,426	\$ 2,473,960

City of Daytona Beach, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual – Redevelopment Trust Special Revenue Fund
For the Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Licenses and permits	\$ 13,300	\$ 13,300	\$ -	\$ (13,300)
Intergovernmental	5,203,704	5,203,879	5,187,170	(16,709)
Charges for services	10,324	10,324	243,104	232,780
Income on investments	-	-	629,320	629,320
Miscellaneous	-	-	9,302	9,302
Total revenues	5,227,328	5,227,503	6,068,896	841,393
EXPENDITURES:				
Current operating:				
Economic environment	2,998,264	3,923,883	2,741,408	1,182,475
Cultural and Recreation	-	52,540	-	52,540
Capital outlay	3,709,908	23,133,708	1,524,544	21,609,164
Debt service:				
Interest and fiscal charges	-	27,140	25,000	2,140
Total expenditures	6,708,172	27,137,271	4,290,952	22,846,319
Excess (deficiency) of revenues over (under) expenditures	(1,480,844)	(21,909,768)	1,777,944	23,687,712
OTHER FINANCING SOURCES (USES):				
Budgetary reserves, net	-	14,033,028	-	(14,033,028)
Issuance of debt	-	6,450,000	2,107,543	(4,342,457)
Transfers in	4,379,184	4,379,315	4,379,394	79
Transfers (out)	(2,898,340)	(2,952,575)	(3,016,421)	(63,846)
Total other financing sources (uses)	1,480,844	21,909,768	3,470,516	(18,439,252)
Net change in fund balance	-	-	5,248,460	5,248,460
FUND BALANCE:				
Beginning of year	15,221,872	15,221,872	15,221,872	-
End of year	\$ 15,221,872	\$ 15,221,872	\$ 20,470,332	\$ 5,248,460

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 Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ 5,806,762	\$ 253,130	\$ (5,553,632)
Total revenues	-	5,806,762	253,130	(5,553,632)
EXPENDITURES:				
Current operating:				
General Government	-	4,917,634	4,167,401	750,233
Capital outlay	-	1,309,128	110,392	1,198,736
Total expenditures	-	6,226,762	4,277,793	1,948,969
Excess (deficiency) of revenues over (under) expenditures	-	(420,000)	(4,024,663)	(3,604,663)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	420,000	420,000	-
Total other financing sources (uses)	-	420,000	420,000	-
Net change in fund balance	-	-	(3,604,663)	(3,604,663)
FUND BALANCE (DEFICIT):				
Beginning, as previously reported	-	-	-	-
Adjustments	(7,025,093)	(7,025,093)	(7,025,093)	-
Beginning, after adjustments	(7,025,093)	(7,025,093)	(7,025,093)	-
Ending	\$ (7,025,093)	\$ (7,025,093)	\$ (10,629,756)	\$ (3,604,663)

City of Daytona Beach, Florida

Budgetary Notes to Required Supplementary Information

Note 1: BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with GAAP for all governmental funds except the Capital Projects Fund, which adopts a project-length budget. 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.

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

<i>Plan Sponsor Measurement Date June 30,</i>	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability	0.0743%	0.0790%	0.0774%	0.0749%	0.0672%	0.0657%	0.0639%	0.0652%	0.0650%	0.0669%
Proportionate share of the net pension liability	\$ 28,740	\$ 31,484	\$ 28,790	\$ 5,661	\$ 29,106	\$ 22,617	\$ 19,239	\$ 19,280	\$ 16,413	\$ 8,639
* Covered payroll	\$ 37,963	\$ 30,477	\$ 32,760	\$ 30,905	\$ 29,703	\$ 27,296	\$ 26,370	\$ 24,762	\$ 23,934	\$ 22,672
Proportionate share of the net pension liability as a percentage of covered payroll	76%	103%	88%	18%	98%	83%	73%	78%	69%	38%
Plan fiduciary net position as a percentage of the total pension liability	84%	82%	83%	96%	79%	83%	84%	84%	85%	92%

Health Insurance Subsidy Program

<i>Plan Sponsor Measurement Date June 30,</i>	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability	0.0894%	0.0915%	0.0894%	0.0863%	0.0834%	0.0811%	0.0792%	0.0794%	0.0771%	0.0746%
Proportionate share of the net pension liability	\$ 13,415	\$ 14,530	\$ 9,469	\$ 10,582	\$ 10,183	\$ 9,075	\$ 8,379	\$ 8,489	\$ 8,989	\$ 7,612
* Covered payroll	\$ 37,963	\$ 30,477	\$ 30,477	\$ 32,760	\$ 30,905	\$ 27,296	\$ 26,370	\$ 24,762	\$ 23,934	\$ 22,672
Proportionate share of the net pension liability as a percentage of covered payroll	35%	48%	31%	32%	33%	33%	32%	34%	38%	34%
Plan fiduciary net position as a percentage of the total pension liability	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

* 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

<i>City Year Ended September 30,</i>	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 4,256	\$ 3,847	\$ 3,487	\$ 2,953	\$ 2,396	\$ 2,061	\$ 1,820	\$ 1,697	\$ 1,662	\$ 1,609
Contributions in relation to the contractually required contribution	(4,256)	(3,847)	(3,487)	(2,953)	(2,396)	(2,061)	(1,820)	(1,697)	(1,662)	(1,609)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
* Covered payroll	\$ 38,340	\$ 33,132	\$ 31,572	\$ 31,003	\$ 29,868	\$ 27,271	\$ 26,319	\$ 25,673	\$ 24,608	\$ 22,845
Contributions as a percentage of covered payroll	11.10%	11.61%	11.04%	9.52%	8.02%	7.56%	6.92%	6.61%	6.76%	7.04%

Health Insurance Subsidy Program

<i>City Year Ended September 30,</i>	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 766	\$ 630	\$ 567	\$ 511	\$ 491	\$ 452	\$ 429	\$ 420	\$ 405	\$ 310
Contributions in relation to the contractually required contribution	(766)	(630)	(567)	(511)	(491)	(452)	(429)	(420)	(405)	(310)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
* Covered payroll	\$ 38,340	\$ 33,132	\$ 31,572	\$ 31,003	\$ 29,868	\$ 27,271	\$ 26,319	\$ 25,673	\$ 24,608	\$ 22,845
Contributions as a percentage of covered payroll	2.00%	1.90%	1.80%	1.65%	1.64%	1.66%	1.63%	1.64%	1.65%	1.36%

* 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)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	\$ 3,812	\$ 3,511	\$ 3,636	\$ 3,349	\$ 3,513	\$ 3,381	\$ 3,316	\$ 3,105	\$ 3,060	\$ 3,107
Interest	21,325	20,763	20,332	19,483	18,768	18,337	18,050	16,816	16,282	15,930
Changes of benefit terms	-	-	1,484	-	-	(30)	-	-	-	-
Differences between expected and actual experience	5,435	2,236	453	5,353	3,488	1,292	(1,580)	4,300	2,424	(208)
Changes of assumptions	-	-	-	-	2,481	-	-	6,834	-	-
Contributions - Buy Back	62	76	41	31	28	33	39	-	-	-
Benefit payments, including refunds of employee contributions	(19,580)	(19,209)	(17,989)	(19,341)	(17,819)	(17,026)	(15,054)	(14,573)	(14,783)	(13,418)
Net change in total pension liability	11,054	7,377	7,957	8,875	10,459	5,987	4,771	16,482	6,983	5,411
Total pension liability-beginning	290,308	282,931	274,974	266,099	255,640	249,653	244,882	228,400	221,417	216,006
Total pension liability-ending (a)	\$ 301,362	\$ 290,308	\$ 282,931	\$ 274,974	\$ 266,099	\$ 255,640	\$ 249,653	\$ 244,882	\$ 228,400	\$ 221,417
Plan fiduciary net position										
Contributions-employer	\$ 9,340	\$ 8,926	\$ 9,143	\$ 8,661	\$ 8,110	\$ 8,021	\$ 7,794	\$ 6,709	\$ 6,102	\$ 6,524
Contributions-member	2,255	2,109	1,903	1,913	1,860	1,757	1,677	1,643	1,612	1,601
Contributions-state	1,658	1,394	1,134	1,082	1,059	984	937	813	904	706
Contributions - Buy Back	62	76	41	31	28	33	39	-	-	-
Net investment income	29,060	12,646	(39,883)	43,882	24,899	7,557	13,601	15,868	11,893	(4,438)
Benefit payments, including refunds of employee contributions	(19,580)	(19,209)	(17,989)	(19,341)	(17,819)	(17,026)	(15,054)	(14,572)	(14,783)	(13,418)
Administrative expense	(273)	(253)	(309)	(282)	(293)	(315)	(382)	(213)	(229)	(224)
Other	-	-	-	-	-	-	1,010	(85)	47	(821)
Net change in plan fiduciary net position	22,522	5,689	(45,960)	35,946	17,844	1,011	9,622	10,163	5,546	(10,070)
Plan fiduciary net position-beginning	199,347	193,658	239,618	203,672	185,828	184,817	175,195	165,032	159,486	169,556
Plan fiduciary net position-ending (b)	\$ 221,869	\$ 199,347	\$ 193,658	\$ 239,618	\$ 203,672	\$ 185,828	\$ 184,817	\$ 175,195	\$ 165,032	\$ 159,486
Net pension liability-ending (a) - (b)	\$ 79,493	\$ 90,961	\$ 89,273	\$ 35,356	\$ 62,427	\$ 69,812	\$ 64,836	\$ 69,687	\$ 63,368	\$ 61,931
Plan fiduciary net position as a percentage of the total pension liability	74%	69%	68%	87%	77%	73%	74%	72%	72%	72%
* Covered payroll	\$ 23,349	\$ 21,783	\$ 19,655	\$ 19,451	\$ 18,764	\$ 16,843	\$ 16,917	\$ 16,114	\$ 15,578	\$ 15,553
City's net pension liability as a percentage of covered payroll	340%	418%	454%	182%	333%	414%	383%	432%	407%	398%

* 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)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 10,474	\$ 10,041	\$ 10,287	\$ 9,740	\$ 9,322	\$ 8,869	\$ 8,685	\$ 7,522	\$ 7,005	\$ 7,230
Contributions in relation to the actuarially determined contribution	10,997	10,320	10,278	9,743	9,169	9,005	8,732	7,522	7,005	7,230
Contribution deficiency (excess)	\$ (523)	\$ (279)	\$ 9	\$ (3)	\$ 153	\$ (136)	\$ (47)	\$ -	\$ -	\$ -
* Covered payroll	\$ 23,349	\$ 21,783	\$ 19,655	\$ 19,451	\$ 18,764	\$ 16,843	\$ 16,917	\$ 16,114	\$ 15,578	\$ 15,553
Contributions as a percentage of covered payroll	47%	47%	52%	50%	49%	53%	52%	47%	45%	46%

Notes to Schedule:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry age normal cost method.

Amortization method New UAAL amortization bases are amortized over 15 years.

Remaining amortization period Bases established prior to the valuation date are adjusted proportionally to match the Expected Unfunded Actuarial Accrued Liability as of the valuation date, in order to align prior year bases with the portion of the current year UAAL associated with prior year sources.

Asset valuation method All assets are valued at market value with an adjustment to uniformly spread actuarial investment gains and losses.

Inflation 2.75%

Investment rate of return 7.50% net of pension plan investment expense, including inflation.

Salary increases	Service based.	<u>Service</u>	<u>Rate</u>
		< 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:

	Police	Fire
After First Eligibility for Normal Retirement		
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 Seven 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.

	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Total OPEB liability							
Service cost	\$ 66,120	\$ 53,069	\$ 52,678	\$ 58,333	\$ 56,359	\$ 29,453	\$ 26,485
Interest cost	156,454	193,109	266,247	137,178	139,543	174,342	215,674
Changes in assumptions	272,148	(57,596)	(1,697,207)	(21,485)	778,161	361,885	-
Benefit payments	(262,688)	(363,557)	(350,154)	(377,386)	(382,717)	(480,122)	(540,288)
Net change in total OPEB liability	232,034	(174,975)	(1,728,436)	(203,360)	591,346	85,558	(298,129)
Total OPEB liability - beginning	4,072,246	4,247,221	5,975,657	6,179,017	5,587,671	5,502,113	5,800,242
Total OPEB liability - ending (a)	\$ 4,304,280	\$ 4,072,246	\$ 4,247,221	\$ 5,975,657	\$ 6,179,017	\$ 5,587,671	\$ 5,502,113
Plan fiduciary net position							
Contributions - employer	\$ 262,688	\$ 363,557	\$ 350,154	\$ 377,386	\$ 382,717	\$ 480,122	\$ 540,288
Benefit payments	(262,688)	(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)	\$ 4,304,280	\$ 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%						
Covered employee payroll	\$ 49,972,778	\$ 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	8.61%	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, 2024.

The following are the discount rates used in each period:

9/30/2018	3.90%
9/30/2019	3.10%
9/30/2020	2.26%
9/30/2021	2.29%
9/30/2022	4.59%
9/30/2023	4.75%
9/30/2024	3.97%

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



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COMBINING &
INDIVIDUAL FUND
STATEMENTS & SCHEDULES



City of Daytona Beach, Florida Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

Special Revenue Funds (Continued)

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

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

Debt Service Funds

Capital Improvement Revenue Bonds – This fund accounts for the debt service activity related to the \$49.075 million Capital Improvement Revenue Bonds, Series 2024 A and Capital Improvement Revenue Bonds, Series 2024 B.

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

Capital Improvement Revenue Notes – This fund accounts for the debt service activity related to the Capital Improvement Revenue Note, Series 2017 for the Downtown Redevelopment Trust Fund that was used to pay off the Capital Improvement Revenue Note, Series 2009. It also accounts for the activity related to the 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, 2024

	Special Revenue Funds				
		Local	Law	Federal	Transportation
	Community	Housing	Enforcement	Shared	5-Cent
	Development	Assistance	Trust	Property	Gas Tax
	Forfeitures				
ASSETS:					
Equity in pooled cash, cash equivalents, and investments	\$ 239,548	\$ 2,584,733	\$ 298,054	\$ 292,046	\$ 96,979
Receivables(net):					
Accounts	5,513	-	-	-	-
Taxes	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-
Intergovernmental receivable	512,578	-	-	-	138,189
Restricted equity in pooled cash, cash equivalents, and investments	-	-	-	-	-
Total assets	\$ 757,639	\$ 2,584,733	\$ 298,054	\$ 292,046	\$ 235,168
LIABILITIES:					
Accounts payable and other liabilities	\$ 10,935	\$ -	\$ -	\$ 10,217	\$ -
Contracts payable	-	-	-	-	-
Due to other funds	373,000	-	-	-	-
Intergovernmental payable	414	-	-	-	-
Deposits	985	-	-	-	-
Unearned revenue	-	2,363,366	-	-	-
Total liabilities	385,334	2,363,366	-	10,217	-
Deferred inflows of resources:					
Deferred revenues - unavailable revenue	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
FUND BALANCES:					
Non-Spendable:					
Prepays	-	-	-	-	-
Restricted:					
Debt covenants	-	-	-	-	-
General government	-	-	-	-	-
Public safety	-	-	298,054	281,829	-
Transportation	-	-	-	-	235,168
Economic environment	372,305	221,367	-	-	-
Cultural and recreation	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances (deficit)	372,305	221,367	298,054	281,829	235,168
Total liabilities, deferred inflows of resources, and fund balances	\$ 757,639	\$ 2,584,733	\$ 298,054	\$ 292,046	\$ 235,168

City of Daytona Beach, Florida
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
September 30, 2024

	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	\$ 23,670,032	\$ 5,956,388	\$ 12,323,702	\$ 1,501,412	\$ 5,085,351
Receivables(net):					
Accounts	113,279	-	-	-	-
Taxes	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-
Restricted equity in pooled cash, cash equivalents, and investments	-	-	-	-	-
Total assets	\$ 23,783,311	\$ 5,956,388	\$ 12,323,702	\$ 1,501,412	\$ 5,085,351
LIABILITIES:					
Accounts payable and other liabilities	\$ 111,038	\$ -	\$ 7,155	\$ 80,699	\$ 1,968
Contracts payable	27,566	-	-	-	-
Due to other funds	-	-	-	-	-
Intergovernmental payable	3,933	-	-	-	-
Deposits	57,422	-	-	-	-
Unearned revenue	684,694	-	-	-	-
Total liabilities	884,653	-	7,155	80,699	1,968
Deferred inflows of resources:					
Deferred revenues - unavailable revenue	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
FUND BALANCES:					
Non-Spendable:					
Prepays	-	-	-	-	-
Restricted:					
Debt covenants	-	-	-	-	-
General government	-	-	-	-	-
Public safety	22,898,658	-	-	1,420,713	5,083,383
Transportation	-	5,956,388	-	-	-
Economic environment	-	-	-	-	-
Cultural and recreation	-	-	12,316,547	-	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances (deficit)	22,898,658	5,956,388	12,316,547	1,420,713	5,083,383
Total liabilities, deferred inflows of resources, and fund balances	\$ 23,783,311	\$ 5,956,388	\$ 12,323,702	\$ 1,501,412	\$ 5,085,351

City of Daytona Beach, Florida
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
September 30, 2024

	Special Revenue Funds			
	General	Emergency		Total
	Government	Management	Grants	Special
	Impact Fees	Grants	(formally nonmajor)	Revenue
				Funds
ASSETS:				
Equity in pooled cash, cash equivalents, and investments	\$ 12,569,938	\$ 314,818	\$ -	\$ 64,933,001
Receivables(net):				
Accounts	-	21,762	-	140,554
Taxes	-	-	-	-
Prepaid Expenses	-	-	-	-
Intergovernmental receivable	-	1,203,754	-	1,854,521
Restricted equity in pooled cash, cash equivalents, and investments	-	-	-	-
Total assets	\$ 12,569,938	\$ 1,540,334	\$ -	\$ 66,928,076
LIABILITIES:				
Accounts payable and other liabilities	\$ 1,968	\$ 22,883	\$ -	\$ 246,863
Contracts payable	-	90,478	-	118,044
Due to other funds	-	560,300	-	933,300
Intergovernmental payable	-	-	-	4,347
Deposits	-	-	-	58,407
Unearned revenue	-	503,765	-	3,551,825
Total liabilities	1,968	1,177,426	-	4,912,786
Deferred inflows of resources:				
Deferred revenues - unavailable revenue	-	623,870	-	623,870
Total deferred inflows of resources	-	623,870	-	623,870
FUND BALANCES:				
Non-Spendable:				
Prepays	-	-	-	-
Restricted:				
Debt covenants	-	-	-	-
General government	12,567,970	-	-	12,567,970
Public safety	-	-	-	29,982,637
Transportation	-	-	-	6,191,556
Economic environment	-	-	-	593,672
Cultural and recreation	-	-	-	12,316,547
Unassigned (deficit)	-	(260,962)	-	(260,962)
Total fund balances (deficit)	12,567,970	(260,962)	-	61,391,420
Total liabilities, deferred inflows of resources, and fund balances	\$ 12,569,938	\$ 1,540,334	\$ -	\$ 66,928,076

City of Daytona Beach, Florida
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
September 30, 2024

	Debt Service Funds				Total Debt Service Funds
	Capital Improvement Revenue Bonds	General Obligation Refunding Bonds	Capital Improvement Revenue Notes	Capital Financing	
ASSETS:					
Equity in pooled cash, cash equivalents, and investments	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables(net):					
Accounts	-	-	-	-	-
Taxes	-	8,425	-	-	8,425
Prepaid Expenses	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-
Restricted equity in pooled cash, cash equivalents, and investments	118,305	654,442	119,224	-	891,971
Total assets	\$ 118,305	\$ 662,867	\$ 119,224	\$ -	\$ 900,396
LIABILITIES:					
Accounts payable and other liabilities	\$ 103,662	\$ -	\$ -	\$ -	\$ 103,662
Contracts payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Intergovernmental payable	-	-	-	-	-
Deposits	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	103,662	-	-	-	103,662
Deferred inflows of resources:					
Deferred revenues - unavailable revenue		-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
FUND BALANCES:					
Non-Spendable:					
Prepays	-	-	-	-	-
Restricted:					
Debt covenants	-	662,867	119,224	-	782,091
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	-	-	-
Cultural and recreation	-	-	-	-	-
Unassigned (deficit)	14,643	-	-	-	14,643
Total fund balances (deficit)	14,643	662,867	119,224	-	796,734
Total liabilities, deferred inflows of resources, and fund balances	\$ 118,305	\$ 662,867	\$ 119,224	\$ -	\$ 900,396

City of Daytona Beach, Florida
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
September 30, 2024

	Total Nonmajor Governmental Funds
ASSETS:	
Equity in pooled cash, cash equivalents, and investments	\$ 64,933,001
Receivables(net):	
Accounts	140,554
Taxes	8,425
Prepaid Expenses	-
Intergovernmental receivable	1,854,521
Restricted equity in pooled cash, cash equivalents, and investments	891,971
Total assets	\$ 67,828,472
 LIABILITIES:	
Accounts payable and other liabilities	\$ 350,525
Contracts payable	118,044
Due to other funds	933,300
Intergovernmental payable	4,347
Deposits	58,407
Unearned revenue	3,551,825
Total liabilities	5,016,448
 Deferred inflows of resources:	
Deferred revenues - unavailable revenue	623,870
Total deferred inflows of resources	623,870
 FUND BALANCES:	
Non-Spendable:	
Prepays	-
Restricted:	
Debt covenants	782,091
General government	12,567,970
Public safety	29,982,637
Transportation	6,191,556
Economic environment	593,672
Cultural and recreation	12,316,547
Unassigned (deficit)	(246,319)
Total fund balances (deficit)	62,188,154
Total liabilities, deferred inflows of resources, and fund balances	\$ 67,828,472

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, 2024

	Special Revenue Funds				
	Community Development	Local Housing Assistance	Law Enforcement Trust	Federal Shared Property Forfeitures	Transportation 5-Cent Gas Tax
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 860,261
Licenses and permits	-	-	-	-	-
Intergovernmental	512,578	301,577	-	33,052	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	151,205	-	-
Special assessments/impact fees	-	-	-	-	-
Income on investments	9,646	80,308	8,151	9,113	2,526
Miscellaneous	-	96,862	-	-	-
Total revenues	522,224	478,747	159,356	42,165	862,787
EXPENDITURES:					
Current operating:					
General government	-	-	-	-	-
Public safety	-	-	52,322	32,931	-
Transportation	-	-	-	-	458,947
Economic environment	543,580	304,362	-	-	-
Human services	-	-	-	-	-
Cultural and recreation	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	543,580	304,362	52,322	32,931	458,947
Excess (deficiency) of revenues over (under) expenditures	(21,356)	174,385	107,034	9,234	403,840
OTHER FINANCING					
SOURCES (USES):					
Transfers in	53,372	-	-	-	-
Transfers (out)	(53,372)	-	-	-	(349,704)
Total other financing sources (uses)	-	-	-	-	(349,704)
Net change in fund balances	(21,356)	174,385	107,034	9,234	54,136
FUND BALANCES (DEFICIT):					
Beginning, as previously reported	393,661	46,982	191,020	272,595	181,032
Adjustments	-	-	-	-	-
Beginning, after adjustments	393,661	46,982	191,020	272,595	181,032
Ending	\$ 372,305	\$ 221,367	\$ 298,054	\$ 281,829	\$ 235,168

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, 2024

	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	8,204,123	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	768,825	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Special assessments/impact fees	-	1,036,433	2,753,226	666,405	1,132,651
Income on investments	729,278	168,238	358,093	55,531	139,751
Miscellaneous	125,393	-	-	-	-
Total revenues	9,827,619	1,204,671	3,111,319	721,936	1,272,402
EXPENDITURES:					
Current operating:					
General government	1,962	-	-	-	-
Public safety	5,155,453	-	-	1,968	4,468
Transportation	-	276	-	-	-
Economic environment	-	-	-	-	-
Human services	-	-	-	-	-
Cultural and recreation	-	-	1,968	-	-
Capital outlay	1,547,608	16,435	1,264,057	1,477,883	635
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	6,705,023	16,711	1,266,025	1,479,851	5,103
Excess (deficiency) of revenues over (under) expenditures	3,122,596	1,187,960	1,845,294	(757,915)	1,267,299
OTHER FINANCING					
SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers (out)	-	-	(267,674)	-	-
Total other financing sources (uses)	-	-	(267,674)	-	-
Net change in fund balances	3,122,596	1,187,960	1,577,620	(757,915)	1,267,299
FUND BALANCES (DEFICIT):					
Beginning, as previously reported	19,776,062	4,768,428	10,738,927	2,178,628	3,816,084
Adjustments	-	-	-	-	-
Beginning, after adjustments	19,776,062	4,768,428	10,738,927	2,178,628	3,816,084
Ending	\$ 22,898,658	\$ 5,956,388	\$ 12,316,547	\$ 1,420,713	\$ 5,083,383

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, 2024

	Special Revenue Funds				
	General Government		Emergency Management Grants		Total Special Revenue Funds
	Impact Fees	Grants	(formally nonmajor)		
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	860,261
Licenses and permits	-	-	-	-	8,204,123
Intergovernmental	-	1,741,860	-	-	2,589,067
Charges for services	-	-	-	-	768,825
Fines and forfeitures	-	-	-	-	151,205
Special assessments/impact fees	2,015,863	-	-	-	7,604,578
Income on investments	369,406	8,633	-	-	1,938,674
Miscellaneous	-	425,318	-	-	647,573
Total revenues	2,385,269	2,175,811	-	-	22,764,306
EXPENDITURES:					
Current operating:					
General government	1,968	-	-	-	3,930
Public safety	-	732,301	-	-	5,979,443
Transportation	-	1,603	-	-	460,826
Economic environment	-	-	-	-	847,942
Human services	-	400,000	-	-	400,000
Cultural and recreation	-	15,660	-	-	17,628
Capital outlay	1,543,957	1,160,622	-	-	7,011,197
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	1,545,925	2,310,186	-	-	14,720,966
Excess (deficiency) of revenues over (under) expenditures	839,344	(134,375)	-	-	8,043,340
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	53,372
Transfers (out)	-	-	-	-	(670,750)
Total other financing sources (uses)	-	-	-	-	(617,378)
Net change in fund balances	839,344	(134,375)	-	-	7,425,962
FUND BALANCES (DEFICIT):					
Beginning, as previously reported	11,728,626	(126,587)	(7,025,093)	-	46,940,365
Adjustments	-	-	7,025,093	-	7,025,093
Beginning, after adjustments	11,728,626	(126,587)	-	-	53,965,458
Ending	\$ 12,567,970	\$ (260,962)	\$ -	\$ -	\$ 61,391,420

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, 2024

	Debt Service Funds				Total Debt Service Funds
	Capital Improvement Revenue Bonds	General Obligation Refunding Bonds	Capital Improvement Revenue Notes	Capital Financing	
REVENUES:					
Taxes	\$ -	\$ 1,449,331	\$ -	\$ -	\$ 1,449,331
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Special assessments/impact fees	-	-	-	-	-
Income on investments	-	42,153	3,776	-	45,929
Miscellaneous	-	-	-	-	-
Total revenues	-	1,491,484	3,776	-	1,495,260
EXPENDITURES:					
Current operating:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	-	-	-
Human services	-	-	-	-	-
Cultural and recreation	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	1,175,000	3,068,471	2,259,643	6,503,114
Interest and fiscal charges	474,290	248,452	501,479	103,273	1,327,494
Total expenditures	474,290	1,423,452	3,569,950	2,362,916	7,830,608
Excess (deficiency) of revenues over (under) expenditures	(474,290)	68,032	(3,566,174)	(2,362,916)	(6,335,348)
OTHER FINANCING SOURCES (USES):					
Transfers in	488,933	-	3,569,951	2,362,916	6,421,800
Transfers (out)	-	-	-	-	-
Total other financing sources (uses)	488,933	-	3,569,951	2,362,916	6,421,800
Net change in fund balances	14,643	68,032	3,777	-	86,452
FUND BALANCES (DEFICIT):					
Beginning, as previously reported	-	594,835	115,447	-	710,282
Adjustments	-	-	-	-	-
Beginning, after adjustments	-	594,835	115,447	-	710,282
Ending	\$ 14,643	\$ 662,867	\$ 119,224	\$ -	\$ 796,734

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, 2024

	Total Nonmajor Governmental Funds
REVENUES:	
Taxes	\$ 2,309,592
Licenses and permits	8,204,123
Intergovernmental	2,589,067
Charges for services	768,825
Fines and forfeitures	151,205
Special assessments/impact fees	7,604,578
Income on investments	1,984,603
Miscellaneous	647,573
Total revenues	24,259,566
EXPENDITURES:	
Current operating:	
General government	3,930
Public safety	5,979,443
Transportation	460,826
Economic environment	847,942
Human services	400,000
Cultural and recreation	17,628
Capital outlay	7,011,197
Debt service:	
Principal	6,503,114
Interest and fiscal charges	1,327,494
Total expenditures	22,551,574
Excess (deficiency) of revenues over (under) expenditures	1,707,992
OTHER FINANCING	
SOURCES (USES):	
Transfers in	6,475,172
Transfers (out)	(670,750)
Total other financing sources (uses)	5,804,422
Net change in fund balances	7,512,414
FUND BALANCES (DEFICIT):	
Beginning, as previously reported	47,650,647
Adjustments	7,025,093
Beginning, after adjustments	54,675,740
Ending	\$ 62,188,154

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, 2024

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Intergovernmental	\$ 966,891	\$ 4,898,178	\$ 512,578	\$ (4,385,600)
Income on investments	-	-	9,646	9,646
Total revenues	966,891	4,898,178	522,224	(4,375,954)
EXPENDITURES:				
Current operating:				
Economic environment	966,891	5,099,314	543,580	4,555,734
Total expenditures	966,891	5,099,314	543,580	4,555,734
Excess (deficiency) of revenues over (under) expenditures	-	(201,136)	(21,356)	179,780
OTHER FINANCING SOURCES:				
Budgetary reserves, net	-	201,136	-	(201,136)
Total other financing sources	-	201,136	-	(201,136)
Net change in fund balance	-	-	(21,356)	(21,356)
FUND BALANCE:				
Beginning	393,661	393,661	393,661	-
Ending	\$ 393,661	\$ 393,661	\$ 372,305	\$ (21,356)

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, 2024

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Intergovernmental	\$ 889,693	\$ 2,503,463	\$ 301,577	\$ (2,201,886)
Income on investments	-	38,854	80,308	41,454
Miscellaneous	-	96,862	96,862	-
Total revenues	889,693	2,639,179	478,747	(2,160,432)
EXPENDITURES:				
Current operating:				
Economic environment	889,693	2,639,179	304,362	2,334,817
Total expenditures	889,693	2,639,179	304,362	2,334,817
Excess (deficiency) of revenues over (under) expenditures	-	-	174,385	174,385
Net change in fund balance	-	-	174,385	174,385
FUND BALANCE:				
Beginning	46,982	46,982	46,982	-
Ending	\$ 46,982	\$ 46,982	\$ 221,367	\$ 174,385

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, 2024

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Fines and forfeitures	\$ -	\$ 146,158	\$ 151,205	\$ 5,047
Income on investments	-	-	8,151	8,151
Total revenues	-	146,158	159,356	13,198
EXPENDITURES:				
Current operating:				
Public safety	-	52,379	52,322	57
Total expenditures	-	52,379	52,322	57
Excess (deficiency) of revenues over (under) expenditures	-	93,779	107,034	13,255
OTHER FINANCING SOURCES:				
Budgetary reserves, net	-	(93,779)	-	93,779
Total other financing sources	-	(93,779)	-	93,779
Net change in fund balance	-	-	107,034	107,034
FUND BALANCE:				
Beginning	191,020	191,020	191,020	-
Ending	\$ 191,020	\$ 191,020	\$ 298,054	\$ 107,034

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, 2024

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ 21,518	\$ 33,052	\$ 11,534
Income on investments	-	-	9,113	9,113
Total revenues	-	21,518	42,165	20,647
EXPENDITURES:				
Current operating:				
Public safety	-	32,950	32,931	19
Total expenditures	-	32,950	32,931	19
Excess (deficiency) of revenues over (under) expenditures	-	(11,432)	9,234	20,666
OTHER FINANCING SOURCES:				
Budgetary reserves, net		11,432	-	(11,432)
Total other financing sources	-	11,432	-	(11,432)
Net change in fund balance	-	-	9,234	9,234
FUND BALANCE:				
Beginning	272,595	272,595	272,595	-
Ending	\$ 272,595	\$ 272,595	\$ 281,829	\$ 9,234

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, 2024

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Taxes	\$ 808,651	\$ 808,651	\$ 860,261	\$ 51,610
Income on investments	-	-	2,526	2,526
Total revenues	808,651	808,651	862,787	54,136
EXPENDITURES:				
Current operating:				
Transportation	-	-	458,947	(458,947)
Capital outlay	458,947	512,083	-	512,083
Total expenditures	458,947	512,083	458,947	53,136
Excess (deficiency) of revenues over (under) expenditures	349,704	296,568	403,840	107,272
OTHER FINANCING SOURCES (USES):				
Budgetary reserves, net	-	53,136	-	(53,136)
Transfers (out)	(349,704)	(349,704)	(349,704)	-
Total other financing sources (uses)	(349,704)	(296,568)	(349,704)	(53,136)
Net change in fund balance	-	-	54,136	54,136
FUND BALANCE:				
Beginning	181,032	181,032	181,032	-
Ending	\$ 181,032	\$ 181,032	\$ 235,168	\$ 54,136

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, 2024

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Licenses and permits	\$ 5,283,000	\$ 5,283,000	\$ 8,204,123	\$ 2,921,123
Income on investments	64,742	64,742	729,278	664,536
Charges for services	500,350	500,350	768,825	268,475
Miscellaneous	-	-	125,393	125,393
Total revenues	5,848,092	5,848,092	9,827,619	3,979,527
EXPENDITURES:				
Current operating:				
General government	8,440	8,466	1,962	6,504
Public safety	5,524,912	7,352,196	5,155,453	2,196,743
Capital outlay	-	12,631,702	1,547,608	11,084,094
Total expenditures	5,533,352	19,992,364	6,705,023	13,287,341
Excess (deficiency) of revenues over (under) expenditures	314,740	(14,144,272)	3,122,596	17,266,868
OTHER FINANCING SOURCES (USES):				
Budgetary reserves, net	(314,740)	14,144,272	-	(14,144,272)
Total other financing sources (uses)	(314,740)	14,144,272	-	(14,144,272)
Net change in fund balance	-	-	3,122,596	3,122,596
FUND BALANCE:				
Beginning	19,776,062	19,776,062	19,776,062	-
Ending	\$ 19,776,062	\$ 19,776,062	\$ 22,898,658	\$ 3,122,596

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, 2024

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Special assessments/impact fees	\$ -	\$ 677,181	\$ 1,036,433	\$ 359,252
Income on investments	-	-	168,238	168,238
Total revenues	-	677,181	1,204,671	527,490
EXPENDITURES:				
Current operating:				
Transportation	-	-	276	(276)
Capital outlay	-	3,419,437	16,435	3,403,002
Total expenditures	-	3,419,437	16,711	3,402,726
Excess (deficiency) of revenues over (under) expenditures	-	(2,742,256)	1,187,960	3,930,216
OTHER FINANCING SOURCES (USES):				
Budgetary reserves, net	-	2,742,256	-	(2,742,256)
Total other financing sources (uses)	-	2,742,256	-	(2,742,256)
Net change in fund balance	-	-	1,187,960	1,187,960
FUND BALANCE:				
Beginning	4,768,428	4,768,428	4,768,428	-
Ending	\$ 4,768,428	\$ 4,768,428	\$ 5,956,388	\$ 1,187,960

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, 2024

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Special assessments/impact fees	\$ -	\$ 1,962,077	\$ 2,753,226	\$ 791,149
Income on investments	-	-	358,093	358,093
Total revenues	-	1,962,077	3,111,319	1,149,242
EXPENDITURES:				
Current operating:				
Culture and recreation	-	14,500	1,968	12,532
Capital outlay	-	4,687,217	1,264,057	3,423,160
Total expenditures	-	4,701,717	1,266,025	3,435,692
Excess (deficiency) of revenues over (under) expenditures	-	(2,739,640)	1,845,294	4,584,934
OTHER FINANCING SOURCES (USES):				
Budgetary reserves, net	267,674	3,007,314	-	(3,007,314)
Transfers (out)	(267,674)	(267,674)	(267,674)	-
Total other financing sources (uses)	-	2,739,640	(267,674)	(3,007,314)
Net change in fund balance	-	-	1,577,620	1,577,620
FUND BALANCE:				
Beginning	10,738,927	10,738,927	10,738,927	-
Ending	\$ 10,738,927	\$ 10,738,927	\$ 12,316,547	\$ 1,577,620

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, 2024

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Special assessments/impact fees	\$ -	\$ 436,267	\$ 666,405	\$ 230,138
Income on investments	-	-	55,531	55,531
Total revenues	-	436,267	721,936	285,669
EXPENDITURES:				
Current operating:				
Public safety	-	20,943	1,968	18,975
Capital outlay	-	2,318,918	1,477,883	841,035
Total expenditures	-	2,339,861	1,479,851	860,010
Excess (deficiency) of revenues over (under) expenditures	-	(1,903,594)	(757,915)	1,145,679
OTHER FINANCING SOURCES:				
Budgetary reserves, net	-	1,903,594	-	(1,903,594)
Total other financing sources	-	1,903,594	-	(1,903,594)
Net change in fund balance	-	-	(757,915)	(757,915)
FUND BALANCE:				
Beginning	2,178,628	2,178,628	2,178,628	-
Ending	\$ 2,178,628	\$ 2,178,628	\$ 1,420,713	\$ (757,915)

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, 2024

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Special assessments/impact fees	\$ -	\$ 741,422	\$ 1,132,651	\$ 391,229
Income on investments	-	-	139,751	139,751
Total revenues	-	741,422	1,272,402	530,980
EXPENDITURES:				
Current operating:				
Public safety	-	14,500	4,468	10,032
Capital outlay	-	4,370,309	635	4,369,674
Total expenditures	-	4,384,809	5,103	4,379,706
Excess (deficiency) of revenues over (under) expenditures	-	(3,643,387)	1,267,299	4,910,686
OTHER FINANCING SOURCES:				
Budgetary reserves, net	-	3,643,387	-	(3,643,387)
Total other financing sources	-	3,643,387	-	(3,643,387)
Net change in fund balance	-	-	1,267,299	1,267,299
FUND BALANCE:				
Beginning	3,816,084	3,816,084	3,816,084	-
Ending	\$ 3,816,084	\$ 3,816,084	\$ 5,083,383	\$ 1,267,299

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, 2024

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Special assessments/impact fees	\$ -	\$ 1,299,926	\$ 2,015,863	\$ 715,937
Income on investments	-	-	369,406	369,406
Total revenues	-	1,299,926	2,385,269	1,085,343
EXPENDITURES:				
Current operating:				
General government	-	14,450	1,968	715,937
Capital outlay	-	12,686,193	1,543,957	11,142,236
Total expenditures	-	12,700,643	1,545,925	11,858,173
Excess (deficiency) of revenues over (under) expenditures	-	(11,400,717)	839,344	12,943,516
OTHER FINANCING SOURCES (USES):				
Budgetary reserves, net	-	11,400,717	-	(11,400,717)
Total other financing sources (uses)	-	11,400,717	-	(11,400,717)
Net change in fund balance	-	-	839,344	1,542,799
FUND BALANCE:				
Beginning	11,728,626	11,728,626	11,728,626	-
Ending	\$ 11,728,626	\$ 11,728,626	\$ 12,567,970	\$ 1,542,799

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, 2024

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ 2,906,308	\$ 1,741,860	\$ (1,164,448)
Miscellaneous	-	1,483,706	425,318	(1,058,388)
Income on investments	-	-	8,633	8,633
Total revenues	-	4,390,014	2,175,811	(2,214,203)
EXPENDITURES:				
Current operating:				
Public safety	-	1,504,109	732,301	771,808
Transportation	-	-	1,603	(1,603)
Human services	-	-	400,000	(400,000)
Cultural and recreation	-	20,000	15,660	4,340
Capital outlay	-	3,170,623	1,160,622	2,010,001
Total expenditures	-	4,694,732	2,310,186	2,384,546
Excess (deficiency) of revenues over (under) expenditures	-	(304,718)	(134,375)	170,343
OTHER FINANCING SOURCES (USES):				
Budgetary reserves, net	-	304,718	-	(304,718)
Total other financing sources (uses)	-	304,718	-	(304,718)
Net change in fund balance	-	-	(134,375)	(134,375)
FUND BALANCE (DEFICIT):				
Beginning, as previously reported	(126,587)	(126,587)	(126,587)	-
Ending	\$ (126,587)	\$ (126,587)	\$ (260,962)	\$ (134,375)

City of Daytona Beach, Florida

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

Capital Improvement Bonds Revenue Fund

For the Fiscal Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
EXPENDITURES:				
Debt service:				
Interest and fiscal charges	\$ -	\$ 488,933	\$ 474,290	\$ 14,643
Total expenditures	-	488,933	474,290	14,643
Excess (deficiency) of revenues over (under) expenditures	-	(488,933)	(474,290)	14,643
OTHER FINANCING SOURCES (USES):				
Transfers in	-	488,933	488,933	-
Total other financing sources (uses)	-	488,933	488,933	-
Net change in fund balance	-	-	14,643	14,643
FUND BALANCE:				
Beginning of year	-	-	-	-
Ending	\$ -	\$ -	\$ 14,643	\$ 14,643

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, 2024

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Taxes	\$ 1,423,440	\$ 1,423,440	\$ 1,449,331	\$ 25,891
Income on investments	-	-	42,153	42,153
Total revenues	1,423,440	1,423,440	1,491,484	68,044
EXPENDITURES:				
Debt service:				
Principal	1,175,000	1,175,000	1,175,000	-
Interest and fiscal charges	248,464	248,464	248,452	12
Total expenditures	1,423,464	1,423,464	1,423,452	12
Excess of revenues over expenditures	(24)	(24)	68,032	68,056
OTHER FINANCING SOURCES (USES):				
Budgetary reserves, net	24	24	-	(24)
Total other financing sources (uses)	24	24	-	(24)
Net change in fund balance	-	-	68,032	68,032
FUND BALANCE:				
Beginning	594,835	594,835	594,835	-
Ending	\$ 594,835	\$ 594,835	\$ 662,867	\$ 68,032

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, 2024

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Income on investments	\$ -	\$ -	\$ 3,776	\$ 3,776
Total revenues	-	-	3,776	3,776
EXPENDITURES:				
Debt service:				
Principal	3,068,471	3,068,471	3,068,471	-
Interest and fiscal charges	447,247	501,482	501,479	3
Total expenditures	3,515,718	3,569,953	3,569,950	3
Excess (deficiency) of revenues over (under) expenditures	(3,515,718)	(3,569,953)	(3,566,174)	3,779
OTHER FINANCING SOURCES (USES):				
Budgetary reserves, net	-	-	-	-
Transfers in	3,515,718	3,569,953	3,569,951	(2)
Total other financing sources (uses)	3,515,718	3,569,953	3,569,951	(2)
Net change in fund balance	-	-	3,777	3,777
FUND BALANCE:				
Beginning	115,447	115,447	115,447	-
Ending	\$ 115,447	\$ 115,447	\$ 119,224	\$ 3,777

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, 2024

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
EXPENDITURES:				
Debt service:				
Principal	\$ 1,418,115	\$ 1,418,115	\$ 2,259,643	\$ (841,528)
Interest and fiscal charges	82,870	82,870	103,273	(20,403)
Total expenditures	1,500,985	1,500,985	2,362,916	(861,931)
Excess (deficiency) of revenues over (under) expenditures	(1,500,985)	(1,500,985)	(2,362,916)	(861,931)
OTHER FINANCING SOURCES (USES):				
Budgetary reserves, net	(289)	(289)	-	289
Transfers in	1,501,274	1,501,274	2,362,916	861,642
Total other financing sources (uses)	1,500,985	1,500,985	2,362,916	861,931
Net change in fund balance	-	-	-	-
FUND BALANCE:				
Beginning	-	-	-	-
Ending	\$ -	\$ -	\$ -	\$ -

City of Daytona Beach, Florida Nonmajor Enterprise Funds

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

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

City of Daytona Beach, Florida
Combining Statement of Net Position
Nonmajor Enterprise Funds
September 30, 2024

	Halifax Harbor	Daytona Beach Pier	Total Nonmajor Enterprise Funds
ASSETS:			
Current assets:			
Equity in pooled cash, cash equivalents, and investments	\$ 2,092,924	\$ 557,841	\$ 2,650,765
Accrued Interest Receivable	145	570	715
Lease Receivable	602,079	851,716	1,453,795
Inventory	60,373	-	60,373
Prepays	18,371	138,140	156,511
Total current assets	2,773,892	1,548,267	4,322,159
Noncurrent assets:			
Restricted equity in pooled cash, cash equivalents, and investments	451,221	-	451,221
Capital assets:			
Non-depreciable	38,603	159,259	197,862
Depreciable (net)	3,242,800	3,213,526	6,456,326
Right-to-use leased assets (net)	-	92,064	92,064
Total noncurrent assets	3,732,624	3,464,849	7,197,473
Total assets	6,506,516	5,013,116	11,519,632
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred amount on refunding	40,940	-	40,940
Deferred amount on other post-employment benefits	854	613	1,467
Deferred amount for pensions	128,280	3,404	131,684
Total deferred outflows of resources	170,074	4,017	174,091
LIABILITIES:			
Current liabilities:			
Accounts payable and other liabilities	152,463	16,398	168,861
Intergovernmental payable	15,974	2,690	18,664
Contracts payable	-	7,963	7,963
Unearned revenues	97,554	-	97,554
Compensated absences	12,160	11,058	23,218
Other post-employment benefits	257	6	263
Lease liability	-	41,996	41,996
Notes payable	616,000	-	616,000
Payable from restricted assets:			
Accrued interest	48,675	55	48,730
Deposits	133,518	-	133,518
Total current liabilities	1,076,601	80,166	1,156,767
Noncurrent liabilities:			
Compensated absences	74,738	31,031	105,769
Other post-employment benefits	3,986	97	4,083
Net pension liability	382,608	66,792	449,400
Lease liability	-	54,584	54,584
Notes payable	2,684,000	-	2,684,000
Total noncurrent liabilities	3,145,332	152,504	3,297,836
Total liabilities	4,221,933	232,670	4,454,603
DEFERRED INFLOWS OF RESOURCES:			
Deferred amount on other post-employment benefits	1,895	2,730	4,625
Deferred amount for pensions	45,481	16,611	62,092
Deferred amounts for leases	570,221	829,753	1,399,974
Total deferred inflows of resources	617,597	849,094	1,466,691
NET POSITION (DEFICIT):			
Net investment in capital assets (deficit)	22,343	3,360,306	3,382,649
Restricted:			
Debt covenants	402,546	-	402,546
Unrestricted	1,412,171	575,063	1,987,234
Total net position (deficit)	\$ 1,837,060	\$ 3,935,369	\$ 5,772,429

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, 2024

	Halifax Harbor	Daytona Beach Pier	Total Nonmajor Enterprise Funds
OPERATING REVENUES:			
Charges for services	\$ 3,980,462	\$ 776,007	\$ 4,756,469
Lease revenue	241,139	301,728	542,867
Other receipts	8,810	360	9,170
Total operating revenues	4,230,411	1,078,095	5,308,506
OPERATING EXPENSES:			
Personnel services	216,039	199,266	415,305
Contractual services	2,442,657	583,252	3,025,909
Materials and supplies	804,146	26,082	830,228
Depreciation	220,084	257,088	477,172
Amortization	-	40,918	40,918
Total operating expenses	3,682,926	1,106,606	4,789,532
Operating income (loss)	547,485	(28,511)	518,974
NONOPERATING			
REVENUES (EXPENSES):			
Income on investments	72,676	25,889	98,565
Interest expense	(128,601)	(790)	(129,391)
Total nonoperating revenues (expenses)	(55,925)	25,099	(30,826)
Income (loss) before transfers	491,560	(3,412)	488,148
Transfers (out)	-	(109,660)	(109,660)
Change in net position	491,560	(113,072)	378,488
NET POSITION (DEFICIT):			
Beginning	1,345,500	4,048,441	5,393,941
Ending	\$ 1,837,060	\$ 3,935,369	\$ 5,772,429

City of Daytona Beach, Florida
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended September 30, 2024

	Halifax Harbor	Daytona Beach Pier	Total Nonmajor Enterprise Funds
CASH FLOWS FROM			
OPERATING ACTIVITIES:			
Receipts from customers	\$ 4,226,890	\$ 1,075,431	\$ 5,302,321
Other receipts	8,810	360	9,170
Payments to suppliers	(3,312,723)	(599,265)	(3,911,988)
Payments to employees	(207,444)	(198,387)	(405,831)
Net cash provided by (used for) operating activities	715,533	278,139	993,672
CASH FLOWS FROM NONCAPITAL			
FINANCING ACTIVITIES:			
Transfer from other funds	-	-	-
Transfer (to) other funds	-	(109,660)	(109,660)
Net cash provided by (used for) noncapital financing activities	-	(109,660)	(109,660)
CASH FLOWS FROM CAPITAL AND			
RELATED FINANCING ACTIVITIES:			
Principal payments on bonds, loans and notes	(595,000)	-	(595,000)
Principal payments on lease liability	-	(40,475)	(40,475)
Interest payments on bonds, loans, notes and leases	(127,361)	(813)	(128,174)
Acquisition and construction of capital assets	-	(159,259)	(159,259)
Net cash (used for) capital and related financing activities	(722,361)	(200,547)	(922,908)
CASH FLOWS FROM INVESTING			
ACTIVITIES:			
Interest received	72,676	26,090	98,766
Net cash provided by investing activities	72,676	26,090	98,766
Net increase (decrease) in cash and cash equivalents	65,848	(5,978)	59,870
EQUITY IN POOLED CASH, CASH EQUIVALENTS, AND			
INVESTMENTS:			
Beginning	2,478,297	563,819	3,042,116
Ending	\$ 2,544,145	\$ 557,841	\$ 3,101,986
Classified as:			
Unrestricted	\$ 2,092,924	\$ 557,841	\$ 2,650,765
Restricted	451,221	-	451,221
Total	\$ 2,544,145	\$ 557,841	\$ 3,101,986

City of Daytona Beach, Florida
Combining Statement of Cash Flows (Continued)
Nonmajor Enterprise Funds
For the Fiscal Year Ended September 30, 2024

	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)	\$ 547,485	\$ (28,511)	\$ 518,974
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and amortization	220,084	298,006	518,090
(Increase) decrease in:			
Lease receivable	(139,093)	299,424	160,331
Inventories	(10,586)	-	(10,586)
Prepays	(597)	(12,015)	(12,612)
Deferred outflow amount for pensions	4,382	2,380	6,762
Deferred outflow amount for OPEB	(154)	(231)	(385)
Increase (decrease) in:			
Accounts payable and other liabilities	(64,715)	15,305	(49,410)
Contracts payable	-	7,963	7,963
Intergovernmental payable	(2,635)	(1,184)	(3,819)
Unearned revenues	11,562	-	11,562
Deposits	12,613	-	12,613
Compensated absences	5,201	(912)	4,289
Other post-employment benefits	315	472	787
Net pension liability	(27,015)	(14,665)	(41,680)
Deferred inflow amount for leases	132,820	(301,728)	(168,908)
Deferred inflow amount for OPEB	(217)	(324)	(541)
Deferred inflow amount for pensions	26,083	14,159	40,242
Total adjustments	168,048	306,650	474,698
Net cash provided by (used for) operating activities	\$ 715,533	\$ 278,139	\$ 993,672
Noncash capital and related financing activities:			
Amortization of deferred amount on refunding	\$ 10,026	\$ -	\$ 10,026
Prior year construction-in-progress costs abandoned	\$ -	\$ 7,987	\$ 7,987



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City of Daytona Beach, Florida Internal Service Funds

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

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

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

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

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

City of Daytona Beach, Florida
Combining Statement of Net Position
Internal Service Funds
September 30, 2024

	Fleet Maintenance	Employment Services	Property Maintenance	Information Technology
ASSETS:				
Current assets:				
Equity in pooled cash, cash equivalents, and investments	\$ 356,838	\$ 827,380	\$ 365,354	\$ 1,412,440
Inventory	98,267	-	-	-
Prepays	-	-	-	-
Total current assets	455,105	827,380	365,354	1,412,440
Noncurrent assets:				
Capital assets:				
Non-depreciable	-	-	-	69,762
Depreciable (net)	-	-	140,798	630,793
Right to use lease asset (net)	-	-	-	275,605
Right to use subscription asset (net)	-	-	-	794,382
Total noncurrent assets	-	-	140,798	1,770,542
Total assets	455,105	827,380	506,152	3,182,982
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred amount for other post-employment benefits	3,054	5,953	12,823	16,077
Deferred amount for pensions	87,456	362,971	267,323	393,493
Total deferred outflows of resources	90,510	368,924	280,146	409,570
LIABILITIES:				
Current liabilities:				
Accounts payable and other liabilities	153,360	21,274	57,521	342,945
Intergovernmental payable	579	1,248	1,930	3,811
Insurance claims payable	-	-	-	-
Lease liability	-	-	-	68,563
Subscription liability	-	-	-	465,211
Compensated absences	22,789	53,707	74,031	137,199
Other post-employment benefits	2,646	2,066	3,690	3,616
Total current liabilities	179,374	78,295	137,172	1,021,345
Noncurrent liabilities:				
Insurance claims payable	-	-	-	-
Compensated absences	66,242	145,289	89,948	304,450
Lease liability	-	-	-	206,117
Subscription liability	-	-	-	248,224
Other post-employment benefits	41,446	32,365	57,808	56,655
Net pension liability	306,596	1,294,820	925,340	1,664,672
Total noncurrent liabilities	414,284	1,472,474	1,073,096	2,480,118
Total liabilities	593,658	1,550,769	1,210,268	3,501,463
DEFERRED INFLOWS OF RESOURCES:				
Deferred amount for other post-employment benefits	5,554	9,756	22,652	37,569
Deferred amount for pensions	38,840	142,974	121,287	193,187
Total deferred inflows of resources	44,394	152,730	143,939	230,756
NET POSITION (DEFICIT):				
Net investment in capital assets	-	-	140,798	782,427
Unrestricted	(92,437)	(507,195)	(708,707)	(922,094)
Total net position (deficit)	\$ (92,437)	\$ (507,195)	\$ (567,909)	\$ (139,667)

City of Daytona Beach, Florida
Combining Statement of Net Position (Continued)
Internal Service Funds
September 30, 2024

	Consolidated Insurance	Totals
ASSETS:		
Current assets:		
Equity in pooled cash, cash equivalents, and investments	\$ 12,110,682	\$ 15,072,694
Inventory	-	98,267
Prepays	424,954	424,954
Total current assets	12,535,636	15,595,915
Noncurrent assets:		
Capital assets:		
Non-depreciable	-	69,762
Depreciable (net)	10,983	782,574
Right to use lease asset (net)	-	275,605
Right to use subscription asset (net)	-	794,382
Total noncurrent assets	10,983	1,922,323
Total assets	12,546,619	17,518,238
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred amount for other post-employment benefits	6,601	44,508
Deferred amount for pensions	219,478	1,330,721
Total deferred outflows of resources	226,079	1,375,229
LIABILITIES:		
Current liabilities:		
Accounts payable and other liabilities	918,640	1,493,740
Intergovernmental payable	1,426	8,994
Insurance claims payable	2,390,000	2,390,000
Lease liability	-	68,563
Subscription liability	-	465,211
Compensated absences	52,783	340,509
Other post-employment benefits	2,873	14,891
Total current liabilities	3,365,722	4,781,908
Noncurrent liabilities:		
Insurance claims payable	9,417,000	9,417,000
Compensated absences	59,539	665,468
Lease liability	-	206,117
Subscription liability	-	248,224
Other post-employment benefits	45,009	233,283
Net pension liability	889,789	5,081,217
Total noncurrent liabilities	10,411,337	15,851,309
Total liabilities	13,777,059	20,633,217
DEFERRED INFLOWS OF RESOURCES:		
Deferred amount for other post-employment benefits	12,188	87,719
Deferred amount for pensions	92,347	588,635
Total deferred inflows of resources	104,535	676,354
NET POSITION (DEFICIT):		
Net investment in capital assets	10,983	934,208
Unrestricted	(1,119,879)	(3,350,312)
Total net position	\$ (1,108,896)	\$ (2,416,104)

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, 2024

	Fleet Maintenance	Employment Services	Property Maintenance	Information Technology
OPERATING REVENUES:				
Charges for services	\$ 3,164,241	\$ 748,007	\$ 1,735,933	\$ 6,253,820
Other receipts	387	-	2,641	86,350
Total operating revenues	3,164,628	748,007	1,738,574	6,340,170
OPERATING EXPENSES:				
Personnel services	460,836	952,072	1,576,578	2,618,749
Contractual services	1,052,221	120,867	677,742	2,288,042
Materials and supplies	1,673,911	17,262	79,270	487,839
Depreciation	-	-	27,257	166,440
Amortization	-	-	-	635,818
Total operating expenses	3,186,968	1,090,201	2,360,847	6,196,888
Operating income (loss)	(22,340)	(342,194)	(622,273)	143,282
NONOPERATING REVENUE:				
Income on investments	7,451	30,329	21,417	42,418
Interest expense	-	-	-	(5,633)
Gain (loss) on disposal of capital assets	3,351	-	-	23,154
Total other financing sources	10,802	30,329	21,417	59,939
Income (loss) before capital grants, contributions and transfers	(11,538)	(311,865)	(600,856)	203,221
Capital grants and contributions	-	-	-	-
Transfers (out)	-	-	-	-
Change in net position	(11,538)	(311,865)	(600,856)	203,221
NET POSITION (DEFICIT):				
Beginning	(80,899)	(195,330)	32,947	(342,888)
Ending	\$ (92,437)	\$ (507,195)	\$ (567,909)	\$ (139,667)

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, 2024

	Consolidated	
	Insurance	Totals
OPERATING REVENUES:		
Charges for services	\$ 9,635,702	\$ 21,537,703
Other receipts	880	90,258
Total operating revenues	9,636,582	21,627,961
OPERATING EXPENSES:		
Personnel services	1,084,419	6,692,654
Contractual services	7,753,753	11,892,625
Materials and supplies	103,706	2,361,988
Depreciation	2,383	196,080
Amortization	-	635,818
Total operating expenses	8,944,261	21,779,165
Operating income (loss)	692,321	(151,204)
NONOPERATING REVENUE:		
Income on investments	322,775	424,390
Interest expense	-	(5,633)
Gain (loss) on disposal of capital assets	-	26,505
Total other financing sources	322,775	445,262
Income (loss) before capital grants, contributions and transfers	1,015,096	294,058
Capital grants and contributions	-	-
Transfers (out)	-	-
Change in net position	1,015,096	294,058
NET POSITION (DEFICIT):		
Beginning	(2,123,992)	(2,710,162)
Ending	\$ (1,108,896)	\$ (2,416,104)

City of Daytona Beach, Florida
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended September 30, 2024

	Fleet Maintenance	Employment Services	Property Maintenance	Information Technology
CASH FLOWS FROM				
OPERATING ACTIVITIES:				
Receipts from customers	\$ 3,164,241	\$ 748,007	\$ 1,735,933	\$ 6,253,820
Other receipts	387	-	2,641	86,350
Payments to suppliers	(2,629,339)	(141,264)	(768,078)	(2,747,729)
Payments to employees	(447,781)	(925,503)	(1,533,554)	(2,525,168)
Net cash provided by (used by) operating activities	87,508	(318,760)	(563,058)	1,067,273
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from sale of capital assets	3,351	-	-	23,154
Acquisition and construction of capital assets	-	-	(62,831)	(388,273)
Interest paid on capital-related debt	-	-	-	(5,633)
Principal payments on lease liability	-	-	-	(64,673)
Principal payments on subscription liability	-	-	-	(606,337)
Net cash provided by (used for) capital and related financing activities	3,351	-	(62,831)	(1,041,762)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	7,451	30,329	21,417	42,418
Net cash provided by investing activities	7,451	30,329	21,417	42,418
Net increase (decrease) in equity in pooled cash, cash equivalents, and investments	98,310	(288,431)	(604,472)	67,929
EQUITY IN POOLED CASH, CASH EQUIVALENTS, AND INVESTMENTS:				
Beginning	258,528	1,115,811	969,826	1,344,511
Ending	\$ 356,838	\$ 827,380	\$ 365,354	\$ 1,412,440

City of Daytona Beach, Florida
Combining Statement of Cash Flows (Continued)
Internal Service Funds
For the Fiscal Year Ended September 30, 2024

	Consolidated Insurance	Totals
CASH FLOWS FROM		
OPERATING ACTIVITIES:		
Receipts from customers	\$ 9,635,702	\$ 21,537,703
Other receipts	880	90,258
Payments to suppliers	(7,197,476)	(13,483,886)
Payments to employees	(1,064,266)	(6,496,272)
Net cash provided by (used by) operating activities	1,374,840	1,647,803
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from sale of capital assets	-	26,505
Acquisition and construction of capital assets	-	(451,104)
Interest paid on capital-related debt	-	(5,633)
Principal payments on lease liability	-	(64,673)
Principal payments on subscription liability	-	(606,337)
Net cash provided by (used for) capital and related financing activities	-	(1,101,242)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	322,775	424,390
Net cash provided by investing activities	322,775	424,390
Net increase (decrease) in equity in pooled cash, cash equivalents, and investments	1,697,615	970,951
EQUITY IN POOLED CASH, CASH EQUIVALENTS, AND INVESTMENTS:		
Beginning	10,413,067	14,101,743
Ending	\$ 12,110,682	\$ 15,072,694

City of Daytona Beach, Florida
Combining Statement of Cash Flows (Continued)
Internal Service Funds
For the Fiscal Year Ended September 30, 2024

	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)	\$ (22,340)	\$ (342,194)	\$ (622,273)	\$ 143,282
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	-	-	27,257	802,258
(Increase) decrease in:				
Inventory	48,037	-	-	-
Prepays	-	-	-	2,500
Deferred amount for pensions	4,445	13,525	15,905	26,865
Deferred amount for OPEB	(649)	(961)	(2,219)	(2,965)
Increase (decrease) in:				
Accounts payable and other liabilities	48,589	(3,499)	(11,615)	24,466
Intergovernmental payable	167	364	549	1,186
Insurance claims payable	-	-	-	-
Compensated absences	9,788	16,260	31,295	73,484
Other post-employment benefits	1,328	1,970	4,544	6,072
Net pension liability	(27,399)	(83,358)	(98,024)	(165,558)
Deferred amount for pensions	26,454	80,486	94,644	159,853
Deferred amount for OPEB	(912)	(1,353)	(3,121)	(4,170)
Total adjustments	109,848	23,434	59,215	923,991
Net cash provided by (used in) operating activities	\$ 87,508	\$ (318,760)	\$ (563,058)	\$ 1,067,273
Noncash capital and related financing activities:				
Issuance of debt	\$ -	\$ -	\$ -	\$ 541,007

City of Daytona Beach, Florida
Combining Statement of Cash Flows (Continued)
Internal Service Funds
For the Fiscal Year Ended September 30, 2024

	Consolidated Insurance	Totals
RECONCILIATION OF OPERATING		
INCOME (LOSS) TO NET CASH		
PROVIDED BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ 692,321	\$ (151,204)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	2,383	831,898
(Increase) decrease in:		
Inventory	-	48,037
Prepays	5,818	8,318
Deferred amount for pensions	9,080	69,820
Deferred amount for OPEB	(1,131)	(7,925)
Increase (decrease) in:		
Accounts payable and other liabilities	(106,177)	(48,236)
Intergovernmental payable	342	2,608
Insurance claims payable	760,000	760,000
Compensated absences	13,407	144,234
Other post-employment benefits	2,314	16,228
Net pension liability	(55,958)	(430,297)
Deferred amount for pensions	54,030	415,467
Deferred amount for OPEB	(1,589)	(11,145)
Total adjustments	682,519	1,799,007
Net cash provided by (used by)		
operating activities	\$ 1,374,840	\$ 1,647,803
Noncash capital and related financing activities:		
Issuance of debt	\$ -	\$ 541,007



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City of Daytona Beach, Florida Discretely Presented Component Units

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

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

City of Daytona Beach, Florida
Combining Statement of Net Position
Discretely Presented Component Units
September 30, 2024

	Downtown Development Authority	First Step Shelter, Inc.	Total Component Units
ASSETS:			
Equity in pooled cash, cash equivalents, and investments	\$ 79,078	\$ 1,870,366	\$ 1,949,444
Accounts receivable (net)	104	25,154	25,258
Deposits	-	19,145	19,145
Prepays	-	4,160	4,160
Depreciable assets, net of depreciation	-	66,849	66,849
Total assets	79,182	1,985,674	2,064,856
LIABILITIES:			
Accounts payable and other liabilities	10,670	47,534	58,204
Compensated absences	-	10,128	10,128
Total liabilities	10,670	57,662	68,332
NET POSITION:			
Net investment in capital assets	-	66,849	66,849
Restricted:			
Human services	-	1,861,163	1,861,163
Unrestricted	68,512	-	68,512
Total net position	\$ 68,512	\$ 1,928,012	\$ 1,996,524

City of Daytona Beach, Florida
Combining Statement of Activities
Discretely Presented Component Units
For the Fiscal Year Ended September 30, 2024

	Downtown Development Authority	First Step Shelter, Inc.	Total Component Units
OPERATING REVENUES:			
Taxes	\$ 223,026	\$ -	\$ 223,026
Operating grants and contributions	117,961	1,618,068	1,736,029
Income on investments	3,282	73,175	76,457
Total operating revenues	344,269	1,691,243	2,035,512
OPERATING EXPENSES:			
Current operating:			
Downtown development	326,465	-	326,465
Human services	-	1,606,891	1,606,891
Total operating expenses	326,465	1,606,891	1,933,356
Change in net position	17,804	84,352	102,156
NET POSITION:			
Beginning	50,708	1,843,660	1,894,368
Ending	\$ 68,512	\$ 1,928,012	\$ 1,996,524

City of Daytona Beach, Florida
Combining Schedule of Deposits and Withdrawals
Redevelopment Trust Funds
For the Fiscal Year Ended September 30, 2024

	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	\$ 985,222	\$ 2,597,973	\$ 119,725	\$ 478,840	\$ 197,634	\$ 4,379,394
Volusia County	616,136	1,624,714	74,874	299,456	123,596	2,738,776
Halifax Hospital	142,939	376,921	17,370	69,471	28,673	635,374
East Volusia Mosquito Control	32,315	85,212	3,927	15,706	6,482	143,642
Ponce DeLeon Inlet and Port Authority	12,556	33,109	1,526	6,102	2,519	55,812
Volusia ECHO	36,288	95,690	4,410	17,637	7,279	161,304
Volusia Forever	36,288	95,690	4,410	17,637	7,279	161,304
Volusia Public Safety Fund	263,833	695,711	32,061	128,229	53,163	1,172,997
Downtown Development Authority	117,961	-	-	-	-	117,961
Charges for services	-	174,370	-	68,734	-	243,104
Licenses and permits	-	-	-	-	-	-
Income on investments	66,296	362,829	62,258	89,257	48,680	629,320
Miscellaneous	-	7,470	-	1,832	-	9,302
Issuance of debt	-	-	-	2,107,543	-	2,107,543
Total deposits	2,309,834	6,149,689	320,561	3,300,444	475,305	12,555,833
WITHDRAWALS:						
Current operating:						
Personnel services	149,210	309,707	95,421	149,719	4,545	708,602
Professional services	1,270	27,512	709	47,011	2,537	79,039
Contractual services	1,287,678	327,089	62,145	218,671	27,443	1,923,026
Materials and supplies	12,992	13,357	336	4,056	-	30,741
Capital outlay	227,507	156,737	-	1,140,300	-	1,524,544
Debt Service	-	-	-	25,000	-	25,000
Transfers to debt service funds	236,186	2,511,260	-	268,975	-	3,016,421
Total withdrawals	1,914,843	3,345,662	158,611	1,853,732	34,525	7,307,373
Excess (deficiency) of deposits over (under) withdrawals	394,991	2,804,027	161,950	1,446,712	440,780	5,248,460
FUND BALANCE:						
Beginning	1,482,167	9,019,296	1,822,619	1,716,500	1,181,290	15,221,872
Ending	\$ 1,877,158	\$ 11,823,323	\$ 1,984,569	\$ 3,163,212	\$ 1,622,070	\$ 20,470,332

STATISTICAL SECTION



Statistical Section

Summary of Statistical Tables

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

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

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

Table 1

	Post GASB Statement No. 68									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental activities:										
Net investment in capital assets.....	\$ 110,533,663	\$ 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
Restricted.....	82,904,805	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
Unrestricted (deficit).....	(63,828,973)	(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)
Total governmental activities net position.....	\$ 129,609,495	\$ 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
Business-type activities:										
Net investment in capital assets.....	\$ 86,703,441	\$ 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
Restricted.....	73,457,534	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
Unrestricted.....	49,435,457	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
Total business-type activities net position.....	\$ 209,596,432	\$ 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
Primary government:										
Net investment in capital assets.....	\$ 197,237,104	\$ 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
Restricted.....	156,362,339	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
Unrestricted (deficit).....	(14,393,516)	(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)
Total primary government net position.....	\$ 339,205,927	\$ 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

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

Table 2

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Expenses:										
Governmental activities:										
General government.....	\$ 29,089,605	\$ 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
Public safety.....	78,330,034	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
Physical environment.....	-	-	-	-	875,087	1,089,956	3,383,357	6,009,372	-	-
Transportation.....	13,223,362	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
Economic environment.....	5,369,947	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
Human services.....	829,927	825,263	807,741	661,205	804,993	2,529	508,592	1,753,902	540,138	78,972
Cultural and recreation.....	17,876,780	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
Interest and fiscal charges.....	1,557,585	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
Total governmental activities expenses.....	146,277,240	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
Business-type activities:										
Water and sewer system.....	51,798,858	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
Solid waste management.....	13,121,632	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
Storm water improvement.....	6,111,779	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
Halifax Harbor.....	3,799,986	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
Cultural services.....	-	-	-	-	-	3,543,121	4,517,646	3,471,843	3,592,082	3,554,638
Municipal Golf Course.....	-	-	-	-	-	1,986,735	1,942,714	1,822,116	1,782,413	2,068,289
Florida Tennis Center.....	-	-	-	-	-	599,536	596,688	546,838	580,029	585,676
Municipal Stadium/Jackie Robinson Ballpark.....	-	-	-	-	-	175,748	350,857	364,654	486,014	380,920
Daytona Beach Pier.....	1,109,059	1,024,509	1,340,557	975,289	1,948,461	711,578	741,394	666,490	467,409	527,508
Total business-type activities expenses.....	75,941,314	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
Total primary government expenses.....	\$ 222,218,554	\$ 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
Program revenues:										
Governmental activities:										
Fees, fines, and charges for services:										
General government.....	\$ 13,700,515	\$ 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
Public safety.....	4,819,998	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
Transportation.....	1,097,714	952,750	1,518,121	743,205	701,615	783,637	629,049	442,249	820,460	133,564
Economic environment.....	493,446	672,765	741,154	492,691	528,952	650,860	1,021,559	777,830	682,020	661,149
Cultural and recreation.....	13,215,274	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
Operating grants and contributions.....	2,905,850	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
Capital grants and contributions.....	33,052	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
Total governmental activities program revenues.....	36,265,849	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

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

Table 2 (Continued)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Business-type activities:										
Fees, fines, and charges for services:										
Water and sewer system.....	\$ 72,436,353	\$ 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
Solid waste management.....	26,050,188	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
Storm water improvement.....	17,970,115	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
Halifax Harbor.....	4,221,601	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
Cultural services.....	-	-	-	-	-	3,531,723	3,515,051	2,853,193	2,894,245	2,707,998
Municipal Golf Course.....	-	-	-	-	-	1,519,859	1,468,945	1,368,576	1,626,009	1,834,737
Florida Tennis Center.....	-	-	-	-	-	454,101	399,868	435,979	479,957	460,547
Municipal Stadium/Jackie Robinson Ballpark.....	-	-	-	-	-	283,869	255,439	351,006	423,883	361,498
Daytona Beach Pier.....	1,077,735	1,024,363	1,022,369	785,005	594,116	979,207	986,184	804,898	969,817	944,424
Operating grants and contributions.....	-	-	-	-	-	98,781	65,763	72,854	151,475	435,595
Capital grants and contributions.....	11,941,957	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
Total business-type activities program revenues.....	<u>133,697,949</u>	<u>125,710,973</u>	<u>116,109,758</u>	<u>104,382,037</u>	<u>97,658,511</u>	<u>102,496,535</u>	<u>97,724,053</u>	<u>89,924,439</u>	<u>86,748,654</u>	<u>79,221,481</u>
Total primary government program revenue.....	<u>\$ 169,963,798</u>	<u>\$ 159,242,382</u>	<u>\$ 165,087,902</u>	<u>\$ 137,424,726</u>	<u>\$ 124,817,997</u>	<u>\$ 123,511,235</u>	<u>\$ 122,606,795</u>	<u>\$ 106,452,825</u>	<u>\$ 105,418,743</u>	<u>\$ 94,716,834</u>
Net (expense)/revenue:										
Governmental activities.....	\$ (110,011,391)	\$ (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)
Business-type activities.....	57,756,635	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
Total primary government net expense.....	<u>\$ (52,254,756)</u>	<u>\$ (68,524,085)</u>	<u>\$ (33,619,842)</u>	<u>\$ (25,786,073)</u>	<u>\$ (48,565,028)</u>	<u>\$ (41,220,733)</u>	<u>\$ (34,730,944)</u>	<u>\$ (46,476,875)</u>	<u>\$ (32,120,560)</u>	<u>\$ (42,281,513)</u>
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Property taxes.....	\$ 46,065,662	\$ 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
Gas taxes.....	2,035,990	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
Public service taxes.....	15,421,115	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
Sales taxes.....	5,125,464	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
Franchise taxes.....	8,496,719	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
Tax increment taxes.....	5,069,209	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.....	1,625,574	1,393,607	1,134,302	1,081,810	1,058,682	991,258	937,925	813,175	903,455	3,489,116
Intergovernmental revenues not restricted										
to specific programs.....	5,258,300	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
Investment earnings.....	7,099,105	4,014,122	(2,402,077)	63,560	2,188,981	2,767,495	843,607	404,539	347,629	390,887
Miscellaneous.....	1,701,556	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
Transfers.....	30,324,700	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
Total governmental activities.....	<u>128,223,394</u>	<u>121,293,346</u>	<u>97,317,208</u>	<u>91,923,082</u>	<u>90,722,412</u>	<u>90,619,854</u>	<u>78,223,001</u>	<u>75,881,509</u>	<u>73,022,985</u>	<u>67,618,024</u>
Business-type activities:										
Income on investments.....	3,977,204	5,115,231	694,102	500,292	535,839	790,992	620,629	517,045	522,150	557,846
Miscellaneous.....	146,449	682,303	627,000	128,273	111,737	511,045	407,550	938,753	811,592	1,203,256
Transfers.....	(30,324,700)	(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)
Total business-type activities.....	<u>(26,201,047)</u>	<u>(26,858,933)</u>	<u>(23,391,465)</u>	<u>(24,626,157)</u>	<u>(24,515,473)</u>	<u>(24,055,568)</u>	<u>(16,644,974)</u>	<u>(15,723,670)</u>	<u>(16,669,824)</u>	<u>(13,285,941)</u>
Total primary government.....	<u>\$ 102,022,347</u>	<u>\$ 94,434,413</u>	<u>\$ 73,925,743</u>	<u>\$ 67,296,925</u>	<u>\$ 66,206,939</u>	<u>\$ 66,564,286</u>	<u>\$ 61,578,027</u>	<u>\$ 60,157,839</u>	<u>\$ 56,353,161</u>	<u>\$ 54,332,083</u>
Changes in net position:										
Governmental activities.....	\$ 18,212,003	\$ 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
Business-type activities.....	31,555,588	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
Total primary government.....	<u>\$ 49,767,591</u>	<u>\$ 25,910,328</u>	<u>\$ 40,305,901</u>	<u>\$ 41,510,852</u>	<u>\$ 17,641,911</u>	<u>\$ 25,343,553</u>	<u>\$ 26,847,083</u>	<u>\$ 13,680,964</u>	<u>\$ 24,232,601</u>	<u>\$ 12,050,570</u>

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

Table 3

	Post GASB Statement No. 54									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Fund:										
Non-spendable.....	\$ 791,742	\$ 704,990	\$ 527,183	\$ 430,033	\$ 419,152	\$ 232,962	\$ 385,002	\$ 370,690	\$ 380,664	\$ 393,251
Restricted.....	-	-	-	-	792,530	267,489	258,549	331,932	333,837	367,343
Assigned.....	12,800,492	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
Unassigned.....	37,585,087	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
Total General Fund.....	\$ 51,177,321	\$ 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
All other governmental funds:										
Non-spendable.....	\$ -	\$ 520	\$ 1,560	\$ -	\$ -	\$ -	\$ -	\$ 1,890	\$ -	\$ -
Restricted.....	82,904,805	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
Assigned.....	55,668,880	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
Unassigned.....	(10,876,075)	(7,151,680)	-	-	7,050	(1,595,581)	(2,881,458)	-	-	-
Total all other governmental funds.....	\$ 127,697,610	\$ 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

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

Table 4

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues:										
Taxes.....	\$ 66,118,495	\$ 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
Licenses and permits.....	16,722,089	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
Intergovernmental.....	18,186,476	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
Charges for services.....	15,439,259	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
Fines and forfeitures.....	1,211,152	984,389	1,399,741	818,052	467,320	501,464	519,410	566,132	608,225	694,122
Special assessments/impact fees.....	7,652,411	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
Income on investments.....	6,708,467	3,661,877	(2,442,733)	42,537	2,152,329	2,697,121	807,543	392,496	345,865	381,594
Miscellaneous.....	1,997,605	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
Total revenues	134,035,954	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
Expenditures:										
General government.....	24,920,055	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
Public safety.....	71,521,066	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
Physical Environment.....	-	-	-	-	875,087	1,089,956	3,383,357	6,009,372	-	-
Transportation.....	11,882,395	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
Economic environment.....	5,562,892	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
Grants and Aids.....	688,666	671,964	-	-	-	-	-	-	-	-
Human services.....	829,927	825,263	807,741	661,205	804,993	2,529	508,592	502,824	540,138	78,972
Culture and recreation.....	15,608,707	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
Capital outlay.....	17,907,089	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
Debt service:										
Principal.....	6,503,114	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
Interest and fiscal charges.....	1,352,494	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
Total expenditures.....	156,776,405	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
Excess (deficiency) of revenue over										
(under) expenditures.....	(22,740,451)	(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)
Other financing sources (uses):										
Issuance of debt.....	53,143,987	325,095	3,957,735	25,245,198	354,030	-	2,018,000	789,743	838,116	1,004,865
Issuance of debt premiums.....	3,818,895	-	-	-	-	-	-	-	-	-
Payments to escrow agent.....	-	-	-	(19,190,000)	-	-	(1,555,899)	-	-	-
Insurance recoveries.....	246,944	1,719,344	150,606	103,779	216,050	149,486	345,460	-	-	-
Transfers in.....	101,244,060	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
Transfers (out).....	(70,919,360)	(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)
Total other financing sources (uses).....	87,534,526	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
Net change in fund balances.....	\$ 64,794,075	\$ 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
Debt service expenditures as a percentage										
of noncapital expenditures.....	5.7%	5.4%	5.1%	7.5%	5.3%	6.2%	6.2%	6.2%	7.2%	7.2%

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
2024	\$ 6,548,399,924	\$ 3,403,210,077	\$ 356,689,084	\$ 129,350,708	\$ 608,941,512	\$ 1,660,346,577	\$ 556,167,221	\$1,027,499,612	\$ 14,290,604,715	\$ 5,797,779,608	\$ 8,492,825,107	5.60490 %
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

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 2023-24 data was obtained from the 2023 calendar year tax roll)

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

Table 6

Fiscal Year ¹	City of Daytona Beach			Overlapping Rates									Special Districts				Total Direct and Overlapping Rates				
	City of Daytona Beach			Volusia County			St. Johns River Water Management			Florida Inland			Volusia County School District					Special Districts			
	Operating	Debt Service	Total City	Operating	Debt Service	Total County	District	District	District	School District Required	School District Discretionary	School District Debt Service	School District Total	Daytona Beach Downtown Development Authority	Ponce DeLeon Inlet and Port Authority	Mosquito Control District		Total Special Districts			
2024	5.43000	0.17490	5.60490	5.27080	0.40000	5.67080	0.17930	0.02880	0.78780	4.66100	0.74800	-	5.40900	1.00000	0.06920	0.17810	1.24730	18.92790			
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			

Source: Volusia County Property Appraiser's website.

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

¹All property valuations for the specified fiscal year ends are obtained from the previous year's tax roll (i.e. all FY 2023-24 data was obtained from the 2023 calendar year tax roll).

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

Table 7

Taxpayer	Type of Business	September 30, 2024			September 30, 2015		
		(2024 Tax Roll) Assessed Taxable Value	Rank	Percent to Total Assessed Value	(2015 Tax Roll) Assessed Taxable Value	Rank	Percent to Total Assessed Value
Florida Power & Light Company	Electric Utility	\$ 204,493,745	1	2.15%	\$ 77,801,009	3	2.3%
International Speedway Corporation	Sports/Entertainment	169,964,141	2	1.79%	99,763,758	1	2.9%
Ocean Walk I & II Condominium Association	Condominium	127,171,745	3	1.34%	92,925,349	2	2.7%
Daytona Beach Owner LP	Accommodations	73,863,262	4	0.78%			
Tomoka Town Center Phases, LLC	Regional Shopping Centers	63,898,918	5	0.67%			
Protogroup South Tower LLC	Condominium	63,866,588	6	0.67%			
CCC-Daytona Beach LLC	Housing	56,543,787	7	0.60%			
Brown & Brown Realty Co	Diversified Insurance Agency	54,132,815	8	0.57%			
Trader Joes East INC	Warehouse	53,342,966	9	0.56%			
Tanger Daytona, LLC	Regional Shopping Centers	52,390,162	10	0.55%			
Volusia Mall, LLC	Regional Shopping Centers			-	49,298,283	4	1.4%
Cole MT Daytona Beach FL LLC	Regional Shopping Centers	-	-	-	17,627,239	10	0.5%
Bellsouth Telecommunication, Inc	Telephone	-	-	-	19,669,097	7	0.6%
MSCI2007 IQ16 Lodging 100 LLC	Accommodations			-	44,913,798	5	1.3%
M-Elena Holding LLC	Regional Shopping Centers			-	23,084,595	6	0.7%
DK Gateway Andros LLC	Regional Shopping Centers			-	19,122,573	8	0.6%
G&I VII Bellair Plaza LLC	Regional Shopping Centers			-	18,116,125	9	0.5%
Total		\$ 919,668,129		9.68%	\$ 462,321,826		13.50%

Source: Volusia County Property Appraiser.

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

Table 8

Fiscal Year Ended September 30,	Taxes Levied For Year	Collected to End of Tax Year		Delinquent Collections	Total Collected	
		Amount	Percent of Levy		Amount	Percent of Levy
2024	\$ 46,108,837	\$ 42,898,881	93.04%	\$ 1,697,503	\$ 44,596,384	96.72%
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%

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 2023-2024 collections are from the 2023 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
2024	4,824	4,550	266	8	0.16%	5,026	\$ 9.99	\$ 5.69	\$ 9.78	\$ 9.56
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

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Water Service										
Single Family Resident Accounts (All Zones):										
Base Fee (All Meter Sizes)	\$	9.99	\$ 9.46	\$ 9.07						
<u>Water Consumption: per 1,000 Gallons</u>										
0 - 7,000 Gallons	\$	5.69	\$ 5.39	\$ 5.17						
7,001 - 14,000 Gallons	\$	7.13	\$ 6.75	\$ 6.47						
14,001 Gallons and Above	\$	8.88	\$ 8.41	\$ 8.06						
Multi Family Resident Accounts (All Zones):										
Base Fee (per Dwelling Unit)	\$	8.00	\$ 7.57	\$ 7.26						
<u>Water Consumption: per 1,000 per Dwelling Unit</u>										
0 - 6,001 Gallons	\$	5.69	\$ 5.39	\$ 5.17						
6,001 - 12,000 Gallons	\$	7.13	\$ 6.75	\$ 6.47						
12,001 Gallons and Above	\$	8.88	\$ 8.41	\$ 8.06						
Commercial / Non-Residential:										
Base Fee (Per Potable Service Line Size)										
<u>By Meter Size</u>										
3/4"	\$	9.99	\$ 9.46	\$ 9.07						
1"	\$	16.71	\$ 15.81	\$ 15.15						
1.5"	\$	33.35	\$ 31.56	\$ 30.23						
2"	\$	53.37	\$ 50.50	\$ 48.38						
3"	\$	100.16	\$ 94.76	\$ 90.77						
4"	\$	166.97	\$ 157.97	\$ 151.32						
6"	\$	333.86	\$ 315.86	\$ 302.55						
8"	\$	534.21	\$ 505.41	\$ 484.11						
10"	\$	768.00	\$ 726.59	\$ 695.97						
<u>Water Consumption (per 1,000 Gallons)</u>										
0 Gallons and Above	\$	6.17	\$ 5.84	\$ 5.60						
Wastewater Service										
Single Family Resident Accounts (All Zones):										
Base Fee (All Meter Sizes)	\$	9.78	\$ 9.26	\$ 8.87						
<u>Wastewater Usage: per 1,000 Gallons</u>										
0 Gallons and Above	\$	5.56	\$ 9.05	\$ 8.67						
Multi Family Resident Accounts (All Zones):										
Base Fee (per Dwelling Unit)	\$	7.82	\$ 7.40	\$ 7.09						
<u>Wastewater Usage: per 1,000 per Dwelling Unit</u>										
0 Gallons and Above	\$	9.56	\$ 9.05	\$ 8.67						
Commercial / Non-Residential:										
Base Fee (Per Potable Service Line Size)										
<u>By Meter Size</u>										
3/4"	\$	9.78	\$ 9.26	\$ 8.87						
1"	\$	16.33	\$ 15.45	\$ 14.80						
1.5"	\$	32.57	\$ 30.82	\$ 29.53						
2"	\$	52.15	\$ 49.34	\$ 47.27						
3"	\$	97.85	\$ 92.58	\$ 88.68						
4"	\$	163.10	\$ 154.31	\$ 147.81						
6"	\$	326.12	\$ 308.54	\$ 295.54						
8"	\$	521.83	\$ 493.69	\$ 472.89						
10"	\$	750.20	\$ 709.75	\$ 679.84						
<u>Wastewater Consumption (per 1,000 Gallons)</u>										
0 Gallons and Above	\$	10.49	\$ 9.93	\$ 9.52						
¹ Water Rates prior to 10/1/2021:										
Base Rate (meter size):										
3/4" to 2".....				\$ 12.07	\$ 11.73	\$ 11.36	\$ 10.98	\$ 10.63	\$ 10.23	\$ 9.78
3"-10".....				\$ 16.12	\$ 15.67	\$ 15.17	\$ 14.66	\$ 14.20	\$ 13.66	\$ 13.05
Usage rate (per 1,000 gallons).....				\$ 5.91	\$ 5.75	\$ 5.57	\$ 5.39	\$ 5.22	\$ 5.02	\$ 4.80
¹ Sewer Rates prior to 10/1/2021:										
Base rate.....										
				\$ 4.73	\$ 4.60	\$ 4.46	\$ 4.31	\$ 4.18	\$ 4.02	\$ 3.84
Usage rate (per 1,000 gallons).....										
				\$ 10.18	\$ 9.90	\$ 9.59	\$ 9.27	\$ 8.98	\$ 8.64	\$ 8.26

Source: City of Daytona Beach Finance Department

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

¹ 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, 2024			September 30, 2015		
		Amount	Percent of Total Revenue	Rank	Amount	Percent of Total Revenue	Rank
City of South Daytona.....	Bulk	\$ 2,849,561	3.98%	1	\$ 1,755,632	4.01%	2
Embry-Riddle Aeronautical University.....	Educational Institution	1,612,791	2.25%	2	716,976	1.64%	8
Halifax Medical Center.....	Hospital	1,527,846	2.13%	3	1,857,961	4.25%	1
City of Daytona Beach.....	Government	1,458,050	2.04%	4	888,952	2.03%	5
Florida Department of Corrections.....	Government	1,377,476	1.92%	5	1,351,485	3.09%	3
Daytona International Speedway.....	Sports/Entertainment	1,171,544	1.64%	6	695,098	1.59%	9
Hilton/Daytona Beach Owner OP CO, LLC.....	Timeshare Investments	1,049,839	1.47%	7	944,291	2.16%	4
B Braun Medical, Inc.	Industrial	974,447	1.36%	8			
Florida Hospital Memorial Medical Center.....	Hospital	882,060	1.23%	9	728,544	1.67%	7
County of Volusia.....	Government	844,056	1.18%	10	825,917	1.89%	6
Ocean Walk Condominium Association.....	Timeshare Investments		0.00%		641,085	1.47%	10
Total		\$ 13,747,670	19.20%		\$ 10,405,941	23.80%	

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

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

Table 12

Fiscal Year Ended	Governmental Activities						Business-Type						Total Outstanding Debt	Percent of Personal Income					
	General Obligation Bonds	Capital Revenue Bonds	Notes and Financed Purchases	Lease Liabilities ¹	Subscription Liabilities ²	Total	Capital Revenue Bonds	Water, Sewer & Stormwater Bonds	Notes and Financed Purchases	State Revolving Fund Loans	Lease Liabilities ¹	Subscription Liabilities ²		Total	Per Capita	Personal Income	Population		
September 30,																			
2024	\$ 6,572,511	\$ 52,893,895	\$ 24,038,324	567,066	805,301	84,877,097	-	-	\$ 31,465,000	\$105,106,217	193,492	599,736	137,364,445	\$136,571,217	2.58	%	2,618	57,280	84,891
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

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.

¹ GASB Statement No. 87, *Leases*, was implemented in fiscal year 2022 and applied prospectively.
² GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, was implemented in fiscal year 2023 and applied prospectively.

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

Table 13

Fiscal Year Ended September 30,	Governmental Activities			Percentage of Net Assessed Taxable Property Value ³	Debt Per Capita	Population	Taxable Value
	General Obligation Bonds ¹	Less: Amount Available in Debt Service Fund ²	Total				
2024	\$ 6,572,511	\$ 662,867	\$ 5,909,644	0.07%	70	84,891	\$ 8,492,825,107
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

Sources: The City of Daytona Beach Finance Department.

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

¹ Net of original issuance premium and discount.

² Amount restricted for debt service payments.

³ See TABLE 5 for property value data.

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

Table 14

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ¹	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
County of Volusia, Florida:			
General obligation bonds.....	\$ -	15.4242%	\$ -
Other debt:			
District School Board of Volusia County, Florida:			
State school bonds.....	-	15.4242	-
Sales tax revenue bonds.....	21,150,000	15.4242	3,262,218
Certificates of participation.....	206,625,000	15.4242	31,870,253
County of Volusia, Florida:			
Revenue bonds.....	39,260,000	15.4242	6,055,541
Notes payable.....	20,816,333	15.4242	3,210,753
Total overlapping debt.....			44,398,765
City direct debt.....			84,877,097
Total direct and overlapping debt.....			<u>\$ 129,275,862</u>

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

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

Table 15

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

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

Table 16

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Capital revenue bonds:										
Tax increment revenues.....	\$ 12,747,606	\$ 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
Less: operating expenses.....	4,272,689	4,443,817	782,656	407,517	304,869	391,517	662,523	695,998	870,030	754,600
Net revenue available for debt service	\$ 8,474,917	\$ 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
Debt service payments:										
Principal.....	\$ 3,068,471	\$ 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
Interest.....	501,480	427,570	472,835	377,257	1,001,428	1,047,931	1,091,281	1,133,356	1,174,156	1,213,756
Total debt service payments.....	\$ 3,569,951	\$ 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
Coverage (times).....	2.37	0.29	1.43	1.79	1.61	1.57	1.38	1.36	1.12	1.11
Water and sewer bonds:										
Charges for services and other.....	\$ 72,293,028	\$ 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
Less: operating expenses.....	40,916,141	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
Net revenue available for debt service.....	\$ 31,376,887	\$ 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
Debt service payments:										
Principal.....	\$ 3,170,000	\$ 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
Interest.....	848,447	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
Total debt service payments.....	\$ 4,018,447	\$ 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
Coverage (times).....	7.81	7.65	6.07	6.64	5.45	5.75	3.81	3.70	3.77	2.64

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

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
2024	84,891	\$4,862,556,480	\$ 57,280	\$ 50,130	\$ 82,800	4.1 %
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

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

Employer ⁽¹⁾	September 30, 2024			September 30, 2015			
	Total Employees	Rank	Percent to Total City Employment	Total Employees	Rank	Percent to Total City Employment	
⁽¹⁾ Volusia County School District.....	8,212	1	2.54 %	7,385	1	25.39 %	
AdventHealth Systems.....	7,923	2	2.45				
⁽¹⁾ Halifax Hospital System.....	4,447	3	1.37	4,294	2	14.76	
Publix Supermarkets Inc.....	4,106	4	1.27	3,241	4	11.14	
Walmart Associates, Inc.....	3,504	5	1.08	697	10	2.40	
State of Florida.....	2,758	6	0.85	2,758	5	9.48	
⁽¹⁾ Volusia County, Florida.....	2,740	7	0.85	3,333	3	11.46	
Embry-Riddle Aeronautical University.....	1,939	8	0.60	1,483	8	5.10	
Stetson University.....	1,502	9	0.46				
Daytona State College.....	1,438	10	0.44	1,711	6	5.88	
The City of Daytona Beach, Florida.....	996	11	0.31	848	9	2.92	
International Speedway Corporation.....				1,500	7	5.16	
Total.....	39,565		12.22 %	27,250		93.69 %	
⁽²⁾ Estimated civilian labor force.....	323,851			285,687			

Sources: Volusia County Schools Demographics & Statistics
 Volusia County Department of Economic Development.
 Voluisa County 2024 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 2024 estimate: US Bureau of Labor Statistics.
 Source for 2015 estimate: 2015 ACFR

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

Table 19

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
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.....	14.7	15.7	15.7	16.8	16.8	16.8	15.0	13.0	14.5	13.5
Legal.....	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	9.0	8.0
Human resources.....	8.0	8.0	8.0	8.0	8.0	8.0	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.....	40.8	45.9	42.9	43.0	43.0	41.0	36.0	33.0	34.0	32.0
Redevelopment services.....	35.6	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.....	22.3	23.3	20.8	19.8	19.8	19.3	18.3	18.3	17.3	16.8
Finance.....	34.8	32.8	32.3	37.3	37.3	37.8	36.8	36.8	35.8	34.8
Police:										
Chief of Police.....	7.0	8.0	9.0	13.0	13.0	15.0	12.0	11.0	11.0	10.0
Operations.....	209.0	197.0	206.0	207.0	207.0	207.0	185.0	186.0	187.0	188.0
Support bureau.....	88.0	87.0	100.0	97.0	97.0	94.0	89.0	88.0	89.0	85.5
COPS Grant.....	2.0	1.0	-	-	-	-	10.0	10.0	10.0	10.0
Fire:										
Administration.....	14.0	15.0	15.0	12.0	12.0	12.0	10.0	9.0	9.0	9.0
Operations.....	106.6	106.0	99.0	101.0	101.0	101.0	99.0	100.0	100.0	97.0
Public works:										
Administration.....	0.7	1.2	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0
Engineering.....	24.5	27.5	25.5	26.5	26.5	26.5	24.5	23.5	19.8	16.8
Maintenance and other.....	92.2	89.3	81.0	88.5	88.5	90.5	91.5	89.0	89.5	89.5
Culture and recreation:										
Municipal Golf Course.....	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Florida Tennis Center.....	5.1	5.1	5.1	3.6	3.6	3.6	3.5	3.5	3.5	3.5
Halifax Harbor.....	1.2	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	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	7.0	10.0	10.0	8.0
Recreation.....	54.0	54.0	48.0	30.5	30.5	29.5	33.0	28.5	28.5	25.5
Solid waste services.....	3.7	3.3	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Water and wastewater services.....	188.0	184.7	183.0	168.0	168.0	168.0	162.0	152.3	153.6	151.7
Total.....	996.2	980.1	944.0	920.5	920.5	920.5	884.1	872.0	871.0	848.1

Source: The City of Daytona Beach Human Resources Department.
 Note: Part-time and seasonal employees for all departments are assumed to be 0.5 full time equivalents for all reporting categories.
 Reorganization in FY 2014-15 required reclassification of Halifax Marina, Cultural and Community Events and Peabody which were previously reported as part of Recreation.

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

Table 20

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Police:										
Physical arrests.....	6,369	5,589	6,320	7,214	7,697	9,183	8,762	8,475	7,924	8,087
Parking violations.....	428	372	336	181	422	539	792	636	541	510
Traffic violations.....	1,747	1,494	2,120	5,203	7,197	9,315	11,613	11,515	16,058	12,655
Fire:										
Emergency responses.....	21,674	20,522	20,689	20,789	18,081	18,410	21,838	22,055	21,443	21,042
Non-fire/EMS.....	14,024	15,613	14,161	16,085	15,686	15,100	17,388	18,406	16,446	16,083
*Inspections by engine companies.....	-	-	406	123	82	685	932	1,680	2,016	1,848
*Inspections by fire inspectors.....	350	322	528	603	660	1,015	993	987	1,012	982
Solid waste:										
Refuse collected (tons per day).....	225	216	217	207	208	211	209	223	201	171
Yard trash (tons per day).....	24	20	20	17	19	23	22	23	23	26
Recyclables collected (tons per day).....	6	5	5	5	5	5	6	5	5	5
Public works:										
Street construction (miles).....	-	-	1.5	-	0.5	-	1.2	-	0.9	-
**Street resurfacing (miles).....	14.4	19.0	25.0	4.3	-	1.5	2.2	5.2	3.2	1.5
Potholes repaired.....	65	60	100	158	1,722	1,248	1,017	830	931	788
Building development:										
Residential/single family permits issued.....	3,031	3,313	1,340	1,361	830	519	454	408	412	400
Commercial/multi-family permits issued.....	707	458	277	297	325	262	250	336	404	271
Miscellaneous permits issued.....	4,937	4,943	7,217	6,525	5,957	6,577	4,881	5,774	3,644	3,037
Water:										
New connections.....	1,600	1,033	1,001	1,069	692	419	402	180	188	186
Water main breaks.....	603	213	65	94	404	90	291	595	264	432
Average daily consumption (MGD).....	13.6	13.0	12.8	12.8	12.9	12.4	11.9	12.5	11.8	12.2
Peak daily consumption (MGD).....	14.6	13.9	13.5	13.8	16.8	16.3	12.6	15.2	13.7	14.2
Sewer:										
Average daily treatment (MGD).....	8.4	8.1	12.2	12.3	11.3	11.3	13.0	11.1	11.2	11.1
Utilities system:										
Number of customers.....	32,607	31,292	30,002	29,107	28,818	27,643	27,157	26,825	24,584	24,409

Source: Various City of Daytona Beach Departments.

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

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

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

Table 21

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General government:										
Area (square miles).....	68	68	68	68	68	68	68	68	68	68
Police:										
Stations.....	5	7	3	3	3	1	1	1	1	1
Patrol units (marked cars).....	219	211	182	305	186	166	166	170	163	153
Fire:										
Fire stations.....	7	7	7	7	7	7	7	7	7	7
Solid waste:										
Collection trucks.....	25	24	24	17	19	18	18	12	12	12
Public works:										
Paved streets (miles).....	249.2	242.2	242.2	305.0	305.5	305.0	305.0	302.9	302.9	302.9
Unpaved streets (miles).....	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.2	0.2	0.2
Streetlights.....	6,200	6,200	6,200	8,373	8,373	8,373	8,367	8,324	8,324	8,303
Traffic signals.....	148	149	148	140	145	136	136	136	136	136
Parks and recreation:										
Area (acres).....	858	858	858	858	858	858	858	858	858	858
Swimming pools.....	3	3	3	2	2	2	2	2	2	2
Tennis courts.....	7	10	16	38	38	38	38	36	36	36
Pickleball courts.....	4	-	-	-	-	-	-	-	-	-
Playgrounds.....	13	14	14	24	24	24	24	23	24	24
Recreation (community) centers.....	6	6	6	19	19	19	19	19	19	19
Shuffleboard/lawn bowling courts.....	0	0	0	4	4	4	4	5	5	5
Auditorium/Bandshell.....	1	1	1	4	4	4	4	4	4	4
Soccer/football fields.....	3	3	3	7	7	7	7	7	7	7
Baseball/softball diamonds.....	7	7	7	13	13	13	13	13	13	13
Basketball courts.....	17	21	21	26	26	26	26	26	26	26
18 hole golf courses.....	1	1	1	2	2	2	2	2	2	2
Marina boat slips.....	550	550	550	550	550	550	550	550	550	550
Boat ramps.....	8	8	8	18	18	18	18	18	18	18
Parks and picnic areas.....	32	32	32	38	38	38	38	38	38	38
Water:										
Water mains (miles).....	523	518	510	504	496	498	587	700	700	700
Fire hydrants.....	3382	3344	3309	3,232	2,666	2,529	3,018	2,897	2,884	2,866
Production capacity (MGD).....	24	24	24	24	24	24	24	24	24	24
Sewer:										
Sanitary sewers (miles).....	306	304	429	297	294	402	396	615	615	615
Storm sewers (miles).....	133	129	130	127	125	124	113	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
September 30, 2024

Table 22

	Number of Participants Included
Current retirees:	
Under age 65.....	48
Over age 65.....	72
Total current retirees.....	120
Active employees:	
Active employees not yet fully eligible for benefits.....	836
Active employees fully eligible for benefits.....	86
Total active employees.....	922
Total number of participants.....	1042
Average age of active employees.....	44.2

Age and service distribution for active employees:

	Years of Service									
		0	5	10	15	20	25	30		
	Age	to 4	to 9	to 14	to 19	to 24	to 29	to 34		
Under 25	48	1	-	-	-	-	-	-	49	
25-29	68	27	-	-	-	-	-	-	95	
30-34	59	39	9	-	-	-	-	-	107	
35-39	47	29	19	13	1	-	-	-	109	
40-44	36	20	16	24	8	-	-	-	104	
45-49	42	21	9	18	18	3	-	-	111	
50-54	41	24	7	12	18	6	2	-	110	
55-59	42	20	8	16	10	6	6	1	109	
60-64	29	17	9	7	11	6	4	1	84	
65+	9	13	4	9	3	3	1	2	44	
Total	421	211	81	99	69	24	13	4	922	

Based on December 12, 2024 OPEB actuarial valuation report.



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COMPLIANCE SECTION



The City of Daytona Beach, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended September 30, 2024

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-15-MC-12-0004	\$ 53,233	\$ -
Community Development Block Grants	14.218	B-18-MC-12-0004	83,442	-
Community Development Block Grants	14.218	B-20-MC-12-0004	106,383	-
Community Development Block Grants	14.218	B-23-MC-12-0004	217,611	50,000
Total CDBG - Entitlement Grants Cluster			460,669	50,000
HOME Investment Partnerships Program	14.239	M-18-MC-12-0203	12,486	-
HOME Investment Partnerships Program	14.239	M-23-MC-12-0203	39,424	-
<i>Total HOME Investment Partnerships Program</i>			51,910	-
Total US Department of Housing and Urban Development			512,579	50,000
US Department of Justice				
Direct Programs:				
Bulletproof Vest Partnership Program	16.607	BV 2020-2023	32,931	-
Edward Byrne Memorial Justice Assistance Grant Program:				
Justice Assistance Grant Program	16.738	2019-DJ-BX-0812	58,472	-
Justice Assistance Grant Program	16.738	2020-DJ-BX-0159	9,895	-
Justice Assistance Grant Program	16.738	15PBJA-21-GG-01371-JAGX	355	-
Justice Assistance Grant Program	16.738	15PBJA-22-GG-02299-JAGX	57,355	-
Total Edward Byrne Memorial Justice Assistance Grant Program			126,077	-
Equitable Sharing Program	16.922	n/a	32,931	-
Indirect Programs:				
<i>Passed Through Florida Office of the Attorney General:</i>				
Crime Victim Assistance Programs:				
Victims of Crime Act - Victims Assistance Program	16.575	VOCA-C-2023-City of Daytona Beach Police Dep-00128	80,292	-
Total US Department of Justice			272,231	-
US Department of Transportation				
Indirect Programs:				
Highway Planning and Construction				
<i>Passed through Florida Department of Transportation:</i>				
Highway Planning and Construction - Safe Routes to Schools	20.205	443394-1-38-01	22,066	-
Total Highway Planning and Construction			22,066	-
Total US Department of Transportation			22,066	-

The City of Daytona Beach, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
(Continued)
For the Fiscal Year Ended September 30, 2024

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				
Indirect Programs:				
<i>Passed Through Florida Department of State:</i>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds				
African American Historical Cultural Grant - Daisy Stocking Park	21.027	23.s.aa.900.046	694,701	-
Total US Department of the Treasury			<u>694,701</u>	<u>-</u>
US Department of Homeland Security - Federal Emergency Management Agency				
Indirect Programs:				
<i>Passed through Florida Division of Emergency Management:</i>				
Disaster Grants - Public Assistance (Hurricane Irma)	97.036	17-PA-00-06-74-01-110	126,728	-
Total US Department of Homeland Security			<u>126,728</u>	<u>-</u>
US Environmental Protection Agency				
Indirect Programs:				
Clean Water State Revolving Funds				
<i>Passed through Florida Department of Environmental Protection:</i>				
Capitalization Grants for Clean Water State Revolving Funds:				
Influent Pump and Headworks	66.458	WW6409A0/4C-02D38022-0	18,487,054	-
Total Clean Water State Revolving Funds			<u>18,487,054</u>	<u>-</u>
Drinking Water State Revolving Funds				
<i>Passed through Florida Department of Environmental Protection:</i>				
Capitalization Grants for Drinking Water State Revolving Funds:				
Heineman Water Tank	66.468	DW640990/FS98452220-0	7,569,245	-
Total Drinking Water State Revolving Funds			<u>7,569,245</u>	<u>-</u>
Total US Environmental Protection Agency			<u>26,056,299</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 27,684,604</u>	<u>\$ 50,000</u>

The City of Daytona Beach, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
(Continued)
For the Fiscal Year Ended September 30, 2024

State Agency Pass-through Entity Federal Program/State Project	CSFA No.	Grant Number/ Pass Through Entity Identifying Number	Expenditures	Transfers to Subrecipients
STATE FINANCIAL ASSISTANCE:				
Florida Housing Finance Corporation				
Direct Programs:				
State Housing Initiatives Partnership Program (SHIP)	40.901	FS 420.9073	\$ 301,577	\$ -
Total Florida Housing Finance Corporation			<u>301,577</u>	<u>-</u>
Florida Department of Law Enforcement				
Direct Programs:				
State Financial Assistance for Fentanyl Eradication S.A.F.E in Florida	71.122	2023-SAFE-SF-023	100,658	-
Total Florida Department of Law Enforcement			<u>100,658</u>	<u>-</u>
Florida Department of Environmental Protection				
Direct Program				
Division of Water Restoration Assistance- Hurricane Stormwater and Wastewater Assistance:				
Butts Pond Stormwater Pump Station Improvements	37.114	HA022	42,300	-
Lift Station No. 7 Repairs and Upgrades	37.114	HA023	34,548	-
Lift Station No. 8 Repairs and Upgrades	37.114	HA024	106,915	-
Lift Station No. 67 Repairs and Upgrades	37.114	HA026	16,224	-
Lift Station No. 68 Repairs and Upgrades	37.114	HA027	22,980	-
West ISB Gravity Main Upgrades	37.114	HA028	246,171	-
Total Florida Department of Environmental Protection			<u>469,138</u>	<u>-</u>
Total Expenditures of State Financial Assistance			<u>\$ 871,373</u>	<u>\$ -</u>

The City of Daytona Beach, Florida
Notes to the Schedule of Expenditures of Federal Awards
and State Financial Assistance
September 30, 2024

A. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and state financial assistance (the "Schedule") includes the federal award activity and state award activity of the City of Daytona Beach, Florida, under programs of the federal government and state government for the year ended September 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Section 215.97, Florida Statutes. 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 \$50,000 for the fiscal year ended September 30, 2024.

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, 2024.

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, 2024, 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 May 22, 2025. Our report includes a reference to other auditors who audited the financial statements of the Police and Fire Pension Trust Fund and of First Step Shelter, Inc. (a discretely presented component unit), as described in our report on the City of Daytona Beach, Florida's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Daytona Beach, Florida's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing our opinions on the effectiveness of the City of Daytona Beach, Florida's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Daytona Beach, Florida's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2024-003, 2024-004 and 2024-005 that we consider to be significant deficiencies.

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
May 22, 2025



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INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT; REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE; CHAPTER 10.550, RULES OF THE FLORIDA AUDITOR GENERAL

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

Report on Compliance for Each Major Federal Programs
Opinion on Each Major Federal Program and state project

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* and *Florida Compliance Supplement* that could have a direct and material effect on each of the City of Daytona Beach, Florida’s major federal programs and state projects for the year ended September 30, 2024. The City of Daytona Beach, Florida’s major federal programs and state projects 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 and state projects for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program and State Project

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) and Chapter 10.550, *Rules of the Florida Auditor General*. Our responsibilities under those standards and the Uniform Guidance and Chapter 10.550, *Rules of the Florida Auditor General* 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 and state project. 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 and state projects.

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 and Chapter 10.550, *Rules of the Florida Auditor General*, 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 and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance and Chapter 10.550, *Rules of the Florida Auditor General*, 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 and Chapter 10.550, *Rules of the Florida Auditor General*, 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 material weaknesses and 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 or state project 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 and state project will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-002 to be a material weakness.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-001 to be a significant deficiency.

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 and Chapter 10.550, *Rules of the Florida Auditor General*. Accordingly, this report is not suitable for any other purpose.

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

Melbourne, Florida

May 22, 2025

**The City of Daytona Beach, Florida
Schedule of Findings and Questioned Costs
Fiscal Year Ended September 30, 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?	No
• Significant deficiency(ies) identified?	Yes
Noncompliance material to the financial statements noted?	No

Federal Awards and State Projects

Internal control over major federal programs and state projects:	
• Material weakness(es) identified?	Yes
• Significant deficiency(ies) identified?	Yes
Type of auditor’s report issued on compliance for major federal programs and state projects:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Part 200.516(a) of OMB Compliance Supplement and/or Chapter 10.557, Rules of the Auditor General?	Yes

Identification of major federal programs:

<u>Federal ALN</u>	<u>Federal Program or Cluster</u>
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds
66.458	Clean Water State Revolving Funds Cluster
<u>State CSFA Number</u>	<u>State Program</u>
37.114	Division of Water Restoration Assistance-Hurricane Stormwater and Wastewater Assistance
40.901	State Housing Initiatives Partnership Program

Dollar threshold used to distinguish between type A and B programs and projects were \$830,538 for each major federal program and \$300,000 for each major state project.

Auditee qualified as low-risk auditee under 2 CFR 200.520?	No
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The City of Daytona Beach, Florida
Schedule of Findings and Questioned Costs (Continued)
Fiscal Year Ended September 30, 2024

Section II—Financial Statement Findings

2024-003 SALE OF SURPLUS MATERIALS – GENERAL FUND

Criteria: Under Generally Accepted Accounting Principles (GAAP) and GASB Statement No. 33, revenue should be recognized in the accounting period in which it is earned and measurable. For governmental funds, using the modified accrual basis of accounting, this includes ensuring that nonroutine transactions—such as one-time sales of capital or surplus assets—are evaluated based on when the earnings process is complete and when the revenue is available to be used to finance current-period expenditures.

Condition: In the General Fund, revenue and beginning fund balance were overstated by \$256,143 due to the City recognizing revenue from the sale of surplus materials in fiscal year 2024, even though the revenue was earned in fiscal year 2023.

Cause of condition: The misstatement occurred because the City did not identify the sale of surplus materials as a prior-period event during the fiscal year 2024 closing process. The transaction was recorded when payment was received, rather than when the sale was finalized in fiscal year 2023.

Potential effect of condition: By not recognizing one-time sales of capital or surplus assets pursuant to GAAP, revenue may not be accounted for in the correct accounting period, resulting in a misstatement of those account balances.

Recommendation: We recommend the City strengthen its year-end financial reporting procedures to include a review of nonrecurring transactions, such as sales of surplus or capital assets, to ensure they are recognized in the correct accounting period. Special consideration should be given to transactions that fall outside the City's normal revenue recognition patterns.

Management's Response: Management acknowledges the comment. The City will add potential non-recurring transactions to the year-end financial reporting schedules and checklist to ensure revenues are reported and recognized in their proper accounting periods.

2024-004 COMPENSATED ABSCENCES

Criteria: GASB Codification C60, Compensated Absences, prescribes the methods to be used for determining the liability based on limits specified by the City's policy.

Condition: The City did not correctly calculate the accrual for compensated absences in accordance with GAAP and the City's policies.

Cause of condition: The City calculated the liability based on the total paid-time-off ("PTO") balances for its employees, the liability per GASB is limited to the City's terminal liability, which is the amount of unused PTO specified in the City's policies or collective bargaining agreements.

Potential effect of condition: The compensated absences liability was overstated by \$149,880 in the governmental activities.

Recommendation: We recommend that the City reviews the design of the control over the calculation and entry of compensated absences.

The City of Daytona Beach, Florida
Schedule of Findings and Questioned Costs (Continued)
Fiscal Year Ended September 30, 2024

Management's Response: Management acknowledges the comment. The City will review the calculation control assigned to compensated absences and make changes to ensure correctness.

2024-005 LEASES

Criteria: GASB Statement No. 87 requires that lessees and lessors recognize lease liabilities or receivables and the related deferred inflows or outflows based on the present value of lease payments, using the incremental borrowing rate when the implicit rate cannot be readily determined. Furthermore, lease transactions must be recorded in accordance with the economic substance of the lease agreement.

Condition: The City did not correctly estimate and record leases consistent with Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* in multiple instances. Specifically: 1) In the General Fund the Tortugas Ballpark lease receivable was overstated by \$374,454 and deferred inflows for leases was overstated by \$378,640 as the City did not calculate the lease using the City's incremental borrowing rate; 2) in the Redevelopment Trust Fund the lease receivable was overstated by \$12,354 and the deferred inflows was overstated by \$19,368; 3) In the General Fund the City did not properly record the lease proceeds and corresponding capital outlay for a lease liability addition during the year, understanding both lease proceeds and capital outlay by \$202,763.

Cause of condition: The City did not properly calculate the lease entries according to the terms as per the lease contract and the City's incremental borrowing rate. Also, the City did not properly record the proceeds and corresponding capital expenditure when a lease liability was recorded.

Potential effect of condition: As a result of these errors, the City's financial statements reflected inaccurate balances for lease receivables, deferred inflows, lease proceeds, and capital outlay. These inaccuracies may mislead users of the financial statements and result in noncompliance with applicable accounting standards.

Recommendation: We recommend the City reviews the design of the control over the recognition of leases to ensure the leases are estimated with the correct terms and that the journal entries to record the lease are complete.

Management's Response: Management acknowledges the comment. The City will review the leases design control, review process, and create schedules to ensure completeness and accuracy.

The City of Daytona Beach, Florida
Schedule of Findings and Questioned Costs (Continued)
Fiscal Year Ended September 30, 2024

Section III—Federal Award Findings and Questioned Costs

2024-001 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

2024 Funding

Repeat Finding

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 for the full fiscal year to verify completeness, validity and timeliness of submission. The grant agreement requires quarterly progress reports to be filed with the pass through entity, Florida Department of State.

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

Cause of condition: The department at the City that is responsible for managing the grant did not originally 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: After this condition was reported as a finding for the fiscal year ending September 30, 2023, the City's department that is responsible for managing the grant implemented a review process, but it was not in place for the full fiscal year 2024.

Questioned costs: None.

Recommendation: The City's department responsible for the grant should continue to perform the review process that was put in place late in fiscal year 2024.

Management's Response: The City updated its control process to ensure that reports prepared by third-party consultant are reviewed by City staff prior to being submitted to the grantor.

The City of Daytona Beach, Florida
Schedule of Findings and Questioned Costs (Continued)
Fiscal Year Ended September 30, 2024

Section IV–State Project Findings and Questioned Costs

2024-002 GRANT REPORTING

Florida Housing Finance Corporation

CSFA 40.901 – State Housing Initiatives Partnership Program
Contract No. FS 420.9073 (2024)

Florida Department of Environmental Protection

CSFA 37.114 – Division of Water Restoration Assistance- Hurricane Stormwater and Wastewater Assistance
Contract No. HA022, HA023, HA024, HA025, HA026, HA027, and HA028 (2024)

Criteria: Chapter 10.550 of the Rules of the Florida Auditor General requires entities to establish and maintain effective internal controls. Reports should be subject to independent review for the full fiscal year to verify completeness, validity and timeliness of submission. The grant agreements for the Division for Water Restoration Assistance – Hurricane Stormwater and Waste water Assistance grants requires quarterly reports to be filed with the grantor, Florida Department of Environmental Protection and an annual report is required by Section 420.9071(4), Florida Statutes, for the State Housing Initiatives Partnership Program.

Condition: Reports were not always independently reviewed prior to submittal to the grantors.

Cause of condition: The City’s departments that are responsible for handling each grant did not have a process in place that required independent review by a second individual, therefore the reports were submitted to the grantors only by the preparer of each report.

Potential effect of condition: Reports may be incomplete, include errors, or be submitted late without a review process in place at the departments.

Perspective: The quarterly reports for the Division of Water Restoration Assistance - Hurricane Stormwater and Wastewater Assistance grant had no evidence of independent review prior to submittal, and the only annual report for the State Housing Initiatives Partnership Program grant had no independent review prior to submittal.

Questioned costs: None.

Recommendation: The City should develop procedures to ensure documented independent review of all reporting prior to submission to grantors.

Management’s Response: Management acknowledged the oversight and recognize the importance of proper segregation of duties in the reporting process. An independent reviewer has been assigned to review all future reports, and staff has committed to the revised protocols.

The City of Daytona Beach, Florida
Schedule of Findings and Questioned Costs (Continued)
Fiscal Year Ended September 30, 2024

Section V- Prior Findings and Questioned Costs for Federal Awards

2023-001 Grant Reporting	Status: Repeated
2023-002 Suspension and Debarment	Status: Cleared
2023-003 Revenue Recognition	Status: Cleared
2023-004 Capitalization of Expenditures	Status: Cleared



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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, 2024, and have issued our report thereon dated May 22, 2025.

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 State Project 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 May 22, 2025, 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	2024 No.
2023-005	Unexpended Balance – Building Permits	Repeated	2024-006
2023-003	Revenue Recognition	Cleared	N/A
2023-004	Capitalization of Expenditures	Cleared	N/A
2023-001	Grant Reporting	Repeated	2024-001 & 2024-002
2023-002	Suspension and Debarrement	Cleared	N/A

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:

2024-006 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, 2024 exceeded the City's average operating budget for enforcing the Florida Building Code for the previous four (4) fiscal years by \$10,855,097.

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, 2024.

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 2025. The City continues to monitor the Spending Plan through consultation with City Commission and the City's legal counsel on action items to bring the City's unexpended balance into compliance with Florida Statutes.

2024-007 OMISSION OF ACCRUED REVENUE FROM CONTRACTUAL MAINTENANCE AGREEMENT – GENERAL FUND

Criteria: In accordance with Generally Accepted Accounting Principles (GAAP) for governmental funds, revenues earned under contractual agreements should be accrued when the services have been performed and the revenue is measurable and available, per the modified accrual basis of accounting. GASB standards require that recurring revenue sources from service agreements be evaluated and accrued at year-end if earned but not yet billed or collected.

Condition: In the General Fund, receivables and beginning fund balance were understated by \$64,853 as the City did not accrue revenue under a quarterly maintenance agreement for services performed in the fourth quarter. Although this had no impact on current year revenues, it resulted in a misstatement of receivables and beginning fund balance.

Cause of condition: The City's year-end closing procedures did not include a review of all recurring revenue-generating agreements to determine whether earned but unbilled revenue should be accrued. As a result, the quarterly maintenance revenue earned in the final quarter of fiscal year 2023 was omitted from the year-end accruals.

Potential effect of condition: The omission resulted in an understatement of accounts receivable and beginning fund balance in the General Fund by \$64,853. While current year revenue was not affected, the opening financial position of the fund was misstated.

Recommendation: We recommend the City enhance its year-end financial close procedures to include a review of all recurring service and maintenance agreements. A schedule of expected revenues based on contract terms should be maintained and reviewed to ensure timely and accurate accrual of earned revenues at fiscal year-end.

Management's Response: Management acknowledges the comment. The City will add to its year-end closing procedures a schedule of expected revenues to ensure timely and accurate accrual of revenue.

2024-008 MISCLASSIFICATION OF PREVIOUSLY RECOGNIZED REVENUE AS UNAVAILABLE – NONMAJOR GOVERNMENTAL FUNDS

Criteria: Per Generally Accepted Accounting Principles (GAAP) and GASB Statement No. 33, under the modified accrual basis of accounting, revenue should be recognized when it is both measurable and available to finance expenditures of the current period. Once revenue has been appropriately recognized in a prior period, it should not be reversed in a subsequent period due solely to timing of cash collection, unless an error in the original recognition is identified.

Condition: In the Nonmajor Governmental Funds, the City understated current year revenue by \$128,092 by reversing revenue and recording it as unavailable, even though the related revenue had been recognized in a prior period. The adjustment was made in the current year when the revenue was not received within the City's availability period for modified accrual accounting, thereby misclassifying the timing of recognition.

Cause of condition: The adjustment was made in error due to an incorrect application of modified accrual availability criteria. The revenue, which related to a prior year transaction, was reclassified as unavailable in the current year financial statements for the Nonmajor Governmental Funds, despite already having met the recognition criteria in a previous period.

Potential effect of condition: The omission resulted in an understatement of Nonmajor Governmental Funds fiscal year 2024 revenue by \$128,092. This resulted in a misstatement in the classification of revenue timing and could affect the accuracy of year-over-year comparisons and fund performance analysis.

Recommendation: We recommend the City review its year-end procedures for recording revenue in the Nonmajor Governmental Funds to ensure that previously recognized revenues are not reclassified based solely on current year availability. Revenues should only be classified as unavailable if they are being recognized for the first time and do not meet the availability criteria.

Management's Response: Management acknowledges the comment and will add to the year-end procedural reviews step to prevent a re-occurrence of improper reclassification of revenues.

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.

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., *Rules of the Auditor General*, the City did not operate a PACE program pursuant to Section 163.081 or Section 163.082, Florida Statutes, within the City's geographical boundaries during the fiscal year under audit.

Specific Information (UNAUDITED)

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, *Rules of the Auditor General*, the Downtown Development Authority reported the 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)7, *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 | None |
| 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 | \$0 |

- e. Each construction project with a total cost of at least \$65,000 approved by the District that is scheduled to begin after October 1 of the fiscal year being reported, together with the total expenditures for such projects. **None**
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes:

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
OPERATING REVENUES:				
Taxes	\$ 219,804	\$ 219,804	\$ 223,026	\$ 3,222
Operating grants and contributions	135,000	135,000	117,961	(17,039)
Income on investments	-	-	3,282	3,282
Miscellaneous	-	-	-	-
Appropriation	10,413	50,708	-	(50,708)
Total operating revenues	365,217	405,512	344,269	(61,243)
OPERATING EXPENSES:				
Current operating:				
Downtown development	365,217	365,217	326,465	38,752
Total operating expenses	365,217	365,217	326,465	38,752
Change in net position	-	40,295	17,804	(22,491)
NET POSITION:				
Beginning	50,708	50,708	50,708	-
Ending	\$ 50,708	\$ 91,003	\$ 68,512	\$ (22,491)

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)8, *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. **\$223,026**
- c. The total amount of outstanding bonds issued by the District and the terms of such bonds as: **None**
- 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, fraud, waste, 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

May 22, 2025



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

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Suite 201

Melbourne, FL 32940

321.255.0088

386.336.4189 (fax)

CRIadv.com

CARR, RIGGS & INGRAM, L.L.C.

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, 2024. 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 AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City of Daytona Beach, Florida 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 complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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 the 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, 2024.

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

May 22, 2025



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CORRECTIVE ACTION PLAN





CORRECTIVE ACTION PLAN

May 22, 2025

The City of Daytona Beach, Florida respectfully submits the following corrective action plan for the year ended September 30, 2024.

Name and address of independent public accounting firm:

Carr, Riggs & Ingram, L.L.C.
215 Baytree Drive
Melbourne, Florida 32940

Audit Period: Fiscal Year October 1, 2023 – September 30, 2024

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

Section II—Financial Statement Findings

2024-003 SALE OF SURPLUS MATERIALS – GENERAL FUND

Criteria: Under Generally Accepted Accounting Principles (GAAP) and GASB Statement No. 33, revenue should be recognized in the accounting period in which it is earned and measurable. For governmental funds, using the modified accrual basis of accounting, this includes ensuring that nonroutine transactions—such as one-time sales of capital or surplus assets—are evaluated based on when the earnings process is complete and when the revenue is available to be used to finance current-period expenditures.

Condition: In the General Fund, revenue and beginning fund balance were overstated by \$256,143 due to the City recognizing revenue from the sale of surplus materials in fiscal year 2024, even though the revenue was earned in fiscal year 2023.

Cause of condition: The misstatement occurred because the City did not identify the sale of surplus materials as a prior-period event during the fiscal year 2024 closing process. The transaction was recorded when payment was received, rather than when the sale was finalized in fiscal year 2023.

Potential effect of condition: By not recognizing one-time sales of capital or surplus assets pursuant to GAAP, revenue may not be accounted for in the correct accounting period, resulting in a misstatement of those account balances.

Recommendation: We recommend the City strengthen its year-end financial reporting procedures to include a review of non-recurring transactions, such as sales of surplus or capital assets, to ensure they are recognized

in the correct accounting period. Special consideration should be given to transactions that fall outside the City's normal revenue recognition patterns.

Management's Response: *Management* acknowledges the comment. The City will add potential non-recurring transactions to the year-end financial reporting schedules and checklist to ensure revenues are reported and recognized in their proper accounting periods.

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

Anticipated Completion: September 30, 2025.

2024-004 **Compensated Absences**

Criteria: GASB Codification C60, Compensated Absences, prescribes the methods to be used for determining the liability based on limits specified by the City's policy.

Condition: The City did not correctly calculate the accrual for compensated absences in accordance with GAAP and the City's policies.

Cause of condition: The City calculated the liability based on the total paid-time-off ("PTO") balances for its employees, the liability per GASB is limited to the City's terminal liability, which is the amount of unused PTO specified in the City's policies or collective bargaining agreements.

Potential effect of condition: The compensated absences liability was overstated by \$149,880 in the governmental activities.

Recommendation: We recommend that the City reviews the design of the control over the calculation and entry of compensated absences.

Management Response: Management acknowledges the comment. The City will review the calculation control assigned to compensated absences and make changes to ensure correctness.

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

Anticipated Completion: September 30, 2025.

2024-005 **Leases**

Criteria: GASB Statement No. 87 requires that lessees and lessors recognize lease liabilities or receivables, and the related deferred inflows or outflows based on the present value of lease payments, using the incremental borrowing rate when the implicit rate cannot be readily determined. Furthermore, lease transactions must be recorded in accordance with the economic substance of the lease agreement.

Condition: The City did not correctly estimate and record leases consistent with Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* in multiple instances. Specifically: 1) In the General Fund the Tortugas Ballpark lease receivable was overstated by \$374,454 and deferred inflows for leases was overstated by \$378,640 as the City did not calculate the lease using the City's incremental borrowing rate; 2) in the Redevelopment Trust Fund the lease receivable was overstated by \$12,354 and the deferred inflows was overstated by \$19,368; 3) In the General Fund the City did not properly record the lease proceeds and

corresponding capital outlay for a lease liability addition during the year, understanding both lease proceeds and capital outlay by \$202,763.

Cause of condition: The City did not properly calculate the lease entries according to the terms as per the lease contract and the City's incremental borrowing rate. Also, the City did not properly record the proceeds and corresponding capital expenditure when a lease liability was recorded.

Potential effect of condition: As a result of these errors, the City's financial statements reflected inaccurate balances for lease receivables, deferred inflows, lease proceeds, and capital outlay. These inaccuracies may mislead users of the financial statements and result in noncompliance with applicable accounting standards.

Recommendation: We recommend the City reviews the design of the control over the recognition of leases to ensure the leases are estimated with the correct terms and that the journal entries to record the lease are complete.

Management Response: Management acknowledges the comment. The City will review the leases design control, review process, and create schedules to ensure completeness and accuracy.

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

Anticipated Completion: September 30, 2025.

Anticipated Completion: September 30, 2025.

Section III–Federal Award Findings and Questioned Costs

2024-001 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

2024 Funding

Repeat Finding

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 for the full fiscal year to verify completeness, validity and timeliness of submission. The grant agreement requires quarterly progress reports to be filed with the pass through entity, Florida Department of State.

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

Cause of condition: The department at the City that is responsible for managing the grant did not originally 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: After this condition was reported as a finding for the fiscal year ending September 30, 2023, the City's department that is responsible for managing the grant implemented a review process, but it was not in place for the full fiscal year 2024.

Questioned costs: None.

Recommendation: The City's department responsible for the grant should continue to perform the review process that was put in place late in fiscal year 2024.

Management's Response: The City updated its control process to ensure that reports prepared by third-party consultant are reviewed by City staff prior to being submitted to the grantor.

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

Anticipated Completion: December 31, 2024.

Section IV–State Project Findings and Questioned Costs

2024-002 GRANT REPORTING

Florida Housing Finance Corporation
CSFA 40.901 – State Housing Initiatives Partnership Program
Contract No. FS 420.9073 (2024)

Florida Department of Environmental Protection
CSFA 37.114 – Division of Water Restoration Assistance- Hurricane Stormwater and Wastewater Assistance
Contract No. HA022, HA023, HA024, HA025, HA026, HA027, and HA028 (2024)

Criteria: Chapter 10.550 of the Rules of the Florida Auditor General requires entities to establish and maintain effective internal controls. Reports should be subject to independent review for the full fiscal year to verify completeness, validity and timeliness of submission. The grant agreements for the Division for Water Restoration Assistance – Hurricane Stormwater and Waste water Assistance grants requires quarterly reports to be filed with the grantor, Florida Department of Environmental Protection and an annual report is required by Section 420.9071(4), Florida Statutes, for the State Housing Initiatives Partnership Program.

Condition: Reports were not always independently reviewed prior to submittal to the grantors.

Cause of condition: The City’s departments that are responsible for handling each grant did not have a process in place that required independent review by a second individual, therefore the reports were submitted to the grantors only by the preparer of each report.

Potential effect of condition: Reports may be incomplete, include errors, or be submitted late without a review process in place at the departments.

Perspective: The quarterly reports for the Division of Water Restoration Assistance - Hurricane Stormwater and Wastewater Assistance grant had no evidence of independent review prior to submittal, and the only annual report for the State Housing Initiatives Partnership Program grant had no independent review prior to submittal.

Questioned costs: None.

Recommendation: The City should develop procedures to ensure documented independent review of all reporting prior to submission to grantors.

Management’s Response: Management acknowledged the oversight and recognize the importance of proper segregation of duties in the reporting process. An independent reviewer has been assigned to review all future reports, and staff has committed to the revised protocols.

Responsible Parties: Shannon Ponnitz, Utilities Director, Eric Smith, Deputy Utilities Director, Ken Thomas, Redevelopment Director, Yolanda Presley, Community Development & Housing Administrator, Natalia Eckroth, CFO and Christine Aiken, Assistant Finance Director.

Anticipated Completion Date: June 1, 2025.