



City of South Daytona Annual Comprehensive Financial Report

For the Fiscal Year Ended September 30, 2023

1672 S. Ridgewood Avenue, South Daytona Florida 32119
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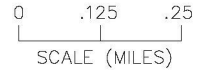
CITY OF SOUTH DAYTONA

LEGEND:

- 1 RIVERFRONT PARK
- 2 REED CANAL PARK
- 3 JAMES STREET PARK
- 4 MAGNOLIA PARK
- 5 MELODIE PARK
- 6 NED WAGNER PARK
- 7 CITY HALL
- 8 PUBLIC WORKS
- 9 SUNSHINE PARK MALL
- 10 SOUTH DAYTONA ELEMENTARY SCHOOL
- 11 PIGGOTTE COMMUNITY CENTER
- 12 BLAINE O'NEAL PARK
- 13 CENTRAL PARK
- 14 SOUTH DAYTONA PARK OF HONOR



NORTH



CITY OF SOUTH DAYTONA, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2023



CITY COUNCIL

THE HONORABLE WILLIAM C. HALL, MAYOR
ERIC SANDER, VICE MAYOR
BRANDON YOUNG
LISA O'NEAL
DOUG QUARTIER

CITY MANAGER
JAMES L. GILLIS, JR.

CITY ATTORNEY
WADE C. VOSE ESQ.
VOSE LAW FIRM LLP

FINANCE DIRECTOR
JASON OLIVA

Prepared by:
City of South Daytona Finance Department



City of South Daytona
Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2023

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INTRODUCTORY SECTION



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LETTER OF TRANSMITTAL





City of South Daytona

Office of the City Manager / Department of Finance

Post Office Box 214960 · South Daytona, FL 32121 · 386/322-3060 ·
FAX 386/322-3099



February 2, 2024

To the Honorable Mayor, Members of the City Council, and Citizens of the City of South Daytona, Florida.

It is our pleasure to submit this Annual Comprehensive Financial Report for the City of South Daytona, Florida (the City), for the fiscal year ended September 30, 2023. This report fulfills the requirements set forth in the City Charter Section 7.03, Florida Statutes, Chapter 166.241 and the Rules of the Florida Auditor General, Chapter 10.550. The organization, form and contents of this report plus the accompanying financial statements and statistical tables are formulated in accordance with the principles prescribed by the Governmental Accounting Standards Board, State of Florida, City Charter and the Government Finance Officers Association.

This report consists of management's representations concerning the finances of the City. Management assumes full responsibility for the completeness and reliability of the information contained in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive framework of internal controls that it has designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Florida Statutes require that an annual financial audit in accordance with generally accepted auditing standards be performed by a firm of licensed certified public accountants. This year the audit was performed by an independent firm of certified public accountants, James Moore & Co., P.L., Certified Public Accounts. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified ("clean") opinion that the City of South Daytona's financial statements for the fiscal year ended September 30, 2023, are fairly presented in conformity with GAAP. The independent auditor's report is located at the front of the financial section of this report.

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

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

Profile of Government

The City of South Daytona, incorporated in 1951, is in east central Florida. The City is bordered on the north by the City of Daytona Beach, Port Orange to the south, the Halifax River on the east, and by unincorporated Volusia County on the West. Topographically, South Daytona lies on a coastal plateau that slopes toward the Inter-coastal Waterway, resulting in an average elevation of 6.5 feet above sea level and a maximum elevation of 10 feet above sea level. The City of South Daytona currently encompasses a land area of 3.87 square miles and serves a total population of 13,140.

The City is empowered by the State to levy a tax on both real and non-residential personal properties located within its boundaries. It is also empowered by State Statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council.

South Daytona has operated under a City Manager/Council form of government since 1980, with the Mayor and four Council Members serving four-year, staggered terms beginning in 1990. Policy-making and legislative authority are vested in the City Council consisting of the mayor and four other members, all of whom are elected at large. The City Council is responsible, among other things, for passing ordinances and resolutions, adopting the budget, appointing committees, and hiring both the City Manager and Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operation of the City, and for appointing the heads of various departments. The Council is elected on a non-partisan basis.

The City of South Daytona provides a full range of services including police, fire and rescue, street construction and maintenance, planning and zoning, parks and recreation, cultural events, and general administrative services. In addition, water and sewer services, solid waste collection, and stormwater are provided under an Enterprise Fund concept with user charges established by the City Council to ensure adequate coverage of expenses and payments on outstanding debt. The City of South Daytona contracts with private enterprise for solid waste collection and contracts with the City of Daytona Beach for wholesale water purchases and wastewater treatment.

Factors Affecting Financial Condition

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

Local Economy

The City's current economic environment remains stable and the businesses in the City are expected to maintain the current occupancy rate. Unemployment rates in the City also mirror those of Volusia County and have increased during the past year. Unemployment rates in the County reached 14.6% in mid-April 2020. The economy has continued to show signs of recovery as the September 2023 unemployment rate was 3.4%.

The 2023 taxable property value was \$786 million, an increase of 19.9% or 130 million, continued to increase during the current fiscal year with a total increase of 18.5%. The opportunity for growth still exists in the City with several riverfront parcels to be potentially developed. This development could lead to an increase in the City's taxable valuation in upcoming years and provide valuable recurring financial resources.

Long Term Financial Planning and Major Initiatives

The unrestricted fund balance in the general fund at year end was 26.57% of the following year's budgeted expenditures. This amount exceeds the policy guidelines set by the Council for budgetary and planning purposes (two months of general fund expenditures or 16.7%) officially adopted by Resolution #2020-34. The City completed and implemented a utility rate study during the fiscal year ending 2019 to increase cash balances in the utility service fund. The utility service fund has seen increases to its net position since the implementation of the rate study. The unrestricted net position in the utility fund increased by \$764,349 and totaled \$1,323,501 which represents 12.4% of the following year's budgeted expenses. This amount is in line with the policy guidelines for budgetary and planning purposes of 12% officially adopted by Resolution #2020-34. Staff will continue to monitor revenues and expenses to further increase the unrestricted fund balance.

The City of South Daytona maintains a five-year Capital Improvement Program which serves as its planning document to ensure that its facilities, equipment, and infrastructure are well maintained and operating in peak condition. This process gives the City the ability to plan for its capital needs and allocate short and long-term resources appropriately. As part of this process, the City identifies and quantifies the operational costs associated

with its capital projects and budgets resources accordingly. In addition, the City maintains a vehicle replacement policy which serves as its fleet replacement guide over a ten-year period. During the economic downturn, the City was forced to delay replacement of vehicles and other equipment. While the City looks to recover from the economic downturn by restoring fund balances, the City continues to address these delays to facility maintenance and equipment replacement.

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit requests for appropriations to the City Manager by early May. Requests for personnel and capital improvements must be submitted by early April. The City Manager uses these requests as the starting point for developing a proposed budget. A budget workshop is held in August before the proposed millage rate is set. The City Manager then presents this proposed budget to Council for review during August. The Council is required to hold two public hearings on the proposed budget and to adopt a final budget no later than September 30, the close of the City's fiscal year. The appropriated budget is prepared by fund, function, and department. Department heads may make transfers of appropriations within a department. Transfers of appropriations between funds, however, require approval of the City Council.

Relevant Financial Policies

Budgeting Controls The objective of the City's budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of all the governmental funds are included in the annual appropriated budget.

The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is exercised at the fund level. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Any unencumbered balance of appropriations will revert to the General Fund and be subject to future appropriations except those relating to capital projects and contracted professional services. As demonstrated by the financial statements and schedules included in the Financial Section of this Annual Comprehensive Financial Report, the City continues to meet its responsibility with respect to sound financial management.

Budgetary control is accomplished through monthly and annual comparison of actual and estimated expenditures. Other controls to ensure budgetary compliance include purchasing authorization controls, automatic controls imposed by the accounting system, electronic and signature authorizations and other policies and procedures designed to monitor and restrict outlays to only those approved by the budget.

Budgetary controls are set at the fund level allowing budget amendments within each fund. The City Manager may initiate purchases up to \$25,000 if approved at the line item level in the adopted or amended budget. Additionally, the amendments must be revenue/expenditure neutral. Any increase in total expenditures within a fund must identify a new, specific revenue source, or reserves, and be approved by City Council.

Financial Reporting Standards

The resources provided by our citizens, and the use of those resources, are carefully measured, documented, and always monitored. The trust of our citizens to protect the resources they provide, and the use of these resources appropriately is a critical component of effective government. For this reason, an annual audit of the books, accounts, financial records and transactions of all administrative departments of the City is performed by independent certified public accountants selected by the City Council. The audit process includes a thorough examination of the records of the Finance Department, independent verification of transactions, review of bank statements and other original documents, and analysis of account balances and activities.

In addition to the detailed audit performed by an independent auditor, annually the City submits the completed ACFR to the Government Finance Officers Association of the United States and Canada (GFOA) as part of their awards program. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report that satisfied both generally accepted accounting principles and applicable program requirements. The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of South Daytona for its annual comprehensive financial report for the fiscal year ended September 30, 2022. A Certificate of Achievement is valid for a period of one year only. We believe that current annual comprehensive financial report will continue to meet the Certificate of Achievement Program's requirements and are submitting our current ACFR to the GFOA to determine its eligibility for another certificate.


Acknowledgements

The 2022-23 financial report that follows details the financial results of activities and reports an overall improvement in our financial position since the prior year. Continued planning, efficient and cost-effective operations and responsible financial management has positioned the City to meet the challenge of providing appropriate and quality services at the lowest possible cost to current and future citizens.

The preparation of the Annual Comprehensive Financial Report on a timely basis was made by the dedicated service of the entire staff of the Finance Department. We would like to express our sincere appreciation to each member of the department for their contributions to the preparation of this report.

In closing, appreciation is extended to the Mayor and City Council members for their leadership and support.

Respectfully submitted,



James L. Gillis
City Manager



Jason Oliva
Finance Director

CITY OF SOUTH DAYTONA, FLORIDA

CERTIFICATE OF ACHIEVEMENT AWARDED

For the Fiscal Year Ended September 30, 2022

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 South Daytona, Florida for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2022.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

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



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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of South Daytona
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morill

Executive Director/CEO



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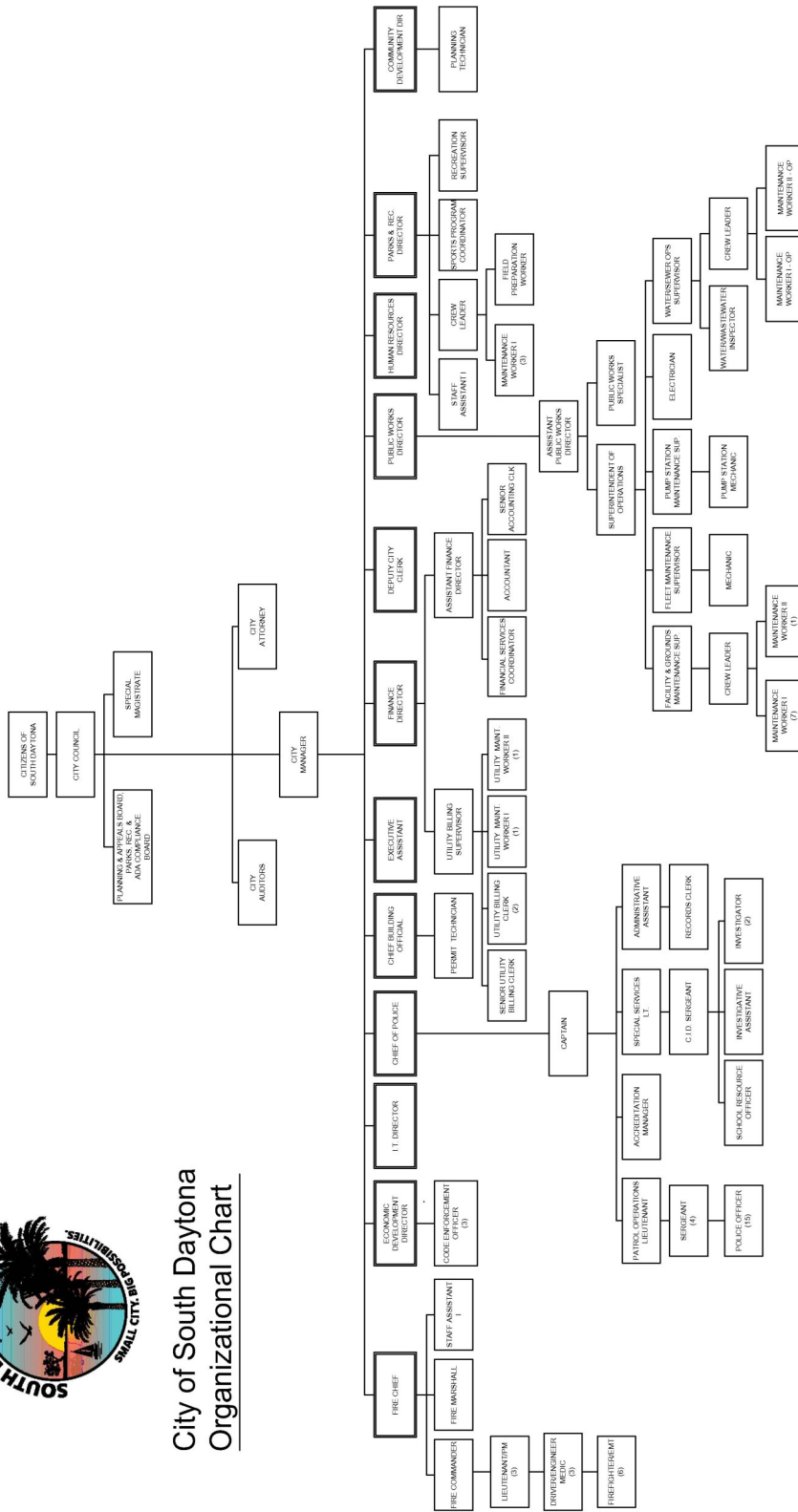
ORGANIZATIONAL CHART



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City of South Daytona Organizational Chart





**City of South Daytona
List of Elected Officials
September 30, 2023**

Elected Officials



Mayor
William C. Hall



Councilmember, Seat 1
Brandon Young



Councilmember, Seat 2
Doug Quartier



Councilmember, Seat 3
Lisa O'Neal



Vice-Mayor, Seat 4
Eric Sander

**City of South Daytona
Appointed Officials
September 30, 2023**

Appointed Officials

City Manager	James L. Gillis Jr.
Finance Director	Jason Oliva
Parks/Recreation Director	Amy Zengotita
Community Development Director	Laureen Kornel
Deputy City Clerk	Becky Witte
Fire Chief	John Brant
Public Works Director (a)	Vacant
Chief of Police	Mark Cheatham
Human Resources Director	Trudy O'Dell
Information Technology Director	Mike Janiszewski
Economic Development Director	Josh McEnany

(a) Position filled by Adam Thornton as of February 1, 2024



FINANCIAL SECTION







INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor, City Council, and City Manager
of the City of South Daytona, Florida:

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of South Daytona, Florida, (the City), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of South Daytona, Florida, as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof, and budgetary comparison statements for the General Fund, Redevelopment Trust Fund, and Transportation Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 GAAS 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 GAAS, 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 the 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 management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

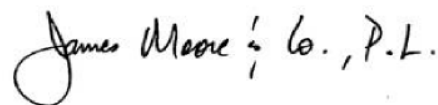
The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures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

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 2, 2024 on our consideration of City of South Daytona, Florida'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 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.



Daytona Beach, Florida
February 2, 2024



MANAGEMENT'S DISCUSSION AND ANALYSIS



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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of South Daytona, Florida (hereinafter referred to as the "City"), we offer the readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 5-8 of this report.

Financial Highlights

- ◆ The assets and deferred outflows of the City exceeded its liabilities and deferred inflows by \$42,173,797 (net position). Of this amount \$35,279,072 represents investment in capital assets (net of related debt) and restricted and unrestricted net position of \$2,898,744 and \$3,995,981, respectively.
- ◆ The City's total net position increased \$3,171,760 due to debt reduction accompanied by a continued focus to increase fund balance in the General and Utility Service Funds. Of the amount increased, \$1,651,172 is being carried forward to the subsequent budget for projects and capital purchases that did not occur during the current fiscal year as budgeted due to unforeseen delays in manpower and supplies caused by the Coronavirus global pandemic.
- ◆ At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$17,070,931, an increase of \$749,782 in comparison with the prior year. Of this amount, \$3,011,284 or 17.6%, is available for spending at the government's discretion (unassigned fund balance).
- ◆ At the end of the current fiscal year, unassigned fund balance for the general fund was \$3,011,284 or approximately 25.8% of the following year's total budgeted general fund expenditures. Per city policy, unassigned fund balance over twenty percent can be committed for capital projects or disaster recovery.
- ◆ The City's proprietary funds reported an increase of \$1,502,678. This increase was a result of a rate increase implemented in September of 2019 combined with \$362,000 of budgeted expenditures that are being carried forward to the subsequent budget for projects and capital purchases that did not occur during the current fiscal year as budgeted.
- ◆ The City's net long term debt outstanding decreased by \$2,959,943 during the current fiscal year. This decrease is directly attributable to a plan implemented to improve the City's financial position by ceasing loan acquisitions, making additional debt principal payments, and incrementally adjusting rates in the Utility Service Fund. The City has established a goal to be debt free by the end of fiscal year 2024. The City's total long term debt as of September 30, 2023 was \$1,166,391.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

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

The *statement of net position* presents financial information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial assets of the City are improving or deteriorating.

The *statement of activities* presents information showing how the City's net position has 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 for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned vacation leave).

Both of 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, public safety, streets, sanitation, and culture and recreation. The business-type activities of the City include water, sewer and refuse collection service operations and stormwater management.

The government-wide financial statements include not only the City of South Daytona itself (known as the primary government), but also a legally separate entity (South Daytona Community Redevelopment Agency) known as a blended component unit, for which the City is financially accountable. Financial information for this component unit is blended with the financial information presented for the government itself.

The government-wide financial statements can be found on pages 41-42 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 of the funds of the City can be divided into two categories: governmental and proprietary funds.

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

Because the focus of governmental funds is more narrow than that of 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. Those reconciliations can be found on pages 44 and 46.

The City maintains five (5) individual governmental funds. One of these governmental funds are classified as non-major and are summarized under this heading in the governmental fund presentation. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, the Redevelopment Trust Fund (blended component unit), Transportation Fund, and the Capital Project Fund all of which are considered to be major funds. Data from the other governmental fund is presented in a single column labeled nonmajor funds. Fund data for the nonmajor governmental fund is provided in the form of combining and individual fund schedules located in the other supplementary information section of this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 43 and 45 of this report.

Proprietary Funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented in the business-type activities of the government-wide financial statements. The Utility Service Fund is used to account for the fiscal activities of the City's water, sewer and flood control (stormwater management) activities and the Refuse Service Fund is used to account for the fiscal activities of the City's sanitation collection services. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various departments and cost functions. The City uses an internal service fund to account for its vehicle fleet maintenance facilities and operations. Because this service predominantly benefits government operations rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide statements, only in more detail. The proprietary fund financial statements provide separate financial information for the Enterprise Funds, considered to be major funds of the City, and the Internal Service Fund.

The basic proprietary fund statements can be found on pages 50 - 53 of this report.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire 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 55-84 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City’s progress in funding its obligation to provide pension benefits and other post-employment benefits to its employees. Required supplementary information can be found on pages 87-89 of this report.

This report also presents *other supplementary information*. The combining balance sheet and the combining schedule of revenues, expenditures, and changes in fund balances for the City’s non-major governmental funds, the schedule of revenues, expenditures, and changes in fund balance budget and actual for funds with legal budgets other than the General Fund, Redevelopment Trust Fund and Transportation Fund are presented immediately following the required supplementary information. These combining fund schedules and budget and actual schedules can be found on pages 93-96 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. In the case of the City, assets and deferred outflow of resources exceeded liabilities and deferred inflows of resources by \$42,173,797 at the close of the most recent fiscal year.

	Governmental activities		Business-type activities		Total	
	2023	2022	2023	2022	2023	2022
Assets:						
Current and other assets	\$ 18,629,628	\$ 17,652,595	\$ 4,459,319	\$ 3,095,284	\$ 23,088,947	\$ 20,747,879
Capital assets, net	17,426,889	17,167,299	19,006,563	19,457,556	36,433,452	36,624,855
Total Assets	36,056,517	34,819,894	23,465,882	22,552,840	59,522,399	57,372,734
Deferred outflows of resources	2,808,197	3,187,041	160,190	182,221	2,968,387	3,369,262
Liabilities:						
Long-term liabilities	2,403,816	4,422,269	687,943	1,910,569	3,091,759	6,332,838
Net Pension liabilities	12,049,808	10,950,561	569,210	504,001	12,619,018	11,454,562
Other liabilities	1,482,956	1,249,064	1,893,640	1,365,109	3,376,596	2,614,173
Total liabilities	15,936,580	16,621,894	3,150,793	3,779,679	19,087,373	20,401,573
Deferred inflows of resources	1,117,397	1,243,386	112,219	95,000	1,229,616	1,338,386
Net position:						
Net investment in capital assets	16,783,919	14,570,567	18,495,153	17,950,970	35,279,072	32,521,537
Restricted	2,481,507	1,403,772	417,237	350,260	2,898,744	1,754,032
Unrestricted (deficit)	2,545,311	4,167,316	1,450,670	559,152	3,995,981	4,726,468
Total net position	\$ 21,810,737	\$ 20,141,655	\$ 20,363,060	\$ 18,860,382	\$ 42,173,797	\$ 39,002,037

The City of South Daytona’s Net Position.

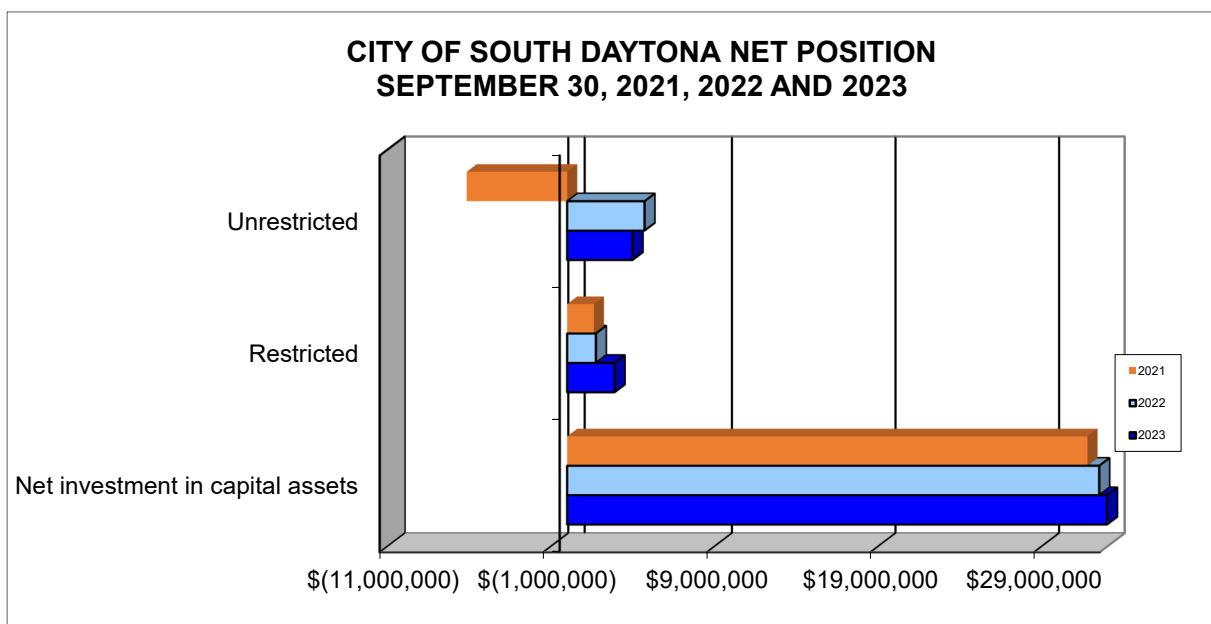
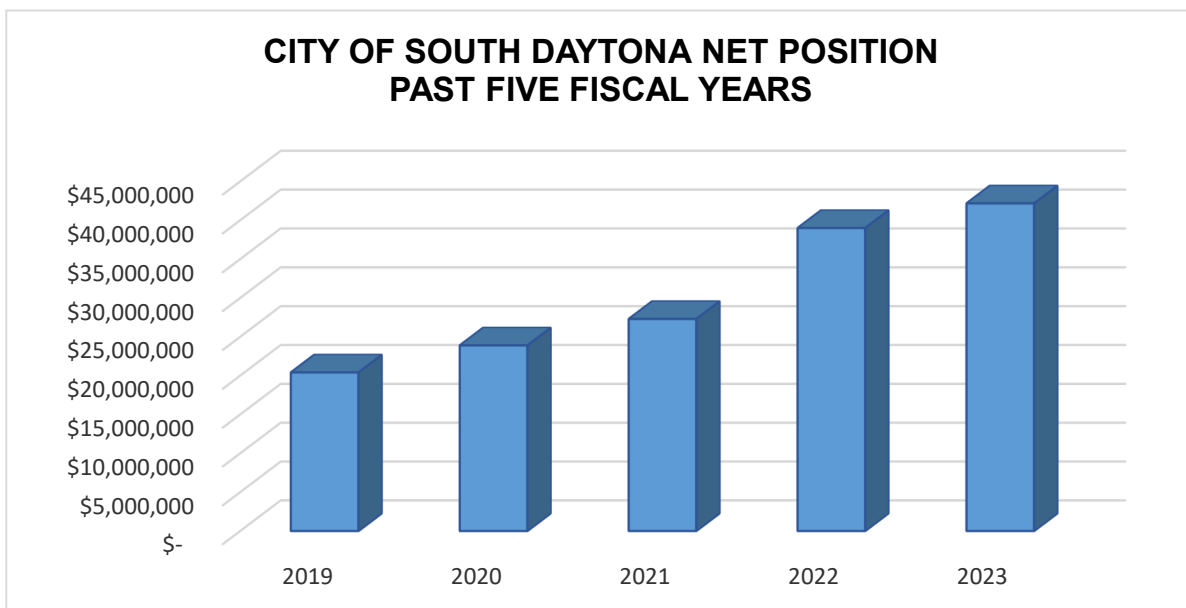
Current and other assets increased in governmental activities by \$977,033 from the prior year. This increase is due to a delay in capital and other projects, \$1,289,172, that will be rolled forward to the subsequent year budget.

Long-term liabilities, which consists of notes, leases, compensated absences and postemployment benefit obligations, decreased by \$1,750,240 from the previous year for governmental and business-type activities combined. Notes and leases decreased by \$2,959,943 as the City has made a commitment to reduce debt via a combination of making additional principal payments and not taking out any additional debt. The City’s net OPEB liability decreased \$31,382 due to a decrease in the City’s other postemployment benefit healthcare plan liability. The City had a net increase of \$1,164,456 in the City’s share of the Florida Retirement System’s total pension

liability primarily due to the increase in health care costs to the pension plan, the net change in deferred inflows and outflows resulted in a total pension accounting liability increase of \$305,742.

By far, the largest portion of the City’s net position, \$35,279,072, reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), net of accumulated depreciation and less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City’s investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City’s net position, \$2,898,744 represents resources that are subject to external restrictions on how they may be used. As of the end of the current year, the City’s the unrestricted net position was \$3,995,981.



City of South Daytona Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues:						
Charges for Services	\$ 860,673	\$ 2,966,158	\$ 11,539,904	\$ 8,627,640	12,400,577	\$ 11,593,798
Operating grants and contributions	2,864,392	7,257,262	456,561	35,100	3,320,953	7,292,362
Capital grants and contributions	304,516	346,714	33,091	7,895	337,607	354,609
General revenues:						
Property taxes	4,592,705	4,110,715	-	-	4,592,705	4,110,715
Property tax increments - redevelopment	3,078,221	2,144,334	-	-	3,078,221	2,144,334
Other taxes	2,920,740	2,690,929	-	-	2,920,740	2,690,929
Intergovernmental revenues	2,475,921	2,403,437	-	-	2,475,921	2,403,437
Other revenues	680,427	1,488,621	281,158	21,427	961,585	1,510,048
Total revenues	<u>17,777,595</u>	<u>23,408,170</u>	<u>12,310,714</u>	<u>8,692,062</u>	<u>30,088,309</u>	<u>32,100,232</u>
Expenses:						
General government	1,899,627	1,660,979	-	-	1,899,627	1,660,979
Comprehensive planning	708,090	412,251	-	-	708,090	412,251
Public safety	6,444,392	5,371,597	-	-	6,444,392	5,371,597
Disaster recovery	2,350,477	-	-	-	2,350,477	-
Environmental services - public works	-	693,454	-	-	-	693,454
Environmental services - sanitation	936,061	1,682,224	1,967,012	-	2,903,073	1,682,224
Road and street facilities	1,635,355	743,929	-	-	1,635,355	743,929
Community redevelopment	746,574	782,288	-	-	746,574	782,288
Parks and recreation	2,072,262	1,573,413	-	-	2,072,262	1,573,413
Water/Sewer operations	-	-	8,119,420	7,374,236	8,119,420	7,374,236
Interest on long-term debt	37,279	94,229	-	-	37,279	94,229
Total expenses	<u>16,830,117</u>	<u>13,014,364</u>	<u>10,086,432</u>	<u>7,374,236</u>	<u>26,916,549</u>	<u>20,388,600</u>
Increase (decrease) in net position before transfers	947,478	10,393,806	2,224,282	1,317,826	3,171,760	11,711,632
Transfers in (out)	721,604	544,903	(721,604)	(544,903)	-	-
Increase (decrease) in net position	1,669,082	10,938,709	1,502,678	772,923	3,171,760	11,711,632
Net position beginning	20,141,655	9,202,946	18,860,382	18,087,459	39,002,037	27,290,405
Net position ending	<u>\$ 21,810,737</u>	<u>\$ 20,141,655</u>	<u>\$ 20,363,060</u>	<u>\$ 18,860,382</u>	<u>\$ 42,173,797</u>	<u>\$ 39,002,037</u>

Changes in Net Position.

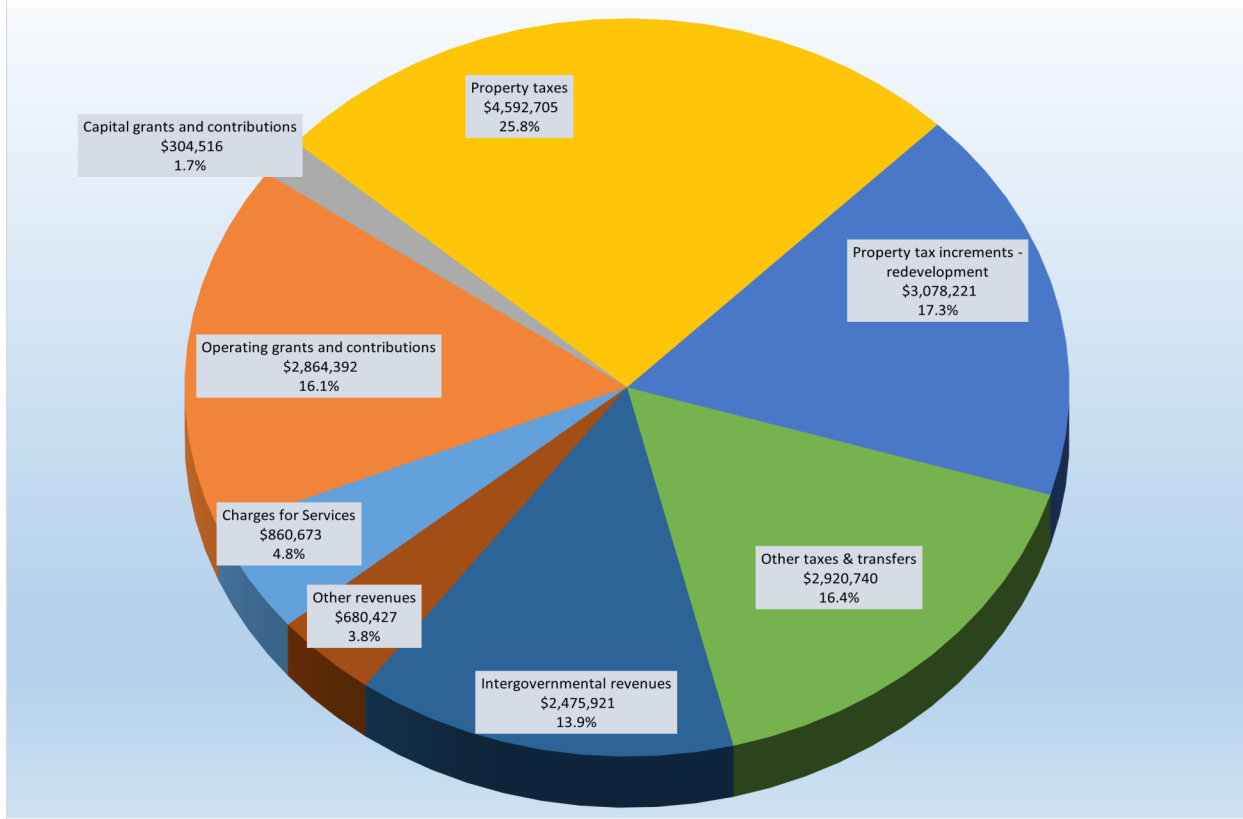
The City's overall net position increased \$3,171,760 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental and business-type activities.

Governmental Activities.

As mentioned earlier, governmental activities such as public safety, parks and recreation, and streets are supported by taxes and intergovernmental revenue rather than recovering all or a significant portion of their costs through user fees and charges. During the current fiscal year, net position for governmental activities increased \$1,669,082 from the prior fiscal year ending balance of \$20,141,655. A majority of the increase for the governmental funds was additional property tax revenue for \$1,415,877 over the prior year due to increases in property tax values and the addition of a large apartment complex in 2023. The Covid-19 pandemic supply chain issues caused delays in capital and other projects totaling \$1,289,172 that will be rolled forward to the subsequent year budget.

Revenues decreased \$5,630,575 from the prior year primarily due to a \$4,435,068 decrease in capital and operating grants. Property taxes remain the largest source of revenue at \$4.6 million for the current fiscal year. The millage rate has remained constant since 2018, however the assessed valuations of property has risen 19.9% in the current year creating an increase of \$481,990 in ad valorem revenue. Charges for services decreased \$2,105,485 over the prior fiscal year primarily due to refuse services being recorded as a separate proprietary fund in the current year. Operating grant revenues decreased \$4,392,870 due to the City's prior year recognition of ARPA funds to assist in the economic recovery from the impact of the Covid-19 pandemic.

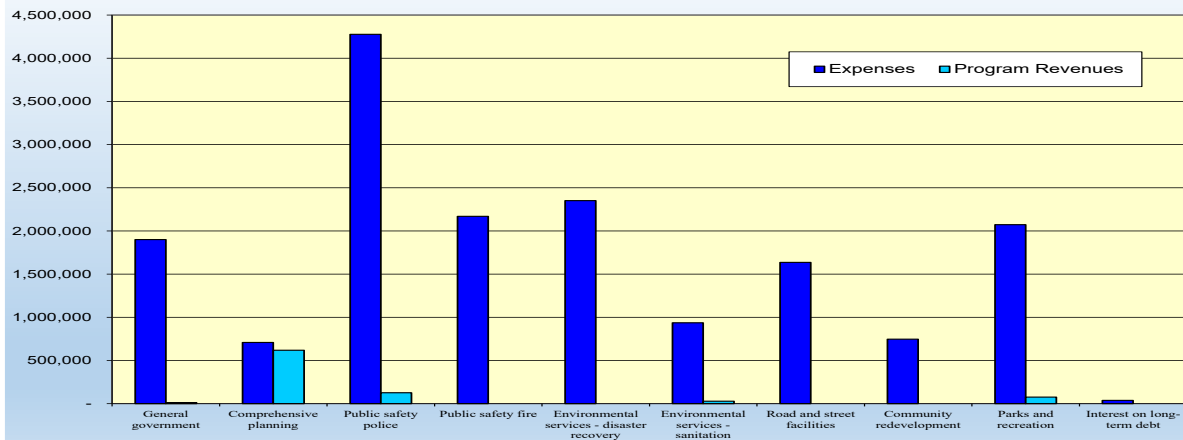
Revenues by Source - Governmental Activities

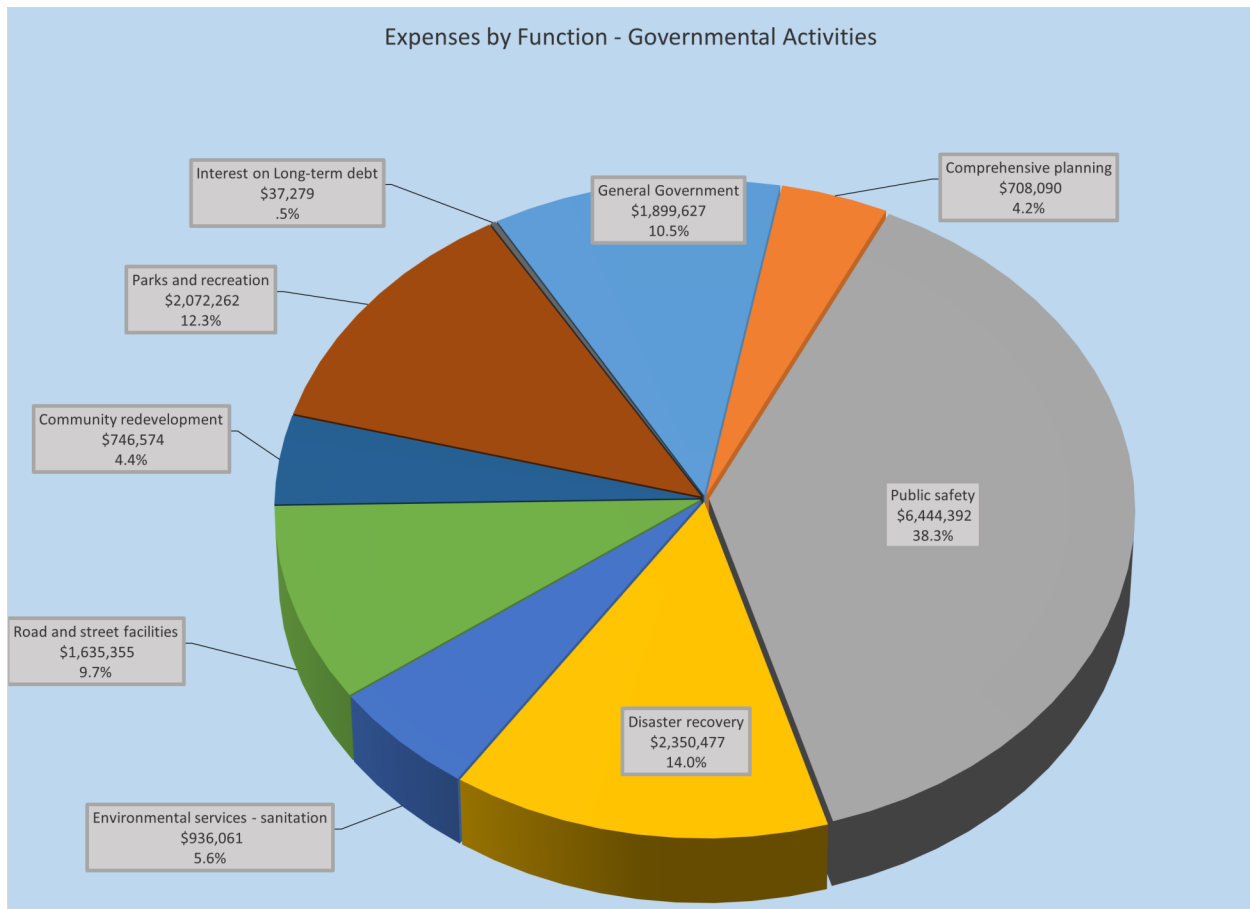


Expenses increased during the current year from \$13,014,364 in the prior year to \$16,830,117 in the current year. The most significant increases are due primarily to increased expenditures in transportation in relation to the grant funded Sun-Trail and other capital projects and due to the debris removal and repair costs related to Hurricane Ian. Disaster recovery expenditures increased \$2,350,477 for general city expenses and \$411,877 for parks. Public safety had an increase of \$1,072,795 due to the increase in wages and required Florida Retirement System contributions in the current fiscal year. A decrease in interest on long-term debt, \$56,950, resulted from decreases in outstanding debt.

As shown in the chart below, revenues generated by the City’s programs are not sufficient to cover the costs. The City relies on property taxes, sales taxes, investment income and other general revenues to cover the costs associated with the various programs.

Expenses and Program Revenues - Governmental Activities





Business-type Activities. The business-type activities for the City include water and sewer service operations, stormwater management and refuse service. Costs for providing these services are recovered by charging users for the services. For the City’s business-type activities, the results for the current fiscal year were positive in that overall net position increased to reach an ending balance of \$20,363,060. The total increase in net position for business-type activities was \$1,502,678 or 7.97% from the prior fiscal year. The growth, in large part, is attributable to rate increases for water and sewer enacted in September 2019. As a result, revenues from water, sewer and stormwater activity charges for services increased \$405,083 over the previous year’s amount. Another reason for the increase is a delay in capital and other projects, \$362,000, that will be rolled forward to the subsequent year budget.

Financial Analysis of Governmental Funds

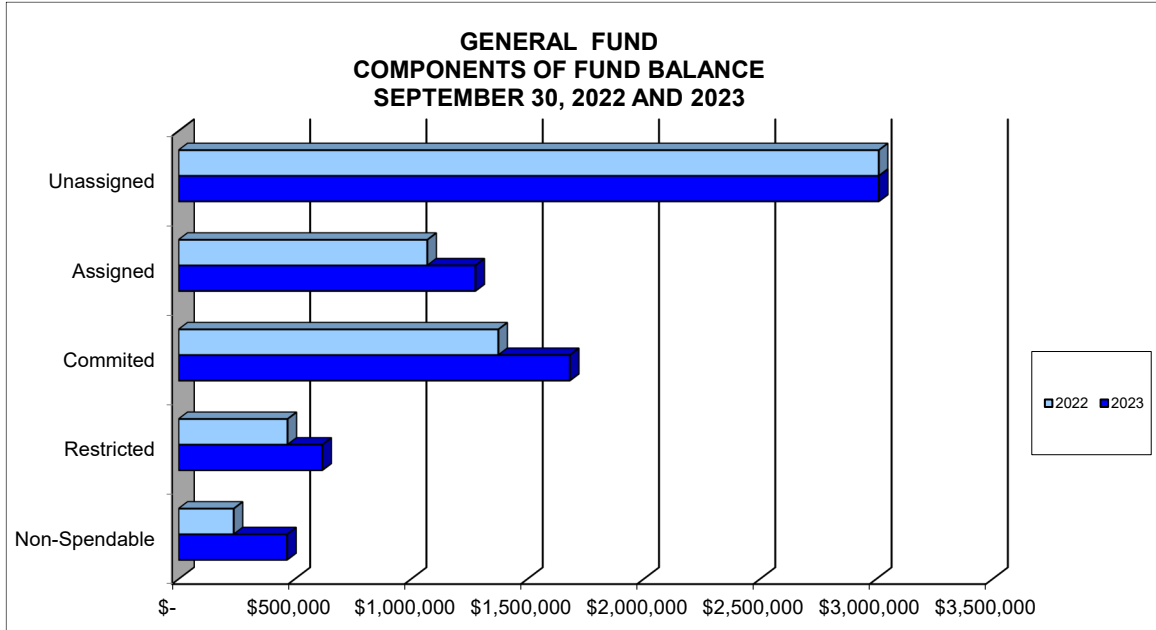
As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular 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 particular purposes by the City’s Council.

At September 30, 2023, the City’s governmental funds reported combined fund balances of \$17,070,931, an increase of \$749,782 in comparison with the prior year balance. Of this amount, \$3,011,284, or 17.6%, constitutes unassigned fund balance, which is available for spending at the City’s discretion. The remainder of the fund balance is either non-spendable, restricted, committed, or assigned to indicate that it is (1) not in spendable form \$466,856, (2) restricted for particular purposes, \$2,481,507, (3) committed for particular purposes, \$8,909,523 or (4) assigned for particular purpose, \$2,201,761.

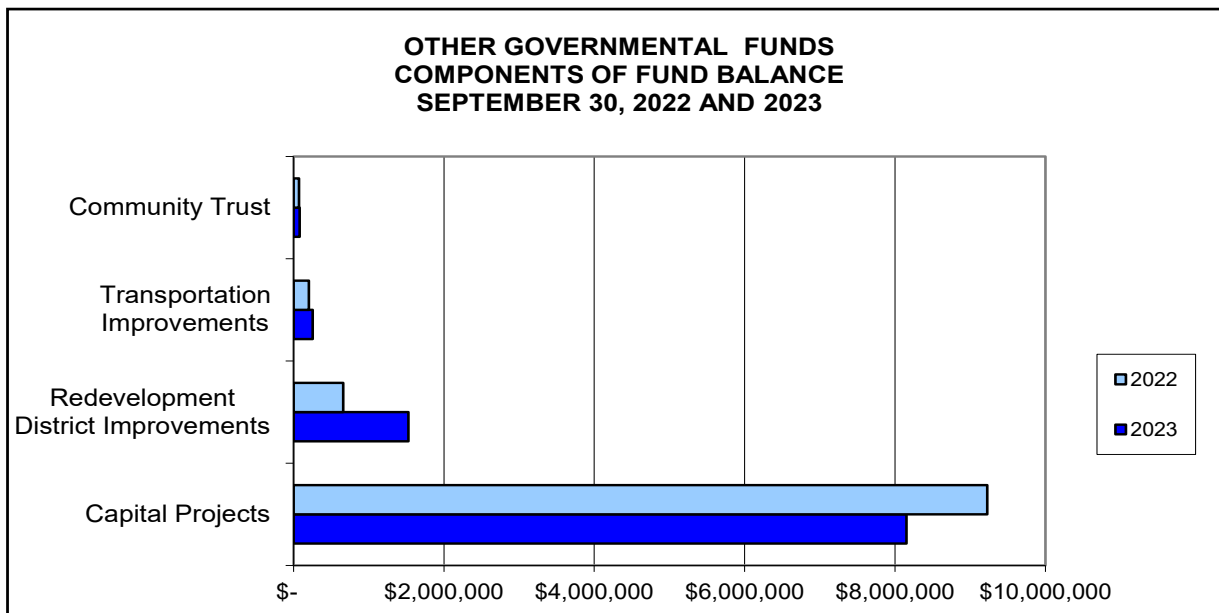
Analysis of Individual Funds

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$3,011,284, while total fund balance increased to \$7,055,555. 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 23.8% of total current year general fund expenditures, while total fund balance represent 55.7% of that same amount. The City’s General Fund balance increased by \$894,430 during the current fiscal year due to increases in property tax values (19.9%) and collections of \$481,990 and delays in capital projects due to supply chain issues of \$363,946.



The fund balance of the City’s Redevelopment Trust Fund increased by \$869,012 during the current fiscal year due to increases in property tax values and related collections of \$933,887.

The Capital Projects fund balance decreased by \$1,071,931 due to council approved capital project expenditures for parks and water sewer infrastructure improvements. Fund balance in the Capital Projects Fund will continue to be used for council approved capital projects in future years.



Proprietary Funds. The City’s proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Utility Service Fund at the end of the year was \$1,323,501. The total increase in net position for the utility service fund was \$1,375,509. As noted earlier in the discussion of business-type activities, the increase in the Utility Service Fund was due to increases water, sewer and stormwater rates, delay in capital and other projects of \$362,000 that will be rolled forward to the subsequent year budget and a budgeted transfer to reserves to increase unrestricted fund balance of \$325,000.

General Fund Budgetary Highlights

Original budget compared to final budget. During the year, a mid-year budget amendment was made to adjust the original estimated revenues or budget appropriations. Overall, the general fund budget was increased by \$3,039,562 with 75% of the increases due to the impacts of Hurricane Ian. The significant variances between the original budget and final amended budget are as follows:

- Disaster recovery expenditures were increased by \$ 2,201,259 due to the debris cleanup and other costs related to Hurricane Ian and Federal Grants were increased by \$2,038,288 in anticipation of reimbursements of the Disaster recovery expenditures.
- Budgeted intergovernmental revenue increased by \$168,210 mostly attributed to the Florida Department of Revenue revising their revenue estimates in December 2022 in response to a better performing economy during the post-pandemic recovery.
- Miscellaneous revenues were increased by \$76,425 to reflect additional public safety donations and an increase in investment earnings.

Generally, other movement of the appropriations between departments were not significant.

Final budget compared to actual results. Revenues reported an overall positive variance in the General Fund with actual revenues higher than the final FY 2023 Budget by \$584,695. Most of this variance is primarily due to the following:

- Property taxes exceeded the budget by \$105,615 due to additional delinquent taxes collected.
- Franchise and utility taxes exceeded the budget by \$211,985 due to Florida Power and Light rate increases.
- Communication service tax, state revenue sharing, sales tax, investment earnings all were identified as trending high during the fiscal year, but staff did not adjust the budget at midyear to allow the additional funds to increase reserves.

Expenditures reported an overall positive variance in the General Fund with actual expenditures lower than the final FY 2023 Budget by \$1,114,598. This variance is attributed to a continued focus on cost containment efforts, salary attrition due to vacancies across the community development, police, and parks departments, and not needing to spend budgeted contingency money.

The Covid-19 pandemic and resulting supply chain issues has resulted in project and capital outlay delays. Capital outlay was 54% of budget which represent \$828,811 under the budgeted amount. Most of these expenditures were delayed due to COVID-19 supply chain issues and are being rolled into the subsequent budget. The amount is reported as part of the general fund balances assigned for the subsequent year budget.

Capital Assets and Debt Administration

Capital Assets. The City’s investment in capital assets for its governmental and business type activities as of September 30, 2023, amounts to \$36,433,452 (net of accumulated depreciation/amortization). This investment in capital assets includes land, buildings, machinery, equipment, vehicles, park facilities, roads and bridges.

City of South Daytona's Capital Assets (net of depreciation/amortization)

Capital Assets as of September 30,	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
	Land	\$ 2,768,370	\$ 2,768,370	\$ 3,962,394	\$ 3,962,394	\$ 6,730,764
Construction in progress	1,342,668	762,649	-	-	1,342,668	762,649
Buildings and improvements	11,061,342	11,737,304	13,993,788	14,946,583	25,055,130	26,683,887
Machinery and equipment	2,254,509	1,898,976	1,050,381	548,579	3,304,890	2,447,555
	<u>\$ 17,426,889</u>	<u>\$ 17,167,299</u>	<u>\$ 19,006,563</u>	<u>\$ 19,457,556</u>	<u>\$ 36,433,452</u>	<u>\$ 36,624,855</u>

Decreases to capital assets occur when assets are sold or scrapped and when accumulated depreciation expense for the year is greater than capital acquisitions. The total decrease in capital assets for the current fiscal year was approximately .5%.

Major capital asset events during the current fiscal year included the following:

- \$177,112 for police vehicles and \$41,931 for other police and fire equipment.
- \$314,056 for City wide fleet replacements.
- \$209,521 for water and sewer fleet replacements.
- \$490,057 for water and sewer equipment and improvements in the utility fund.
- \$156,680 for James Street park playground equipment and pavilion improvements .
- CIP included ongoing sun-trail design costs of \$877,036 and \$465,632 for various projects.

Additional information on the City's capital assets can be found in Note 9 to the financial statements, on pages 67 - 68.

Credit Facility	City of South Daytona Outstanding Debt As of September 30,					
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Long Term Debt						
State Revolving Loan	\$ -	\$ -	\$ 523,421	\$ 1,176,602	\$ 523,421	\$ 1,176,602
Note Payable	-	6,108	-	-	-	6,108
Capital Improvement Notes	600,866	2,508,045	-	353,000	600,866	2,861,045
Financed Purchases	42,104	82,579	-	-	42,104	82,579
Total Long Term Debt	<u>\$ 642,970</u>	<u>\$ 2,596,732</u>	<u>\$ 523,421</u>	<u>\$ 1,529,602</u>	<u>\$ 1,166,391</u>	<u>\$ 4,126,334</u>

Long-term Debt. During the current fiscal year, the City decreased outstanding debt by \$2,959,943. At year-end, the City had \$1,166,391 in long-term notes and financed purchase obligations outstanding. More detailed information about the City's long-term debt is presented in Notes 10 & 11 of the financial statements on pages 69 - 73.

State Revolving Loans. The City has two revenue note obligations payable to the State of Florida, Department of Environmental Protection State Revolving Fund Loan Program totaling \$523,421 at year-end. The proceeds of these loans were used to finance the construction of needed stormwater drainage and sanitary sewer improvements in the Palm Grove Subdivision. These notes are collateralized by the City's utility revenues and are payable in varying amounts through 2026.

Notes Payable. During fiscal year 2014, the City secured a \$4,109,102 note to refund a line of credit from Wells Fargo Bank. The terms of the loan include a fixed rate of 2.65% and a maturity date of June 30, 2023. On November 30, 2016 the City received a note of \$401,000 funding capital acquisitions made during the fiscal year ended September 30, 2016. The note was paid off in fiscal year 2023.

Capital Improvement Notes. The City had an additional note payable to Wells Fargo Bank at year end in the amount of \$115,301. This represents the principal balance remaining of the \$6,500,000 loan taken in January 2004 by the Redevelopment Trust Fund for U.S. 1 corridor improvements.

During fiscal year 2014 the City secured a \$4,200,000 Capital Improvement Note #109 with a maturity of November 1, 2028 and an interest rate of 2.53%. The purpose of this note was to pay off part of a Wells Fargo revolving line of credit # 91, fund capital improvement projects and included \$2,500,000 for efforts to acquire the electric utility system. The outstanding amount at fiscal year end was \$485,565.

Financed Purchases. The City has outstanding financed purchase obligations payable to various financial institutions in the amount of \$42,104. These obligations are used to fund capital equipment purchases on an annual basis and have staggered and varying maturity dates.

The City Charter does not limit the amount of debt the City may incur.

Economic Factors and Next Year's Budgets and Rates

Many factors are considered each year by the City Council in its efforts to establish an operating budget, to evaluate its personnel needs, and to 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, unemployment rates, and inflation rates.

- The most recent figures available for unemployment data in Volusia County, Florida are compiled by the Florida Agency for Workforce Innovation. This agency reports county-wide unemployment rate of 3.4% an increase from the rate of 2.8% experienced one year earlier. These estimates are consistent with the state's 3.0% unemployment rate.
- The rates for water and sewer were increased by the CPI for fiscal year 2024 per the new water sewer contract with the City of Daytona Beach. The 2024 budget also includes expenditures for an updated water and sewer rate study.
- For fiscal year 2024, the City has adopted a millage rate equivalent to 7.7500 mills per \$1,000 of taxable valuation which represents a 0.6265 mill or 8.79% increase above the rolled-back millage rate of 7.1235 mills as established by the Volusia County Property Appraiser. The millage rate consists of .40000 mills that will be reserved for street resurfacing in future years.
- The CPI for September 2023 was 4.2% higher than 2022 for all items in the South. The City will continue to monitor the impact of the economy and changing interest rates on the cost of goods and services.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Questions concerning any of the information provided in this report, or requests for additional information should be addressed to the Finance Director, City of South Daytona, Florida, 1672 South Ridgewood Avenue, South Daytona, Florida 32119.



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BASIC FINANCIAL STATEMENTS



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City of South Daytona, Florida
Statement of Net Position
September 30, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 15,191,624	\$ 1,187,191	\$ 16,378,815
Receivables, net	400,118	1,491,480	1,891,598
Due from other governments	2,455,409	398,781	2,854,190
Inventory and prepaids	582,477	1,000	583,477
Restricted assets:			
State revolving loan reserve fund	-	112,231	112,231
Water/sewer impact fees fund	-	271,120	271,120
Utility deposits	-	997,516	997,516
Capital assets:			
Nondepreciable assets	4,111,038	3,962,394	8,073,432
Depreciable assets, net	13,315,851	15,044,169	28,360,020
Total assets	<u>36,056,517</u>	<u>23,465,882</u>	<u>59,522,399</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred charges on debt refundings	-	12,011	12,011
Deferred outflows on pension and OPEB	2,808,197	148,179	2,956,376
Total deferred outflows of resources	<u>2,808,197</u>	<u>160,190</u>	<u>2,968,387</u>
LIABILITIES			
Accounts payable and other current liabilities	1,299,848	565,637	1,865,485
Unearned revenue	146,149	-	146,149
Accrued interest payable	7,132	4,105	11,237
Customer deposits payable	29,826	997,516	1,027,342
Noncurrent liabilities:			
Due within one year	619,550	326,382	945,932
Due in more than one year	13,834,075	1,257,153	15,091,228
Total liabilities	<u>15,936,580</u>	<u>3,150,793</u>	<u>19,087,373</u>
DEFERRED INFLOW OF RESOURCES			
Deferred inflows on pension and OPEB	1,117,397	112,219	1,229,616
Total deferred inflows of resources	<u>1,117,397</u>	<u>112,219</u>	<u>1,229,616</u>
NET POSITION			
Net investment in capital assets	16,783,919	18,495,153	35,279,072
Restricted for:			
Capital projects	38,030	271,120	309,150
Debt service	281,242	146,117	427,359
Redevelopment	1,528,467	-	1,528,467
Police confiscation	57,170	-	57,170
Transportation	254,694	-	254,694
Other purposes	321,904	-	321,904
Unrestricted	2,545,311	1,450,670	3,995,981
Total Net Position	<u>\$ 21,810,737</u>	<u>\$ 20,363,060</u>	<u>\$ 42,173,797</u>

The accompanying notes are an integral part of the financial statements.

City of South Daytona, Florida
Statement of Activities
For the Year Ended September 30, 2023

Functions/Programs Primary government:	Net (Expense) Revenue and Changes in Net Position						
	Program Revenues			Primary Government			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 1,899,627	\$ 12,319	\$ 259,909	\$ -	\$ (1,627,399)	\$ -	\$ (1,627,399)
Comprehensive planning	708,090	618,705	-	-	(89,385)	-	(89,385)
Public safety	6,444,392	126,482	2,208,310	-	(4,109,600)	-	(4,109,600)
Disaster recovery	2,350,477	-	-	-	(2,350,477)	-	(2,350,477)
Environmental services - sanitation	936,061	27,611	-	-	(908,450)	-	(908,450)
Road and street facilities	1,635,355	-	396,173	304,516	(934,666)	-	(934,666)
Community redevelopment	746,574	-	-	-	(746,574)	-	(746,574)
Parks and recreation	2,072,262	75,556	-	-	(1,996,706)	-	(1,996,706)
Interest on long-term debt	37,279	-	-	-	(37,279)	-	(37,279)
Total governmental activities	16,830,117	860,673	2,864,392	304,516	(12,800,536)	-	(12,800,536)
Business-type activities:							
Utility service	6,540,164	7,747,346	107,639	33,091	-	1,347,912	1,347,912
Utility service stormwater	1,579,256	1,285,377	-	348,922	-	55,043	55,043
Refuse service	1,967,012	2,507,181	-	-	-	540,169	540,169
Total business-type activities	10,086,432	11,539,904	107,639	382,013	-	1,943,124	1,943,124
Total primary government	\$ 26,916,549	\$ 12,400,577	\$ 2,972,031	\$ 686,529	(12,800,536)	1,943,124	(10,857,412)
General revenues:							
Property taxes					4,592,705	-	4,592,705
Property tax increments - redevelopment					3,078,221	-	3,078,221
Franchise taxes					982,096	-	982,096
Utility taxes					1,486,171	-	1,486,171
Communication service tax					452,473	-	452,473
Intergovernmental revenue - unrestricted					2,475,921	-	2,475,921
Investment revenue					484,247	123,723	607,970
Miscellaneous					168,791	120,494	289,285
Gain (loss) on sale of capital assets					27,389	36,941	64,330
Transfers					721,604	(721,604)	-
Total general revenues and transfers					14,469,618	(440,446)	14,029,172
Change in net position					1,669,082	1,502,678	3,171,760
Net position - beginning					20,141,655	18,860,382	39,002,037
Net position - ending					\$ 21,810,737	\$ 20,363,060	\$ 42,173,797

The accompanying notes are an integral part of the financial statements.

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

	General	Redevelopment	Transportation	Capital Projects	Nonmajor	Total
	Fund	Trust	Fund	Fund	Funds	Governmental
		Fund				Funds
ASSETS						
Cash and cash equivalents	\$ 4,559,595	\$ 1,554,911	\$ 112,131	\$ 8,809,481	\$ 77,055	\$ 15,113,173
Receivables-net of allowance	397,118	-	-	-	-	397,118
Due from other governments	2,300,993	-	154,416	-	-	2,455,409
Inventory	-	-	-	102,368	-	102,368
Prepays and deposits	466,856	-	-	-	-	466,856
Notes receivable	-	-	-	-	3,000	3,000
Total assets	<u>\$ 7,724,562</u>	<u>\$ 1,554,911</u>	<u>\$ 266,547</u>	<u>\$ 8,911,849</u>	<u>\$ 80,055</u>	<u>\$ 18,537,924</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and other current liabilities	\$ 493,032	\$ 26,444	\$ 11,853	\$ 759,689	\$ -	\$ 1,291,018
Unearned revenue	146,149	-	-	-	-	146,149
Customer deposits payable	29,826	-	-	-	-	29,826
Total liabilities	<u>669,007</u>	<u>26,444</u>	<u>11,853</u>	<u>759,689</u>	<u>-</u>	<u>1,466,993</u>
Fund balances:						
Non-spendable for:						
Prepaid assets	466,856	-	-	-	-	466,856
Restricted for:						
Debt Service	281,242	-	-	-	-	281,242
Redevelopment trust fund	-	1,528,467	-	-	-	1,528,467
Police confiscation fund	57,170	-	-	-	-	57,170
Public safety impact fees	38,030	-	-	-	-	38,030
Permits	214,829	-	-	-	-	214,829
Transportation	-	-	254,694	-	-	254,694
Community Trust	-	-	-	-	80,055	80,055
Parks and recreation	27,020	-	-	-	-	27,020
Committed:						
Disaster recovery	1,682,589	-	-	-	-	1,682,589
Capital projects fund	-	-	-	7,226,934	-	7,226,934
Assigned:						
Capital	907,589	-	-	-	-	907,589
ADA maintenance	5,000	-	-	-	-	5,000
Subsequent years budget	363,946	-	-	925,226	-	1,289,172
Unassigned	3,011,284	-	-	-	-	3,011,284
Total fund balance	<u>7,055,555</u>	<u>1,528,467</u>	<u>254,694</u>	<u>8,152,160</u>	<u>80,055</u>	<u>17,070,931</u>
Total liabilities and fund balance	<u>\$ 7,724,562</u>	<u>\$ 1,554,911</u>	<u>\$ 266,547</u>	<u>\$ 8,911,849</u>	<u>\$ 80,055</u>	<u>\$ 18,537,924</u>

The accompanying notes are an integral part of the financial statements.

City of South Daytona, Florida
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
September 30, 2023

Amounts reported for governmental activities in the statement of net position (page 41) are different because:

Total fund balances-governmental funds (page 43)		\$ 17,070,931
<p>Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.</p>		
Governmental capital assets	52,234,477	
Accumulated depreciation	<u>(34,953,027)</u>	17,281,450
<p>Internal service funds are used by management to charge the costs of fleet lease maintenance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.</p>		
		146,995
<p>Deferred outflows and inflows of resources are not available in the current period and, therefore, are not reported in the governmental funds. Deferred outflows and inflows of resources at year end consist of:</p>		
Deferred Outflows on Pension and OPEB	2,791,897	
Deferred Inflows on Pension and OPEB	<u>(1,107,241)</u>	1,684,656
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.</p>		
Financed purchases payable	(42,104)	
Notes payable	(600,866)	
Compensated absences	(698,406)	
Accrued interest payable	(7,132)	
Total Other Post Employment Benefits Liability	(1,038,074)	
Net Pension Liability	<u>(11,986,713)</u>	<u>(14,373,295)</u>
Net position of governmental activities		<u>\$ 21,810,737</u>

The accompanying notes are an integral part of the financial statements.

City of South Daytona, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2023

	General Fund	Redevelopment Trust Fund	Transportation Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 4,592,705	\$ 3,078,221	\$ -	\$ -	\$ -	\$ 7,670,926
Franchise taxes	982,096	-	-	-	-	982,096
Utility taxes	1,486,171	-	-	-	-	1,486,171
Communication service tax	452,473	-	-	-	-	452,473
Business tax receipts and permits	618,705	-	-	-	-	618,705
Motor fuel taxes	-	-	323,032	-	-	323,032
Federal grants	2,048,340	34,001	94,767	51,790	-	2,228,898
State grants	28,250	-	377,657	-	-	405,907
Grants - other local units	91,395	-	-	119,676	-	211,071
Intergovernmental revenue	2,351,656	-	124,265	-	-	2,475,921
Charges for services	149,197	-	-	-	-	149,197
Fines and forfeitures	92,771	-	-	-	-	92,771
Miscellaneous	401,777	-	17,267	218,157	15,837	653,038
Total revenues	<u>13,295,536</u>	<u>3,112,222</u>	<u>936,988</u>	<u>389,623</u>	<u>15,837</u>	<u>17,750,206</u>
EXPENDITURES						
Current:						
General government	1,565,377	-	-	-	-	1,565,377
Comprehensive planning	617,210	-	-	-	61	617,271
Public safety	5,539,157	-	-	-	-	5,539,157
Disaster Recovery	2,253,954	-	96,523	-	-	2,350,477
Environmental services - sanitation	-	-	-	936,061	-	936,061
Road and street facilities	-	-	867,424	-	-	867,424
Community redevelopment	-	722,773	-	-	-	722,773
Parks and recreation	1,467,189	-	-	269,409	7,515	1,744,113
Capital outlays	716,508	39,335	381,994	256,084	-	1,393,921
Debt service:						
Principal	497,363	1,430,686	25,713	-	-	1,953,762
Interest	5,043	50,416	3,622	-	-	59,081
Total expenditures	<u>12,661,801</u>	<u>2,243,210</u>	<u>1,375,276</u>	<u>1,461,554</u>	<u>7,576</u>	<u>17,749,417</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>633,735</u>	<u>869,012</u>	<u>(438,288)</u>	<u>(1,071,931)</u>	<u>8,261</u>	<u>789</u>
OTHER FINANCING SOURCES AND (USES)						
Transfers in	308,604	-	488,298	-	-	796,902
Transfers out	(75,298)	-	-	-	-	(75,298)
Sale of capital assets	27,389	-	-	-	-	27,389
Total other financing sources (uses)	<u>260,695</u>	<u>-</u>	<u>488,298</u>	<u>-</u>	<u>-</u>	<u>748,993</u>
Net change in fund balances	894,430	869,012	50,010	(1,071,931)	8,261	749,782
Fund balances-beginning	6,161,125	659,455	204,684	9,224,091	71,794	16,321,149
Fund balances-ending	<u>\$ 7,055,555</u>	<u>\$ 1,528,467</u>	<u>\$ 254,694</u>	<u>\$ 8,152,160</u>	<u>\$ 80,055</u>	<u>\$ 17,070,931</u>

The accompanying notes are an integral part of the financial statements.

City of South Daytona, Florida
Reconciliation of the Statement of Revenues, Expenditures,
And Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended September 30, 2023

Amounts reported for governmental activities in the statement of activities (page 42) are different because:

Net change in fund balances-total governmental funds (page 45) \$ 749,782

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives. This is the amount by which capital outlay exceeded depreciation expense for the current period.

Expenditures for capital assets	1,393,921	
Less current year depreciation	<u>(1,162,427)</u>	231,494

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations and contributions) is to increase net position. 8,999

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, 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. 1,953,762

The (increase) decrease in net pension liabilities, deferred outflows and inflows and postemployment benefits costs are reported in the statement of activities, but not in the individual government fund statements. (1,380,514)

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.

Change in compensated absences liabilities	(41,407)	
Change in accrued interest on notes	21,802	
Change in total Other Post Employment Benefits liability	<u>132,515</u>	112,910

The internal service funds are used by management to charge the costs of fleet management to individual funds. The net revenue (expense) of certain activities of internal service funds is reported with governmental activities. (7,351)

Change in net position of governmental activities. \$ 1,669,082

The accompanying notes are an integral part of the financial statements.

City of South Daytona, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund

For the Year Ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 4,487,090	\$ 4,487,090	\$ 4,592,705	\$ 105,615
Franchise taxes	808,598	905,026	982,096	77,070
Utility taxes	1,296,386	1,351,256	1,486,171	134,915
Communication service tax	444,000	444,630	452,473	7,843
Business tax receipts - permits	517,475	505,625	618,705	113,080
Federal grants	317,460	2,355,748	2,048,340	(307,408)
State grants	-	84,072	28,250	(55,822)
Grants - other local units	89,826	89,826	91,395	1,569
Intergovernmental revenue	2,136,216	2,138,438	2,351,656	213,218
Charges for services	103,305	119,305	149,197	29,892
Fines and forfeitures	55,450	60,450	92,771	32,321
Miscellaneous	67,950	144,375	401,777	257,402
Total revenues	10,323,756	12,685,841	13,295,536	609,695
EXPENDITURES				
Current:				
General government	1,588,883	1,663,424	1,565,377	98,047
Comprehensive planning	662,758	679,858	617,210	62,648
Public safety	5,530,151	5,700,346	5,539,157	161,189
Disaster recovery	-	2,201,259	2,253,954	(52,695)
Parks and recreation	1,396,365	1,444,307	1,467,189	(22,882)
Contingency	132,718	24,201	-	24,201
Capital outlays	1,034,000	1,545,319	716,508	828,811
Debt service:				
Principal	507,347	507,347	497,363	9,984
Interest	10,338	10,338	5,043	5,295
Total expenditures	10,862,560	13,776,399	12,661,801	1,114,598
Excess (deficiency) of revenues over (under) expenditures.	(538,804)	(1,090,558)	633,735	1,724,293
OTHER FINANCING SOURCES AND (USES)				
Transfers in	333,604	333,604	308,604	(25,000)
Transfer from reserve	205,200	882,677	-	(882,677)
Transfers out	-	(75,298)	(75,298)	-
Transfer to reserves	-	(50,425)	-	50,425
Sale of capital assets	-	-	27,389	27,389
Total other financing sources (uses)	538,804	1,090,558	260,695	(829,863)
Net change in fund balances	-	-	894,430	894,430
Fund balances-beginning	6,161,125	6,161,125	6,161,125	-
Fund balances-ending	\$ 6,161,125	\$ 6,161,125	\$ 7,055,555	\$ 894,430

The accompanying notes are an integral part of the financial statements.

City of South Daytona, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Redevelopment Trust Fund
For the Year Ended September 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 2,760,139	\$ 3,078,223	\$ 3,078,221	\$ (2)
Federal grants	-	-	34,001	34,001
Total revenues	<u>2,760,139</u>	<u>3,078,223</u>	<u>3,112,222</u>	<u>33,999</u>
EXPENDITURES				
Current:				
Community redevelopment	712,989	740,596	722,773	17,823
Contingency:	171,957	56,319	-	56,319
Capital outlays	702,500	910,504	39,335	871,169
Debt service:				
Principal	1,431,463	1,431,463	1,430,686	777
Interest	59,054	59,054	50,416	8,638
Total expenditures	<u>3,077,963</u>	<u>3,197,936</u>	<u>2,243,210</u>	<u>954,726</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(317,824)</u>	<u>(119,713)</u>	<u>869,012</u>	<u>988,725</u>
OTHER FINANCING SOURCES AND (USES)				
Transfer from reserve	317,824	437,797	-	(437,797)
Transfer to reserves	-	(318,084)	-	318,084
Total other financing sources (uses)	<u>317,824</u>	<u>119,713</u>	<u>-</u>	<u>(119,713)</u>
Net change in fund balances				
Net change in fund balances	-	-	869,012	869,012
Fund balances-beginning	<u>659,455</u>	<u>659,455</u>	<u>659,455</u>	<u>-</u>
Fund balances-ending	<u>\$ 659,455</u>	<u>\$ 659,455</u>	<u>\$ 1,528,467</u>	<u>\$ 869,012</u>

The accompanying notes are an integral part of the financial statements.

City of South Daytona, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Transportation Fund
For the Year Ended September 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Motor fuel taxes	\$ 337,200	\$ 337,200	\$ 323,032	\$ (14,168)
Federal grants	-	72,354	94,767	22,413
State grants	53,936	588,210	377,657	(210,553)
Intergovernmental revenue	105,128	127,128	124,265	(2,863)
Miscellaneous	-	1,472	17,267	15,795
Total revenues	<u>496,264</u>	<u>1,126,364</u>	<u>936,988</u>	<u>(189,376)</u>
EXPENDITURES				
Current:				
Disaster Recovery	-	96,472	96,523	(51)
Road and street facilities	772,787	721,308	867,424	(146,116)
Contingency	6,294	3,520	-	3,520
Capital outlays	201,057	852,823	381,994	470,829
Debt service:				
Principal	25,066	25,066	25,713	(647)
Interest	1,060	1,060	3,622	(2,562)
Total expenditures	<u>1,006,264</u>	<u>1,700,249</u>	<u>1,375,276</u>	<u>324,973</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(510,000)</u>	<u>(573,885)</u>	<u>(438,288)</u>	<u>135,597</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in	435,000	488,298	488,298	-
Transfer from reserves	75,000	87,059	-	(87,059)
Transfer to reserves	-	(1,472)	-	1,472
Total other financing sources (uses)	<u>510,000</u>	<u>573,885</u>	<u>488,298</u>	<u>(85,587)</u>
Net change in fund balances	-	-	50,010	50,010
Fund balances-beginning	204,684	204,684	204,684	-
Fund balances-ending	<u>\$ 204,684</u>	<u>\$ 204,684</u>	<u>\$ 254,694</u>	<u>\$ 50,010</u>

The accompanying notes are an integral part of the financial statements.

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

	Business-type Activities			Governmental Activities
	Utility Service	Refuse Service	Total Enterprise Funds	Internal Service Fund
ASSETS				
Current assets:				
Cash and cash equivalents - unrestricted	\$ 1,176,924	\$ 10,267	\$ 1,187,191	\$ 78,451
Receivables, net	1,210,817	280,663	1,491,480	-
Due from other governments	398,781	-	398,781	-
Inventory	-	-	-	13,253
Deposits	1,000	-	1,000	-
State revolving loan reserve	112,231	-	112,231	-
Utility deposits	997,516	-	997,516	-
Renewal and replacement	-	-	-	-
Water/sewer impact fees	271,120	-	271,120	-
Total current assets	<u>4,168,389</u>	<u>290,930</u>	<u>4,459,319</u>	<u>91,704</u>
Noncurrent Assets:				
Capital assets:				
Land	3,962,394	-	3,962,394	-
Buildings and improvements other than buildings	37,975,705	-	37,975,705	-
Equipment	2,529,345	-	2,529,345	242,150
Accumulated depreciation	(25,460,881)	-	(25,460,881)	(96,711)
Total noncurrent assets	<u>19,006,563</u>	<u>-</u>	<u>19,006,563</u>	<u>145,439</u>
Total assets	<u>23,174,952</u>	<u>290,930</u>	<u>23,465,882</u>	<u>237,143</u>
DEFERRED OUTFLOW OF RESOURCES				
Deferred charges on debt refundings	12,011	-	12,011	-
Deferred outflows on pension and OPEB	147,875	304	148,179	16,300
Total deferred outflow of resources	<u>159,886</u>	<u>304</u>	<u>160,190</u>	<u>16,300</u>
LIABILITIES				
Current liabilities:				
Accounts payable and other current liabilities	416,068	149,569	565,637	8,830
Customer deposits payable	997,516	-	997,516	-
Accrued interest payable	4,105	-	4,105	-
Compensated absences	47,829	-	47,829	-
Payable from restricted assets:				
Current maturities of state revolving loan payable	278,553	-	278,553	-
Total current liabilities	<u>1,744,071</u>	<u>149,569</u>	<u>1,893,640</u>	<u>8,830</u>
Noncurrent liabilities:				
State revolving loan payable	244,868	-	244,868	-
Compensated absences	183,900	11,082	194,982	4,781
Total Other Post Employment Benefit liability	245,481	2,612	248,093	19,586
Net Pension Liability	569,210	-	569,210	63,095
Total noncurrent liabilities	<u>1,243,459</u>	<u>13,694</u>	<u>1,257,153</u>	<u>87,462</u>
Total liabilities	<u>2,987,530</u>	<u>163,263</u>	<u>3,150,793</u>	<u>96,292</u>
DEFERRED INFLOW OF RESOURCES				
Deferred inflows on pension and OPEB	111,417	802	112,219	10,156
Total deferred outflow of resources	<u>111,417</u>	<u>802</u>	<u>112,219</u>	<u>10,156</u>
NET POSITION				
Net investment in capital assets	18,495,153	-	18,495,153	145,439
Restricted for:				
Capital projects	271,120	-	271,120	-
Debt Service	146,117	-	146,117	-
Unrestricted (deficit)	1,323,501	127,169	1,450,670	1,556
Total net position	<u>\$ 20,235,891</u>	<u>\$ 127,169</u>	<u>\$ 20,363,060</u>	<u>\$ 146,995</u>

The accompanying notes are an integral part of the financial statements.

City of South Daytona, Florida
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended September 30, 2023

	Business-type Activities			Governmental
	Utility Service	Refuse Service	Total Enterprise Funds	Internal Service Fund
Operating Revenues:				
Charges for services:				
Water sales	\$ 3,330,765	\$ -	\$ 3,330,765	\$ -
Stormwater management fees	1,285,377	-	1,285,377	-
Sewer charges	4,416,581	-	4,416,581	-
Refuse charges	-	2,485,935	2,485,935	-
Inter fund services provided	-	-	-	195,732
Miscellaneous	-	21,246	21,246	-
Total Operating Revenues	<u>9,032,723</u>	<u>2,507,181</u>	<u>11,539,904</u>	<u>195,732</u>
Operating expenses:				
Water/sewer personal services	1,223,592	-	1,223,592	-
Water/sewer operating expenses	4,291,989	-	4,291,989	-
Stormwater control personal services	627,122	-	627,122	-
Stormwater control operating expenses	326,651	-	326,651	-
Refuse personal services	-	71,384	71,384	-
Refuse operating expenses	-	1,854,996	1,854,996	-
Fleet maintenance personal services	-	-	-	137,645
Fleet maintenance operating expenses	-	-	-	54,947
Utility billing personal services	295,195	19,000	314,195	-
Utility billing operating expenses	168,338	21,632	189,970	-
Depreciation and amortization	1,161,575	-	1,161,575	10,491
Total Operating Expenses	<u>8,094,462</u>	<u>1,967,012</u>	<u>10,061,474</u>	<u>203,083</u>
Operating Income (Loss)	<u>938,261</u>	<u>540,169</u>	<u>1,478,430</u>	<u>(7,351)</u>
Nonoperating Revenues (Expenses):				
Investment revenue	123,723	-	123,723	-
Intergovernmental	456,561	-	456,561	-
Gain (loss) on sale of capital assets	36,941	-	36,941	-
Other non-operating revenue	120,494	-	120,494	-
Interest expense	(24,958)	-	(24,958)	-
Total Nonoperating Revenues (Expenses)	<u>712,761</u>	<u>-</u>	<u>712,761</u>	<u>-</u>
Income (Loss) Before Capital Contributions and Transfers	1,651,022	540,169	2,191,191	(7,351)
Capital contributions	33,091	-	33,091	-
Transfers out	(308,604)	(413,000)	(721,604)	-
Change in Net Position	<u>1,375,509</u>	<u>127,169</u>	<u>1,502,678</u>	<u>(7,351)</u>
Total Net Position - Beginning	<u>18,860,382</u>	<u>-</u>	<u>18,860,382</u>	<u>154,346</u>
Total Net Position - Ending	<u>\$ 20,235,891</u>	<u>\$ 127,169</u>	<u>\$ 20,363,060</u>	<u>\$ 146,995</u>

The accompanying notes are an integral part of the financial statements.

City of South Daytona, Florida
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2023

(page 1 of 2)

	Business-type Activities			Governmental
	Enterprise Funds			Activities
	Utility Service	Refuse Service	Total	Internal Service
				Funds
Cash Flows from Operating Activities				
Cash received from customers and users	\$ 8,622,924	\$ 2,226,518	\$ 10,849,442	\$ -
Cash received (paid) from interfund services provided	-	-	-	195,732
Cash paid to suppliers	(4,716,956)	(1,727,059)	(6,444,015)	(64,299)
Cash paid for employees	(1,956,710)	(76,192)	(2,032,902)	(139,639)
Net Cash Provided by Operating Activities	<u>1,949,258</u>	<u>423,267</u>	<u>2,372,525</u>	<u>(8,206)</u>
 Cash Flow from Noncapital Financing Activities				
Transfers out to other funds	(308,604)	(413,000)	(721,604)	-
Net Cash Used by				
Noncapital Financing Activities	<u>(308,604)</u>	<u>(413,000)</u>	<u>(721,604)</u>	<u>-</u>
 Cash Flows from Capital and Related Financing Activities				
Principal payments on loans	(1,006,181)	-	(1,006,181)	-
Interest paid	(31,864)	-	(31,864)	-
Gain on sale of assets	36,941	-	36,941	-
Acquisition of capital assets	(699,578)	-	(699,578)	(29,588)
Intergovernmental	456,561	-	456,561	-
Capital grants and contributions	33,091	-	33,091	-
Net Cash Used by Capital and Related Financing Activities	<u>(1,211,030)</u>	<u>-</u>	<u>(1,211,030)</u>	<u>(29,588)</u>
 Cash Flows from Investing Activities				
Interest on investments	123,723	-	123,723	-
Net Cash Provided by Investing Activities	<u>123,723</u>	<u>-</u>	<u>123,723</u>	<u>-</u>
 Net Increase (Decrease) in Cash and Cash Equivalents				
Cash Equivalents	553,347	10,267	563,614	(37,794)
Beginning cash and cash equivalents	2,004,444	-	2,004,444	116,245
Ending Cash and Cash Equivalents	<u>\$ 2,557,791</u>	<u>\$ 10,267</u>	<u>\$ 2,568,058</u>	<u>\$ 78,451</u>

The accompanying notes are an integral part of the financial statements.

City of South Daytona, Florida
Statement of Cash Flows (continued)
Proprietary Funds
For the Year Ended September 30, 2023

(page 2 of 2)

	Business-type Activities			Governmental
	Enterprise Funds			Activities
	Utility Service	Refuse Service	Total	Internal Service
				Funds
Reconciliation of operating income to net cash provided by (used in) operating activities				
Operating income (loss)	\$ 938,261	\$ 540,169	\$ 1,478,430	\$ (7,351)
Adjustment to reconcile operating income to net cash provided by (used in) operating activities :				
Depreciation and amortization	1,161,575	-	1,161,575	10,491
Other non-operating income	120,494	-	120,494	-
Change in assets and liabilities:				
Accounts receivable	(144,377)	(280,663)	(425,040)	-
Due from other governments	(375,381)	-	(375,381)	-
Inventory	-	-	-	(3,649)
Prepaid expenses	-	-	-	-
Deposits	-	-	-	-
Accounts payable and accrued liabilities	70,022	149,569	219,591	(5,703)
Due to other governments	-	-	-	-
Compensated absences	24,589	11,082	35,671	(450)
Other Post Employment Benefits	71,654	2,612	74,266	(7,157)
Net pension liability	92,956	498	93,454	5,613
Due to other funds	-	-	-	-
Customer deposits	(10,535)	-	(10,535)	-
Total Adjustments	1,010,997	(116,902)	894,095	(855)
Net cash provided by (used in) operating activities	\$ 1,949,258	\$ 423,267	\$ 2,372,525	\$ (8,206)
Reconciliation of cash and cash equivalents to Statement of Net Position				
Cash and cash equivalents - unrestricted				
Unrestricted cash	\$ 1,176,924	\$ 10,267	\$ 1,187,191	\$ 78,451
State revolving loan reserve	112,231	-	112,231	-
Renewal and replacement	-	-	-	-
Water/sewer impact fees	271,120	-	271,120	-
Utility deposits	997,516	-	997,516	-
Total cash and cash equivalents	\$ 2,557,791	\$ 10,267	\$ 2,568,058	\$ 78,451

The accompanying notes are an integral part of the financial statements.



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NOTES TO THE FINANCIAL STATEMENTS



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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**A. 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 nonfiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange 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.

B. Reporting entity

The City of South Daytona, Florida was incorporated in 1951 by adoption of its charter, under Chapter 27898, Special Acts of Florida. The legislative branch of the City is composed of an elected five-member City Council consisting of the Mayor and four council members. The City Council is governed by the City Charter and by state and local laws and regulations. The City Council is responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the Council-appointed City Manager.

The accompanying financial statements present the financial assets, results of operations and cash flows of the applicable funds controlled by or dependent on the City. In evaluating the City as a reporting entity, management has addressed all potential component units for which the entity may or may not be financially accountable and, as such, be included within the City's financial statements.

Blended component units. The Redevelopment Trust Fund of the City of South Daytona was created on July 8, 1997, by City Ordinance No. 97-06 of the City of South Daytona, pursuant to Florida Statute 163.387 to account for the receipt and expenditure of property tax revenues from the tax increment financing district created to support City redevelopment. Although legally separate, the same elected City Council members serve as the governing board of the Redevelopment Trust Fund. Since the City is financially accountable for the operational activities of the Fund, its governing board is the same, and its relationship to the City is significant, its financial activities are reported on a blended basis as if it were part of the primary government as a special revenue fund. Separately issued financial statements are available from the City of South Daytona upon request.

The Community Trust Fund was founded in 2008 as a legally separate tax-exempt entity as defined pursuant to section 501 (c)3 of the Internal Revenue Code. The City created this organization to help serve the needs of the community. This includes accepting donations to be used to help the needy or elderly maintain their homes, provide for public park improvements and to perform other services to the community that are within the purpose outlined by the Articles of Organization. It is governed by the same members of the City Council, and the City is financially accountable for the operational activities fo the Fund. The balances and activities of the Community Trust Fund are included in the basic financial statements. The Community Trust Fund does not report separately issued financial statements.

C. Basis of presentation—government-wide and fund financial statements

The government-wide financial statements comprised of the Statement of Net position and the Statement of Activities report aggregated information for the overall government for all the activities of the primary government and the blended presented component unit. The primary government is reported in two columns to separately report governmental activities from business-type activities.

Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other non-exchange revenues, are reported separately from business-type activities, which are financed wholly or partially by fees charged to external parties for goods or services and are reported in enterprise funds. The Statement of Net position presents the overall government's financial assets at year-end. The Statement of Activities presents direct expenses of a given function or segment offset by program revenues for the fiscal reporting period. The resulting net expense or revenue is then totaled and offset by general revenues producing the aggregate change in net position for the period. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment of the government, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other non-exchange revenues not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual government funds and major individual business-type funds are reported in separate columns in the fund financial statements.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or as soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty 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 and claims and judgments, are recorded only when payment is due.

Taxes, intergovernmental revenue, licenses and permits, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of Governmental Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*. Non-exchange transactions are grouped into four classes, based on their principal characteristics. The accounting treatment for each type of transaction is as follows:

Derived Tax Revenue, defined as assessments imposed on exchange transactions. Examples include: sales tax, franchise tax, public service taxes, etc. Assets from derived tax revenue are recognized in the period when the exchange transaction on which the tax is imposed or when resources are received, whichever occurs first. Revenues are recognized, net of estimated uncollectible amounts, in the same period that the assets are recognized. Resources received in advance are recorded as deferred revenue until the period of the exchange.

Imposed Non-exchange Revenue, result from assessments on non-governmental entities, other than assessments on exchange transactions. Examples include: ad valorem (property) taxes, fines and penalties, and property forfeitures. Assets from imposed non-exchange revenues are recognized in the period when an enforceable legal claim to the assets arises or when the resources are received, whichever occurs first. Property taxes are recognized in the period for which the taxes are levied. All other imposed non-exchange revenues are recognized in the same period that the assets are recognized.

Government-mandated Non-exchange Transactions, frequently have established eligibility requirements before a transaction can occur. Examples include federal awards and state financial assistance. Until the requirements are met, the recipient does not have a receivable and the recognition of revenue received in advance is deferred. The providers (usually federal, state, and county governments) often offer resources on a reimbursement ("expenditure-driven") basis at the time the recipient has incurred allowable costs under the applicable program.

Voluntary Non-exchange Transactions, result from legislative or contractual agreements other than exchanges, entered into willingly by two or more parties. Examples include certain grants, entitlements, and donations by non-governmental entities. Principal characteristics of these types of transactions are (1) they are not imposed on the provider or recipient, and (2) fulfillment of eligibility requirements is essential for a transaction to occur. Assets and revenues are recognized when all applicable eligibility requirements, including time requirements, are met. Resources received in advance are reported as deferred revenue.

Proprietary fund financial statements are reported using the accrual basis of accounting. Under this method, revenue is recorded when earned and expenses are recorded at the time liabilities are incurred. The City's accounts are organized on the basis of funds each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The City reports the following major governmental funds:

General Fund - The General Fund is the principal fund of the City, which accounts for all financial transactions not accounted for in other funds. The majority of current operating expenditures of the City other than proprietary fund activities are financed through revenues received by the General Fund.

Redevelopment Trust Fund - The Redevelopment Trust Fund accounts for the financial activities of the Community Redevelopment Agency, whose endeavors include the revitalization of the City's blight areas. The expenditures of the redevelopment trust are from ad valorem taxes and tax incremental financing.

Transportation Fund - The Transportation Fund is used to account for the proceeds of specific revenue sources (other than special assessments, or capital projects), which are legally restricted to finance particular functions or activities of the City. The Transportation Fund was established to account for expenditures for maintenance and repairs of roads and streets in the City. Financing for Transportation Fund expenditures include local option gas tax, county and state grants, and transfers from the General Fund.

Capital Projects Funds - Capital projects funds are used to account for the financial resources to be used for the acquisition or certain construction of major capital facilities (other than those financed by proprietary and trust funds), with a value of \$10,000 or greater.

The City reports the following major proprietary funds:

Utility Service Fund - The Utility Service Fund was established to account for the revenues and expenses associated with the provision of water, sewer, and stormwater services to the businesses and residents of the City.

Refuse Service Fund - The Refuse Service Fund was established to account for the revenues and expenses associated with the provision of garbage and yard debris collection services to the businesses and residents of the City.

Additionally, the City reports the following fund types:

Internal Service Fund - The City's only Internal Service Fund accounts for the financial activities of the municipal garage that provides fleet management services to other departments and agencies of the City, or to other governments, on a cost reimbursement basis.

Community Trust Fund - The Community Trust Fund is used to account for the financial resources and activities for the City's 501(c)(3) not for profit agency whose purpose is to help the needy maintain their homes, provide for public park improvements and perform other services for the community outside the normal scope of governmental activities.

Amounts reported in the funds as interfund receivables and payables have been eliminated in the governmental and business-type activities columns, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances due to and due from these different types of activities within the primary government. Amounts payable and receivable between the primary government and its discretely presented component unit are reported on a separate line in both columns. The effect of internal service fund activity and similar internal allocations of overhead expenses are reported only by the function to which they are related.

The City reports as program revenues: (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and

producing and delivering goods in connection with the proprietary fund's principal ongoing activities. For the City, operating revenues come from water, sewer and a stormwater management fee, which are the principal ongoing operations of the Utility System Fund. Operating expenses 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 non-operating revenues and expenses.

E. Assets, Liabilities, deferred outflows/inflows of resources, and net position/fund balance

1. Cash and cash equivalents. The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The balance in the pooled cash account is available to meet current operating requirements. Cash in excess of current requirements is invested with the Florida Short Term Asset Reserve (FLSTAR) Pool. These investments are considered cash equivalents due to their liquidity and similarity to cash.

2. Concentration on Credit Risk. State Statutes and City Resolution No. 2022-17 govern the City's investment policies. These policies authorize the City to invest in bonds, notes, certificates of indebtedness, treasury bills, or other securities which are guaranteed by the full faith and credit of the United States of America, interest bearing savings accounts, interest bearing certificates of deposit and interest bearing time deposits. The City's accounting policy is to report investments at fair value.

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

All property tax receivables are reported net of an allowance for uncollectible accounts, which is based upon management's analysis of historical trends. Utility operating sales are generally recognized on the basis of cycle billings rendered quarterly. Unbilled accounts receivable are accrued by the City at September 30th, to recognize the sales revenues earned between the last meter reading date made in mid-September through the end of the fiscal year.

4. Inventories and Prepaid Items. The cost of inventory is accounted for on the consumption basis where inventories are charged as expenditures when used, rather than when purchased. All inventories are valued at cost, which approximated market, by using the first-in, first-out valuation method. The effect of this method is to flow the costs of the materials and supplies in the order in which they are purchased and to assign a balance sheet inventory valuation closer to current replacement value.

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

5. Restricted Assets. Certain proceeds of the City's revenue note obligations, as well as certain resources set aside for their repayment, are classified as restricted assets in the government-wide financial statements because their use is limited by applicable legal indentures imposed by applicable bond covenants and other legal indentures. The restricted assets are used to report resources set aside to 1) provide a reserve for debt service, 2) provide a reserve for maintenance and replacement costs, and 3) acquire capital assets.

6. Capital Assets. Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, and similar items), are reported in the applicable government or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of \$5,000 or more and an estimated useful life of more than two-years. The capitalization policy for building and improvements other than buildings require assets with an initial cost to be \$50,000 or greater before it is capitalized. For all infrastructure assets, costs must exceed \$50,000 or more before the assets are capitalized. Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed. Contributed assets are recorded at acquisition value as of the date received. Donated capital assets, donated work of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are

only capitalized if they meet the dollar threshold above for capitalization.

Proprietary fund capital assets that are constructed include construction period interest that is capitalized net of interest earned on unexpended construction funds in accordance with the applicable provisions of the GASB Statement of Financial Accounting Standards Number 62, and therefore, depreciated over the remaining useful life of the related asset.

Maintenance and repairs of property, and replacements and renewals of items determined to be less than units of property, are charged to operating expenses.

Depreciation is reported for the primary government using the straight-line method calculated on a service-life basis to amortize the cost of the assets over their estimated economic useful lives, which are as follows:

<u>Assets</u>	<u>Years</u>
Buildings.....	20-40 years
Improvement other than buildings.....	10-30 years
Equipment.....	3-30 years
Infrastructure.....	20-40 years

7. Compensated Absences. The portion of employees’ payroll costs paid subsequent to year-end attributable to services performed prior to year-end, including unpaid vacation and sick leave, is recorded and recognized as a current liability. The remainder of the liability for compensated absences payable beyond the current period is recorded as a long-term liability. City employees receive personal leave days to provide for all forms of leave as follows:

	<u>Annual Accrual</u>
30 days, but less than 4 years	22 Days
4 years, but less than 9 years	25 Days
9 years, but less than 14 years	30 Days
14 years, but less than 20 years	31 Days
20 years, but less than 25 years	32 Days
25 years, but less than 30 years	35 Days
More than 30 years	36 Days

8. 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. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to future periods and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The City only has three types deferred outflows of resources: 1) the deferred charge on refunding reported in the business-type activities. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt, 2) the City reports and amount related to pension liabilities associated with the Florida Retirement System (FRS) and Florida Retirement System Health Insurance Subsidy (HIS). Deferred outflows related to pensions are an aggregate of items related to pensions as calculated in accordance to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment to GASB Statement No. 27*. A deferred amount in pension results from the recognition of the City’s proportionate shares of collective pension expense and collective deferred outflows of resources and deferred inflows of resources related to the pension plan. The deferred outflow will be recognized as either pension expense or a reduction in the net pension liabilities in future reporting years. 3) The City reports an amount related to other postemployment benefits on the government-wide financial statements.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has two types of deferred inflows of resources: 1) amounts related to FRS and HIS pensions and 2) an amount related to other postemployment benefits. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

9. Pensions / Net Pension Liabilities. In government-wide financial statements, retirement plans (pensions) are required to be recognized and disclosed using the accrual basis of accounting, regardless of the amount recognized as pension expenditures on the governmental fund statements, which use the modified accrual basis of accounting.

In general, the City recognizes a net pension liability, which represents the City's proportionate share of the excess of the total pension liability of the fiduciary net position of the plan reflected in the actuarial report provided by the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) defined benefit plan.

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 fiduciary net position of the FRS defined benefit plan and the HIS defined benefit plan, and additions to/deductions from FRS and the HIS fiduciary net position have been determined on the same basis as they are reported by the FRS and HIS plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

10. Postemployment Benefits Other Than Pensions (OPEB). For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City of South Daytona Postretirement Health Plan (CSDPHP) and additions to/deductions from CSDPHP's fiduciary net position have been determined on the same basis as they are reported by CSDPHP. For this purpose, CSDPHP recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

11. Long-term Obligations. In the government-wide financial statements and proprietary fund financial statements, long-term debt obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. In the fund financial statements, governmental fund types recognize premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

12. Net position flow assumption. Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position 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 government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

13. Fund balance flow assumptions. Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

14. Fund Balance policies. 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 government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. Committed (restricted) fund balance consists of the following: *Capital Projects Fund*: Resources set aside for the purpose of capital expenditures such as park improvements and building additions within governmental funds. *Police Confiscation Fund*: Resources confiscated as a result of felony arrests. *Public Safety*: Impact fees for police and fire service set aside and used for enhancement of public safety infrastructure and equipment relative to incremental population increases. *Transportation*: Impact fees for road improvements set

aside and used for enhancement of street and traffic infrastructure and equipment relative to incremental population increases *Community Trust*: Fund balance for the Community Trust Fund, the 501c(3) entity described previously in paragraph D. *Parks and Recreation*: Impact fees for park improvements set aside and used for enhancement of parks and leisure services infrastructure and equipment relative to incremental population increases. Also included in this segregation of fund balance are any restricted donations made for the benefit of parks improvements.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council has by resolution authorized the finance director to assign fund balance. The Council may also assign fund balance when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only 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. Assigned fund balance consists of the following: *Capital, ADA Maintenance and Subsequent Years Budget*.

Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. Policy guidelines set by the Council for budgetary and planning purposes require that unassigned fund balance in the general fund to be between fifteen and twenty percent of the following years budgeted expenditures as officially adopted by Resolution No. 2020-34. 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.

15. Use of Estimates. Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates assumed in preparing the financial statements.

16. Reclassifications. Certain amounts presented in prior year data may have been reclassified in order to be consistent with the current year's presentation.

17. Implementation of New Accounting Pronouncements. The City implemented GASB Statement No. 96, Subscription-Based Information Technology Arrangements, in the current year and noted no agreements that met the criteria for recognition.

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

Following the governmental fund balance sheet is a reconciliation between fund balance-total governmental funds and net position-governmental activities as reported in the government-wide statement of net position. A detailed explanation of these differences is provided in this reconciliation. This report with the detailed explanations can be found on page 44.

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

Following the governmental fund statement of revenues, expenditures, and changes in fund balances, there is a reconciliation between net changes in fund balances— total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. A detailed explanation of these differences is provided in this reconciliation which can be found on page 46.

NOTE 3 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budget and Budgetary Accounting

The City Council approves a total expenditure budget based on projected revenues. Annual budgets for all governmental and proprietary funds are adopted in compliance with Florida law. The basis on which the budgets are prepared is consistent with the basis of accounting utilized by the various fund types. The governmental funds' budgets are prepared on the modified accrual basis of accounting. The proprietary fund's budget is prepared on the

full accrual basis of accounting. The City uses the following procedures in establishing budgetary data reflected in the accompanying financial statements:

1. Prior to September 30 of each year the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally enacted through passage of a resolution.
4. The City Council, by ordinance, may make supplemental appropriations for the year up to the amount of revenues in excess of those estimated.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Capital Projects Fund, Utility Service Fund and Internal Service Fund.
6. Budgets for the General, Special Revenue, and Capital Projects Funds are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP). The budgets for the Enterprise Funds and Internal Service Fund are prepared on a non-GAAP basis since certain capital expenditures and debt repayments are included in the adopted budget.
7. The City Manager or Finance Director is authorized to transfer part or all of an unencumbered appropriation balance between departments within a fund; however, any revisions that alter the total appropriations of any fund must be approved by the City Council. The classification detail at which expenditures may not legally exceed appropriations is at the total fund level.
8. Appropriations shall lapse at the close of the fiscal year.

NOTE 4 - PROPERTY TAX CALENDAR

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 County Property Appraiser and County Finance Director. The laws of the state regulating tax assessment are also designed to assure a consistent property valuation method statewide. State Statutes permit municipalities to levy property taxes at a rate of up to 10 mills. The millage rate assessed by the City was \$7.7500 mills for the year ended September 30, 2023.

The property tax calendar is as follows:

Valuation Date	January 1, 2022
Property Appraiser prepares the assessment roll with values as of January 1, 2022, submits preliminary roll for approval by the State and notifies each taxing authority of their respective valuations.	July 1, 2022
City Council holds two required public hearings and adopts a budget and ad valorem tax Millage rate for the coming fiscal year.	September, 2022
Property Appraiser certified the assessment roll and all real and tangible personal property taxes are due and payable (Levy date).	November 1, 2022
A Notice of Taxes is mailed to each property owner on the assessment roll. Taxes are paid November 2022 through March 2023, with the following applicable discounts:	
<u>Month Paid</u>	<u>Discount Percent</u>
November	4
December	3
January	2
February	1
March	0
All unpaid taxes on real and tangible personal property become delinquent.	April 1, 2023
A list of unpaid tangible personal property taxes and a list of unpaid real property taxes are advertised.	April/May 2023
Tax certificates are sold on all real estate parcels with unpaid real property taxes (Lien date).	June 1, 2023
A court order is obtained authorizing the seizure and sale of personal property if the taxpayer fails to pay the delinquent taxes.	August 28, 2023

NOTE 5 - CASH DEPOSITS AND INVESTMENTS

A. Deposits. Pursuant to the applicable provisions of Chapter 280, Florida Statutes, (The Florida Security for Public Deposits Act), the State of Florida, Department of Insurance, Bureau of Collateral Securities, and the Department of Treasury have established specific requirements relative to security and collateralization for public deposits. Accordingly, banks qualifying as public depository in the State of Florida must adopt the necessary procedures outlined in these statutes and meet all of the requirements of this chapter to be designated by the State Treasurer as eligible to receive deposits from municipal depositors. Collateral having a market value equal to 50%

of the average daily balance for each month of all public deposits in excess of any applicable depository insurance is required to be pledged or deposited with the State Treasurer to secure such deposits. Additional collateral, up to a maximum of 125% may be required if deemed necessary under the conditions set forth in the Act. Securities eligible to be pledged as collateral are generally limited to obligations of the United States government and any state thereof and are held in the name of the State Treasurer’s office. Compliance with the provisions of Chapter 280, F.S., is monitored by the Department of Insurance.

As of September 30, 2023, the cash deposit bank balances of the City’s aggregated deposits (primary government) was \$2,013,141. The bank balances are insured by federal depository insurance and secured in accordance with the statutory provisions of the Florida Security for Deposits Act.

B. Investments. State statutes and local resolution govern the City’s investment policies. Allowable investment instruments include: bonds, notes, certificates of indebtedness, treasury bills, or other securities which are guaranteed by the full faith and credit of the United States of America, interest bearing savings accounts, interest bearing certificates of deposit and interest bearing time deposits.

As of September 30, 2023, the City had pooled cash investment balance of \$5,771,821 in a sweep money market account. The pooled cash investment balance is transferred to and from the City bank account on a daily basis and for cash flow purposes is considered a cash equivalent.

The City invests temporarily idle resources in the Florida Short Term Asset Reserve Pool Government Fund (FLSTAR). FLSTAR was created under Section 163.01, Florida Statutes, by that certain Interlocal Agreement and Trust Instrument by and between the City of Haines City, Florida and the City of Ocoee, Florida (the “Initial Participants”), and any additional Units of Local Government who become Participants of FLSTAR.

As of September 30, 2023, the City had investment balance of \$10,396,749 in FLSTAR. There are no limitations or restrictions on withdrawals from FLSTAR, thus, the account balance is considered the fair value of the investment and a cash equivalent. For September 30, 2023, the average monthly rate of return was 5.3497%, and the average weighted average maturity was 7 days.

FLSTAR is rated by at least one nationally recognized rating agency and is required to maintain a rating of “AAAm” or equivalent rating. FLSTAR will invest only in authorized investments pursuant to and in accordance with the Investment Policies adopted under Section 218.415 Florida Statutes. Its general investment objectives in order of importance are: safety of capital, liquidity of funds, and investment income.

C. Cash and Cash Equivalents

Cash and cash equivalents at September 30, 2023 are comprised of the following:

Governmental Activities:

Pooled and Sweep Cash	\$ 5,832,860
Pooled investments FLSTAR	9,357,084
Petty Cash	1,680
	<u>\$ 15,191,624</u>

Business-Type Activities:

Pooled and Sweep Cash	\$ 1,527,893
Pooled investments FLSTAR	1,039,665
Petty Cash	500
	<u>\$ 2,568,058</u>

NOTE 6- RECEIVABLES / DUE FROM OTHER GOVERNMENTS

The City’s accounts receivable/due from other governments at September 30, 2023, consist of the following:

Governmental Activities	
Taxes receivable	\$ 15,993
Accounts receivable	464,726
Less allowances for doubtful accounts	<u>(83,601)</u>
Receivables-net of allowances	<u>397,118</u>
Due from Federal Government	2,047,440
Due from State of Florida	332,717
Due from Volusia County	<u>75,252</u>
Total Due from other governments	<u>2,455,409</u>
Total Governmental Activities accounts receivable/due from other governments net	
	<u>\$ 2,852,527</u>
Business-Type Activities	
Utility Service Fund:	
Accounts receivable	\$ 1,667,235
Less allowances for doubtful accounts	<u>(175,755)</u>
Receivables-net of allowances	<u>1,491,480</u>
Due from Federal Government	377,793
Due from State of Florida	<u>20,988</u>
Total Due from other governments	<u>398,781</u>
Total Business-Type Activities accounts receivable/due from other governments net	
	<u>\$ 1,890,261</u>

NOTE 7- INTERFUND BALANCES AND TRANSFERS

As of September 30, 2023 there were not any interfund receivables and payables.

Transfers to the General Fund from the Utility Service Fund are for personal services allocations and debt service. The General Fund Refuse Fund transferred money to the Transportation Fund to subsidize current year street and road operating and capital outlays in excess of its revenue.

Interfund transfers for the year ended September 30, 2023, are as follows:

Transfers From:	Transfers To:				
	General Fund	Transportation Fund	Internal Service Fund	Utility Service Fund	Total
General Fund	\$ -	\$ 75,298	\$ -	\$ -	\$ 75,298
Refuse Service Fund	-	413,000	-	-	413,000
Utility Service Fund	<u>544,903</u>	-	-	-	<u>544,903</u>
Total	<u>\$ 544,903</u>	<u>\$ 488,298</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,033,201</u>

NOTE 8-NOTES / LEASES RECEIVABLE

Note receivable in the Community Trust is for financing of driveway improvements through Driveway Improvement Program. The balance of the notes at September 30, 2023 is \$3,000.

The Utility Service Fund notes receivable of \$1,408 is comprised of the City’s financing of water/sewer impact fees assessed to the residents of Palm Grove and Country Club Gardens subdivisions. The residents have the option of financing the \$838 impact fee over ten years at a rate consistent with the rate which the City has secured from the Florida Department of Environmental Protection State Revolving Loan Program for the construction of the water and sewer infrastructure relative to these areas of the City. Citizens who choose this financing option have monthly payments added to their utility bill. A lien is filed on the subject property to secure the City’s interest and removed upon amortization of or payback of the loan.

NOTE 9-CAPITAL ASSETS

A summary of the capital assets for the year ended September 30, 2023, is as follows:

	Balances					Balances
	9/30/2022	Adjustments	Transfers	Additions	Deletions	9/30/2023
Government Activities:						
Capital Assets, not being depreciated						
Land	\$ 2,768,370	\$ -	\$ -	\$ -	\$ -	\$ 2,768,370
Construction in progress	762,649	-	(441,083)	1,021,102	-	1,342,668
Total capital assets, not being depreciated	3,531,019	-	(441,083)	1,021,102	-	4,111,038
Capital assets, being depreciated:						
Buildings	4,424,422	-	-	-	-	4,424,422
Improvements other than buildings	38,833,875	2,031	-	-	(166,971)	38,668,935
Machinery & equipment	4,545,032	(2,031)	441,083	411,406	(320,278)	5,075,212
Assets under financed purchases (1)	197,020	-	-	-	-	197,020
Total capital assets being depreciated	48,000,349	-	441,083	411,406	(487,249)	48,365,589
Less accumulated depreciation for:						
Buildings and system	(2,999,676)	-	-	(113,953)	-	(3,113,629)
Improvements other than Bldgs	(28,521,317)	265,719	-	(829,759)	166,971	(28,918,386)
Machinery & equipment	(2,843,076)	(265,719)	-	(229,206)	320,278	(3,017,723)
Total accumulated depreciation	(34,364,069)	-	-	(1,172,918)	487,249	(35,049,738)
Total capital assets, being depreciated, net	13,636,280	-	441,083	(761,512)	-	13,315,851
Governmental activities capital assets, net	\$ 17,167,299	\$ -	\$ -	\$ 259,590	\$ -	\$ 17,426,889
	Balance					Balances
	9/30/2022	Adjustments	Transfers	Additions	Deletions	9/30/2023
Business-type Activities:						
Capital Assets, not being depreciated						
Land	\$ 3,962,394	\$ -	\$ -	\$ -	\$ -	\$ 3,962,394
Construction in progress	-	-	-	-	-	-
Total capital assets, not being depreciated	3,962,394	-	-	-	-	3,962,394
Capital assets, being depreciated:						
Buildings	3,170	-	-	-	-	3,170
Improvements other than buildings	37,879,970	92,565	-	-	-	37,972,535
Machinery & equipment	2,083,689	(92,566)	-	699,578	(161,356)	2,529,345
Assets under financed purchases (1)	-	-	-	-	-	-
Total capital assets being depreciated	39,966,829	(1)	-	699,578	(161,356)	40,505,050
Less accumulated depreciation for:						
Buildings and system	(1,189)	-	-	(107)	-	(1,296)
Improvements other than Bldgs	(22,935,368)	(53,565)	-	(991,688)	-	(23,980,621)
Machinery & equipment	(1,535,110)	53,566	-	(158,776)	161,356	(1,478,964)
Total accumulated depreciation	(24,471,667)	1	-	(1,150,571)	161,356	(25,460,881)
Total capital assets, being depreciated, net	15,495,162	-	-	(450,993)	-	15,044,169
Business-Type Activities capital assets, net	\$ 19,457,556	\$ -	\$ -	\$ (450,993)	\$ -	\$ 19,006,563

NOTE 9-CAPITAL ASSETS CONTINUED

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

General Government	\$ 63,414
Public Safety	144,672
Comprehensive Planning	9,483
Public Works	485,395
Transportation	209,341
Parks/Recreation	250,122
Inter-governmental services	10,491
Total Governmental Activities	<u>1,172,918</u>

Business-type activities:

Water & Sewer Operations	572,727
Water & Sewer Office	3,846
Flood Control	573,998
Total Business-type Activities	<u>1,150,571</u>
Total depreciation	<u>\$ 2,323,489</u>

- 1) All assets under financed purchases are machinery and equipment.

NOTE 10-LONG TERM LIABILITIES

The City has entered into long-term debt obligations where it pledges specific income streams in order to pay debt service. Other liabilities include financed purchases for acquisition of operating equipment, the recognition of compensated absences liability for employees’ earned but unused personal leave balances, other post employment benefits, and net pension liabilities.

A summary of changes in long-term liabilities in the City is as follows:

	Balance Sept. 30 2022	<u>Additions</u>	<u>Payments</u>	Balance Sept. 30 2023	Due In One Year
Governmental Activities :					
<u>Governmental Funds</u>					
Wells Fargo Capital Improvement Note #109	\$ 2,171,268	\$ -	\$ (1,685,703)	\$ 485,565	\$ 331,348
Compass Bank Note 2016	6,108	-	(6,108)	-	-
Wells Fargo U.S. 1 Median Improvements 2006 #34	336,777	-	(221,476)	115,301	115,301
Financed Purchases	82,579	-	(40,475)	42,104	42,104
Compensated Absences	656,998	485,163	(443,755)	698,406	130,797
Other Post Employment Benefits	1,136,565	-	(98,491)	1,038,074	-
Net Pension Liabilities	10,893,288	1,093,425	-	11,986,713	-
<u>Internal Service Fund</u>					
Compensated Absences	5,231	3,321	(3,771)	4,781	-
Other Post Employment Benefits	26,743	-	(7,157)	19,586	-
Net Pension Liabilities	57,273	5,822	-	63,095	-
Total-Governmental Activities	<u>\$ 15,372,830</u>	<u>\$ 1,587,731</u>	<u>\$ (2,506,936)</u>	<u>\$ 14,453,625</u>	<u>\$ 619,550</u>
Business-Type Activities :					
<u>Utility Service Fund</u>					
State Revolving Loan - Palm Grove Phase I	\$ 800,039	\$ -	\$ (588,057)	\$ 211,982	\$ 211,982
State Revolving Loan - Palm Grove Phase II	376,563	-	(65,124)	311,439	66,571
Compass Bank Revenue Note Series 2013B	353,000	-	(353,000)	-	-
Compensated Absences	207,140	168,673	(133,002)	242,811	47,829
Other Post Employment Benefits	173,827	74,266	-	248,093	-
Net Pension Liabilities	504,001	65,209	-	569,210	-
Total-Business Type Activities	<u>\$ 2,414,570</u>	<u>\$ 308,148</u>	<u>\$ (1,139,183)</u>	<u>\$ 1,583,535</u>	<u>\$ 326,382</u>
Total - Entity -Wide	<u>\$ 17,787,400</u>	<u>\$ 1,895,879</u>	<u>\$ (3,646,119)</u>	<u>\$ 16,037,160</u>	<u>\$ 945,932</u>

The liability for compensated absences, net other post employment benefits, and net pension liabilities are normally liquidated in the funds that have incurred the liability which are the general fund, the internal service fund and the utility service fund.

Wells Fargo Capital Improvement Note # 109

During the fiscal year 2014, the City secured a \$4,200,000 loan in order to refund part of the existing line of credit #91 from Wells Fargo Bank, NA. This amount includes \$2,500,000 for efforts to acquire the electric utility system within the City. Additionally, this loan funded supplemental costs for the final phase of the US1 corridor project and other transportation projects, namely initial funding of the Lantern Park sub-division bridge entrance. Provisions of the agreement call for semi-annual debt service payments in May and November. The November payment includes principal and interest while the May payment is for interest only. The interest rate reset in November of 2020 from a fixed rate of 3.29% to a fixed rate of 2.53%. The reset of the interest rate in November 2020 lowered the total amount of interest due by \$85,214. The City made an additional principal payment of \$1,400,000 in fiscal year 2023. The maturity date is November 1, 2025. The amount due on September 30, 2023 is \$485,565. Maturities on this debt are as follows:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 331,348	\$ 8,093	\$ 339,441
2025	154,217	1,950	156,167
	<u>\$ 485,565</u>	<u>\$ 10,043</u>	<u>\$ 495,608</u>

Compass Bank Note 2016

On November 30, 2016 the City received a note of \$401,000 funding capital acquisitions made during the fiscal year ended September 30, 2016. Purchases included five police vehicles, a truck for code enforcement, a radar tag reader, police radios, cardiac monitors, a parks van and two parks trucks. The interest rate is a fixed rate of 2.67%. The maturity date is November 1, 2023. The note was paid off as of September 30, 2023.

Wells Fargo U.S. 1 Median Improvement Note 2006 # 34

During fiscal year 2006, the Community Redevelopment Agency borrowed \$3,000,000 to be used for the U.S. 1 corridor utility burial project and median improvements. This is the second loan for this multi-year project. The interest rate is a fixed rate of 5.47%. The maturity date of this note is February 1, 2024. The amount due on September 30, 2023 is \$115,301. Maturities on this debt are as follows:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 115,301	\$ 3,153	\$ 118,454
	<u>\$ 115,301</u>	<u>\$ 3,153</u>	<u>\$ 118,454</u>

General Fund Obligations Under Financed Purchases

During fiscal year 2019, the City financed five police vehicles purchased in fiscal year 2019 through the master finance purchases agreement plan put in place in 2003. The original date of the financed purchase was March 15, 2019. The original amount of the financed purchase recorded was \$197,020. The interest rate is a fixed rate of 4.02%. The maturity date of the financed purchase is November 15, 2023. The amount due on September 30, 2023 is \$42,104. Maturities on the financed purchase are as follows:

General Government						
<u>Lessor</u>	<u>Date of Finaced Purchase</u>	<u>Original Principal Amount</u>	<u>Principal Outstanding</u>	<u>Payments Per Year</u>	<u>Life of Financed Purchase (Yrs.)</u>	<u>Interest Rate</u>
SANTANDER	03/15/19	\$ 197,020	\$ 42,104	\$ 43,798	5	4.02%
		<u>\$ 197,020</u>	<u>\$ 42,104</u>	<u>\$ 43,798</u>		
	<u>Year Ending</u>			<u>Financed Purchase Payments</u>		
	2024			\$ 43,798		
	Net minimum financed purchase payments			43,798		
	Less amount representing interest			(1,694)		
	Present value of net minimum financed purchase payments			<u>\$ 42,104</u>		

NOTE 11 - UTILITY SYSTEM DEBT

The City combined its stormwater and water and sewer utility in 1995.

On March 12, 2013 the City adopted Resolution No. 2013-05 (master Utility System Bond Resolution) which amended Resolution No. 2002-13. The City also adopted Resolution No. 2013-06 on March 12, 2013, which authorized the issuance of not to exceed \$1,200,000 Utility System Refunding Revenue Note Series 2013 A and not to exceed \$1,000,000 Series 2013B. Utility System Refunding Revenue Note Series 2013 A was paid off during fiscal year ended 2017.

Debt Issuance Costs On Debt Refunding

2003 Refunding Revenue Bond consists of the following:

Deferred loss on bonds redeemed	<u>\$ 12,011</u>
Total deferred charges on debt refunding	<u>\$ 12,011</u>

Palm Grove Phase I

The City of South Daytona received \$5,294,745 from the State of Florida Department of Environmental Protection Revolving Loan program in December of 2004 for installation of a sanitary sewer collection system in the Palm Grove sub-division. The interest rate is 3.16% on the loan. The payments are due June 15th and December 15th. The loan is amortized over twenty years (240 months) with a maturity date of December 15, 2023. As of September 30, 2023, the City owed \$211,982. Maturities on this debt are as follows:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 211,982	\$ 123	\$ 212,105
	\$ 211,982	\$ 123	\$ 212,105

Palm Grove Phase II

The City of South Daytona received \$1,153,302 from the State of Florida Department of Environmental Protection Revolving Loan program in December of 2007 for installation of culverts, swales, and other stormwater management enhancements in the Palm Grove sub-division. The interest rate is 2.21% on the loan. The payments are due June 15th and December 15th. The loan is amortized over twenty years (240 months) with a maturity date of December 15, 2027. As of September 30, 2023, the City owed \$311,439. Maturities on long-term debt for the Palm Grove loan are as follows:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 66,571	\$ 6,517	\$ 73,088
2025	68,051	5,038	73,089
2026	69,563	3,525	73,088
2027	71,109	1,980	73,089
2028	36,145	399	36,544
	\$ 311,439	\$ 17,459	\$ 328,898

Utility System Refunding Revenue Note Series 2013 B – BBVA Compass Bank

The City’s Utility System Fund secured an additional \$891,000 credit facility in March, 2013 to refund the then existing Note Payable to City of Daytona Beach. The interest rate is a fixed rate of 2.49%. The note was paid off as of September 30, 2023.

NOTE 12—OTHER POSTEMPLOYMENT BENEFITS (OPEB) OTHER THAN PENSIONS

General Information about the OPEB Plan

Plan Description. The City of South Daytona administers a single-employer defined benefit healthcare plan. A separate financial report is not prepared for the healthcare plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits provided. The City’s group health care plan provides healthcare and dental insurance for retirees and their dependents. The City pays 100% of the active employees insurance costs. Retirees can choose to remain on the City’s insurance plan into retirement if they pay the entire premium. The insurance carrier charges actives and retirees the same premium rates. Benefits levels and provisions are established by the City.

Employees covered by benefit terms. At September 30, 2023 the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	21
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>97</u>
Totals	<u><u>118</u></u>

Total OPEB Liability. The City’s total OPEB liability of \$1,305,753 was measured as of September 30, 2023, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the September 30, 2023 actuarial roll-forward valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate. The City does not have a dedicated Trust to pay retiree healthcare benefits. Per GASB 75, the discount rate should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

A rate of 4.87% is used, which is the S&P Municipal Bond 20-Year High-Grade Rate Index as of September 30, 2023.

OPEB Actuarial Methods and Assumptions

Inflation rate	3.00%
Salary rate increase	4.00%
Discount rate	4.87%
Initial health care cost trend rate (1)	5.00%
Ultimate health care cost trend rate	4.50%
Retirees' share of benefit-related costs	100.00%

(1) Trend rate for 2021 to 2022. The trend rate for 2021 to 2022 is known and used.

Mortality rates. The mortality rates were based on the PubG.H-2010 Mortality Table General with Mortality Improvement using Scale MP 2020.

The actuarial assumptions used in the October 1, 2021 valuation were based on the results of an actuarial experience study for the period October 1 – September 30, 2022.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balances as of 9/30/2022	<u>\$ 1,337,135</u>
Changes for the year:	
Service Cost	37,805
Interest on Total OPEB Liability	60,898
Changes of benefit terms	-
Difference Between Expected & Actual Experience	-
Changes of Assumptions and Other Inputs	(9,177)
Contributions – Employer	-
Contributions - Active & Inactive Employees	-
Net Investment Income	-
Benefit Payments	(120,907)
Other Changes	<u>(1)</u>
Net Changes	<u>(31,382)</u>
Balances as of 9/30/2023	<u><u>\$ 1,305,753</u></u>

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.87 percent) or 1-percentage-point higher (5.87 percent) than the current discount rate:

	1% Decrease 3.87%	Discount Rate 4.87%	1% Increase 5.87%
Total OPEB liability	<u>\$1,401,595</u>	<u>\$1,305,753</u>	<u>\$1,218,679</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a health care cost rate that is 1-percentage-point lower (4.00 percent) or 1-percentage-point higher (6.00 percent) than the current discount rate:

	1% Decrease (4.00%)	Health Care Trend Rates (5.00%)	1% Increase (6.00%)
Total OPEB liability	<u>\$1,196,036</u>	<u>\$1,305,753</u>	<u>\$1,433,853</u>

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

For the year ended September 30, 2023, the City recognized OPEB expense of \$64,888. At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected & Actual Experience	\$ 12,938	\$ 14,296
Changes of Assumptions	138,899	386,498
Total	<u>\$ 151,837</u>	<u>\$ 400,794</u>

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

<u>Fiscal Year Ending:</u>	<u>Amount</u>
September 30, 2024	(33,815)
September 30, 2025	(36,940)
September 30, 2026	(45,239)
September 30, 2027	(45,699)
September 30, 2028	(44,545)
September 30, 2029	(40,323)
September 30, 2030	(2,396)

NOTE 13 - RISK MANAGEMENT

The City of South Daytona is exposed to various risks of loss relative to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters, all which are satisfactorily insured by general liability insurance. Commercial insurance policies are also obtained for all other risks of loss, including workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

NOTE 14 - PENSION PLANS**1. Florida Retirement System (FRS) (Defined Benefit Pension Plan)**

General Information About the FRS. The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Essentially, all regular employees of the City who were employed before January 1, 1996 and after September 30, 2005, including those individuals employed between these two periods that subsequently elected to roll over their net pension assets into the FRS Plans, are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Web site: www.dms.myflorida.com/workforce_operations/retirement/publications.

Plan Description. The FRS Pension Plan (Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The City's general classes of membership are as follows:

- ◆ Regular Class - Members of the FRS who do not qualify for membership in the other classes.
- ◆ Special Risk Class – Members of FRS who are eligible for membership in Special Risk.
- ◆ Senior Management Service Class (SMSC) - Members in senior management level positions.

Employees enrolled in the Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Members of the Plan may include up to four years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided. Benefits under the 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 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 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 class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

The following chart shows the percentage value for each year of service credit earned:

Class, Initial Enrollment, and Retirement Age/Years of Service	% Value
Regular Class members initially enrolled before July1, 2011:	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement up to age 63 or up to 31 years of service	1.63
Retirement up to age 64 or up to 32 years of service	1.65
Retirement up to age 65 or up to 33 or more years of service	1.68
Regular Class members initially enrolled on or after July1, 2011:	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement up to age 66 or up to 34 years of service	1.63
Retirement up to age 67 or up to 35 years of service	1.65
Retirement up to age 68 or up to 36 or more years of service	1.68
Senior Management Service Class	2.00
Special Risk Class	
Service from Dec. 1, 1970 through Sept. 30, 1974	2.00
Service on and after Oct. 1, 1974	3.00

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2022-23 fiscal year were as follows:

Class	Percent of Gross Salary		
	Employee	Employer (1)	
		Pre 06/30/23	Post 07/01/23
FRS, Regular	3.00	11.91	13.57
FRS, Special Risk Class	3.00	27.83	32.67
FRS, Senior Management Service	3.00	31.57	34.52
DROP - Applicable to Members of the Above Class	0.00	18.60	21.13
FRS, Reemployed Retiree		(2.00)	(2.00)

Notes: (1) Employer rates include a 2.00 percent for the postemployment health insurance. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs of the investment plan.

(2) Contribution rates are dependent upon retirement class in which reemployed.

The City's contributions to the Plan totaled \$1,371,541 (including employee contributions of \$162,183), for the fiscal year ended September 30, 2023. This excludes HIS defined benefit pension plan contributions of \$102,670 and FRS Investment Plan contributions of \$177,586.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2023, the City reported a liability of \$10,140,308 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The City's proportionate share of the net pension liability was based on the City's 2022-23 fiscal year contributions relative to the 2022-23 fiscal year contributions of all participating members based on a June 30, 2023 fiscal year. At June 30, 2023, the City's proportionate share was 0.025448213%, which was a decrease of 0.000660398% from its proportionate share measured as of June 30, 2022 of 0.026108611%.

For the fiscal year ended September 30, 2023, the City recognized the Plan pension expense of \$2,100,201. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 952,087	\$ -
Change of assumptions	661,029	-
Net difference between projected and actual earnings on FRS pension plan investments	423,487	-
Changes in proportion and differences between City FRS contributions and proportionate share of contributions	206,649	460,384
City FRS contributions subsequent to the measurement date	321,065	-
Total	<u>\$ 2,564,317</u>	<u>\$ 460,384</u>

The deferred outflows of resources related to pensions, totaling \$321,065 resulting from the City's contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Measurement Period Ending June 30</u>	<u>Amount</u>
2024	\$ 242,982
2025	(96,268)
2026	1,458,004
2027	138,498
2028	39,652
Thereafter	-
	<u>\$ 1,782,868</u>

Actuarial Assumptions. The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary Increases	3.25 percent, average, including inflation
Investment rate of return	6.70 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB.

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.9%	2.9%	1.1%
Fixed income	19.8%	4.5%	4.4%	3.4%
Global equity	54.0%	8.7%	7.1%	18.1%
Real estate	10.3%	7.6%	6.6%	14.8%
Private equity	11.1%	11.9%	8.8%	26.3%
Strategic investments	3.8%	6.3%	6.1%	7.7%
Total	100%			
Assumed Inflation - Mean			2.4%	1.4%

Note: (1) As outlined in the Plan's Investment Policy

Discount Rate. The discount rate used to measure the total pension liability was 6.70 percent. The Plan's 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.

Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 6.70 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.70 percent) or 1 percentage-point higher (7.70 percent) than the current rate:

	1% Decrease 5.70%	Current Discount Rate 6.70%	1% Increase 7.70%
The City's proportionate share of net pension liability	\$ 17,321,710	\$ 10,140,308	\$ 4,132,205

Pension Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report.

Payables to the FRS Pension Plan. At September 30, 2023, the City reported a payable of \$118,440 for the outstanding amount of contributions to the FRS Plan required for the fiscal year ended September 30, 2023.

2. HIS Pension Plan (Defined Benefit Pension Plan)

Plan Description. The HIS Pension Plan (Health Insurance Subsidy Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided. For the fiscal year ended September 30, 2023, eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$45 and a maximum HIS payment of \$225 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2023, the HIS contribution rate for the period from October 1, 2022 through June 30, 2023 was 1.66% and from July 1, 2023 through September 30, 2023 was 2.00%, of payroll pursuant to section 112.363, Florida Statutes. The City contributed 100 percent of its statutorily required contributions for the current and preceding 3 years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The City's contributions to the HIS Plan totaled \$102,670 for the fiscal year ended September 30, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources Related to Pensions. At September 30, 2023, the City reported a net pension liability of \$2,478,710 for its proportionate share. The City's proportionate share of the net pension liability was based on the City's 2022-23 fiscal year contributions relative to the total 2022-23 fiscal year contributions of all participating members. At June 30, 2023, the City's proportionate share was 0.015607693%, which was a decrease of 0.000820997% from its proportionate share measured as of June 30, 2022, of 0.016428690%. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023.

For the fiscal year ended September 30, 2023, the City recognized an increase of Plan pension expense of \$930,469. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 36,287	\$ 5,818
Change of assumptions	65,165	214,788
Net difference between projected and actual earnings on HIS pension plan investments	1,280	-
Changes in proportion and differences between City HIS contributions and proportionate share of contributions	109,316	147,832
City HIS contributions subsequent to the measurement date	28,174	-
Total	<u>\$ 240,222</u>	<u>\$ 368,438</u>

The deferred outflows of resources related to pensions, totaling \$28,174, resulting from the City's contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Measurement Period Ending June 30</u>	<u>Amount</u>
2024	\$ (27,327)
2025	(16,567)
2026	(27,565)
2027	(54,067)
2028	(28,640)
Thereafter	(2,226)
	<u>\$ (156,392)</u>

Actuarial Assumptions. The total pension liability in the July 1, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary Increases	3.25 percent, average, including inflation
Investment rate of return	3.65 percent

Mortality rates were based on the Generational RP-2000 with Projection Scale BB.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

Discount Rate. The discount rate used to measure the total pension liability was 3.65 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 3.65 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.65 percent) or 1 percentage point higher (4.65 percent) than the current rate:

	1% Decrease 2.65%	Current Discount Rate 3.65%	1% Increase 4.65%
City's proportionate share of net pension liability	\$ 2,827,821	\$ 2,478,710	\$ 2,189,320

Pension Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report.

Payable to the HIS Pension Plan - At September 30, 2023, the City reported a payable of \$7,845 for the outstanding amount of contributions to the HIS Plan required for the fiscal year ended September 30, 2023.

3. FRS – Investment Plan (Defined Contribution Pension Plan)

The City contributes to the FRS Investment Plan (Investment Plan), a defined contribution pension plan, for its eligible employees electing to participate in the Investment Plan. The Investment Plan is administered by the SBA, and is reported in the SBA's annual financial statements and in the State of Florida Annual Comprehensive Financial Report. Service retirement benefits are based upon the value of the member's account upon retirement.

As provided in Section 121.450 I, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. City employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established by and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Senior Management Service Class, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices.

Allocations to the investment member's accounts during the 2022-23 fiscal year were as follows:

Class	Percent of Gross Salary		
	Employee	Employer	
		Pre 06/30/23	Post 07/01/23
FRS, Regular	3.00	11.91	13.57
FRS, Special Risk Class	3.00	27.83	32.67
FRS, Senior Management Service	3.00	31.57	34.52

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five year period, the employee will regain control over their account. If the employee does not return within the five year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04% of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended June 30, 2023, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the City.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The City's Investment Plan pension expense totaled \$160,437 for the fiscal year ended September 30, 2023.

Payable to the FRS Investment Plan - At September 30, 2023, the City reported a payable of \$9,283 for the outstanding amount of contributions to the Investment Plan required for the fiscal year ended September 30, 2023.

NOTE 15 – DEFERRED COMPENSATION EMPLOYEE BENEFITS

The City provides its employees with two optional deferred compensation plans created in accordance with Internal Revenue Code Section 457. Annual contributions, determined by the participant, may not exceed the lesser of \$22,500 or 100% of gross annual compensation.

Provisions have been made to amend the plan to keep it in conformity with tax law changes, which also permits special catch-up contribution of \$7,500 for those participants age 50 years old and older and double catch up contributions which allow a participant for three years prior to the normal retirement age to contribute twice the annual limit (\$45,000 in 2023). Deferred compensation withheld from a participating employee's pay is not taxable as current income until withdrawn from the plan. Such compensation is not available to the employees until employment termination, retirement, or death. All assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries.

NOTE 16 - LEGAL MATTERS

The City is engaged in routine litigation incidental to the conduct of its business and municipal affairs. In the opinion of its Counsel, no legal proceedings are pending against them, not covered by insurance, which would inhibit the City's ability to perform its operations or materially affect its financial condition.

NOTE 17 - COMMITMENTS

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund (s). The amount, if any, of expenditures from current or prior years which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

Budgetary policy of the City is that appropriations lapse at the close of the fiscal year, therefore the City does not have any encumbrances.

NOTE 18 - CONSTRUCTION IN PROGRESS

As of September 30, 2023 the City recorded construction in progress of \$1,342,668 in the Governmental Funds and \$0 in the Utility Service Fund. These amounts are comprised of commitments and projects at various stages of completion. The following schedule illustrates these projects.

	Total Project Cost				Total Project Cost	
	9/30/2022	Additions	Adjustments	Deletions	9/30/2023	
Governmental Funds						
Executime Software	\$ 66,382	\$ 1,304	\$ -	\$ (67,686)	\$ -	
Police Equipment (radios & tag reader)	36,006	180,711	-	(216,717)	-	
Parks James Street Tball Improvements	172	141,685	-	(141,857)	-	
Parks Riverfront Park Pavillion	14,823	-	-	(14,823)	-	
#888 City US1 Entryway Markers	15,406	5,439	-	-	20,845	
#886 Suntrail Design	577,785	299,251	-	-	877,036	
#610 Lift Station #1 Design & Replacement	52,075	68,060	-	-	120,135	
#590 James Street Splash Pad Replacement	-	169,390	-	-	169,390	
City Hall Generator	-	134,242	-	-	134,242	
#608 Lift Station #5 Design & Replacement	-	21,020	-	-	21,020	
Total Governmental Funds	762,649	1,021,102	-	(441,083)	1,342,668	
Utility Service Fund						
	-	-	-	-	-	
Total Utility Service Funds	-	-	-	-	-	
Total All Funds	\$ 762,649	\$ 1,021,102	\$ -	\$ (441,083)	\$ 1,342,668	

NOTE 19—SUBSEQUENT EVENTS

No significant subsequent events have occurred for the City of South Daytona.

NOTE 20 - NEW ACCOUNTING STANDARDS

The following Governmental Accounting Standards Boards (GASB) Statements will be implemented in the financial statements, as applicable:

Statement No. 94, “Public-Private and Public-Public Partnerships and Availability Payment Arrangements.” The requirements of this Statements will take effect for financial statements starting with the fiscal year that ends June 30, 2023.

Statement No. 96, “Subscription-Based Information Technology Arrangements.” The requirements of this Statements will take effect for financial statements starting with the fiscal year that ends June 30, 2023.

Statement No. 99, “Omnibus 2022.” The requirements of this Statement related to leases, PPPs, and SBITAs will take effect for financial statements starting with the fiscal year that ends June 30, 2023. The requirements related to financial guarantees and classification and reporting of derivative instruments within the scope of Statement 53 will take effect for financial statements starting with the fiscal year that ends June 30, 2024.

Statement No. 100, “Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62” The requirements for this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2024.

Statement No. 101. "Compensated Absences." The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2024.

Statement No. 102. "Certain Risk Disclosures." The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2025.



REQUIRED SUPPLEMENTARY INFORMATION



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REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
CITY OF SOUTH DAYTONA, FL

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
--	------	------	------	------	------	------	------	------	------	------

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total OPEB Liability										
Service cost	\$ 37,805	\$ 58,661	\$ 70,785	\$ 52,331	\$ 60,504	\$ 59,598	n/a	n/a	n/a	n/a
Interest	60,898	39,160	35,216	58,036	58,021	50,580	n/a	n/a	n/a	n/a
Changes of benefit terms	-	-	-	-	-	-	n/a	n/a	n/a	n/a
Difference between expected and actual experience	-	(17,361)	-	25,541	-	(5,653)	n/a	n/a	n/a	n/a
Changes in assumptions or other inputs	(9,177)	(297,269)	(37,840)	(18,219)	6,812	(91,669)	n/a	n/a	n/a	n/a
Benefit payments	(120,907)	(115,168)	(89,351)	(76,203)	(118,382)	(101,754)	n/a	n/a	n/a	n/a
Other Changes	(1)	-	-	(11,900)	575	181,354	n/a	n/a	n/a	n/a
Net change in total OPEB liability	(31,382)	(331,977)	(21,190)	29,586	7,530	92,456	n/a	n/a	n/a	n/a
Total OPEB liability - beginning	1,337,135	1,669,112	1,690,302	1,660,716	1,653,186	1,560,730	n/a	n/a	n/a	n/a
Total OPEB liability - ending	\$ 1,305,753	\$ 1,337,135	\$ 1,669,112	\$ 1,690,302	\$ 1,660,716	\$ 1,653,186	n/a	n/a	n/a	n/a
Covered payroll	\$ 5,128,645	\$ 4,931,844	\$ 5,381,762	\$ 4,906,404	\$ 5,412,212	\$ 5,394,917				
Total OPEB liability as a percentage of covered payroll	25.46%	27.11%	31.01%	34.45%	30.68%	30.64%				

Notes to Schedule

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

4.87%	4.77%	2.14%	3.58%	3.64%
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This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, governments should present information for those years for which information is available.

This schedule is prepared using the optional format of combining the required schedules in paragraph 170a and 170b.

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.

REQUIRED SUPPLEMENTARY INFORMATION
 FLORIDA RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN
 CITY OF SOUTH DAYTONA, FL

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	FISCAL YEAR
--	------	------	------	------	------	------	------	------	------	------	-------------

Schedule of Proportionate Share of Net Pension Liability:

City proportion of the net pension liability	0.025448213%	0.026108611%	0.024984176%	0.025679933%	0.028013318%	0.027780218%	0.029015145%	0.029747996%	0.028941522%	0.028889917%	
City proportionate share of the net pension liability	\$ 10,140,308	\$ 9,714,501	\$ 1,887,272	\$ 11,130,061	\$ 9,647,397	\$ 8,367,546	\$ 8,582,485	\$ 7,511,392	\$ 3,738,186	\$ 1,762,710	
City covered payroll	\$ 6,292,248	\$ 5,796,815	\$ 5,643,228	\$ 5,321,112	\$ 5,412,212	\$ 5,360,253	\$ 5,594,389	\$ 5,418,743	\$ 5,077,155	\$ 5,118,666	
City proportionate share of the net pension liability as a percentage of covered payroll	161.16%	167.58%	33.44%	209.17%	178.25%	156.10%	153.41%	138.62%	73.63%	34.44%	
Plan fiduciary net position as a percentage of the total pension liability	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%	

Schedule of Contributions:

Contractually required contribution	\$ 1,371,541	\$ 1,114,102	\$ 951,789	\$ 853,230	\$ 868,615	\$ 791,714	\$ 755,336	\$ 725,452	\$ 705,619	\$ 632,812	
Contributions in relation to the contractually required contribution	(1,371,541)	(1,114,102)	(951,789)	(853,230)	(868,615)	(791,714)	(755,336)	(725,452)	(705,619)	(632,812)	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
City covered payroll	\$ 6,183,375	\$ 5,987,114	\$ 5,681,079	\$ 5,321,112	\$ 5,412,212	\$ 5,394,917	\$ 5,594,389	\$ 5,418,743	\$ 5,077,155	\$ 5,118,666	
Contributions as a percentage of covered payroll	22.18%	18.61%	16.75%	16.03%	16.05%	14.68%	13.50%	13.39%	13.90%	12.36%	

* The amounts presented for each fiscal year were determined as of 6/30.

This schedule is presented to illustrate the requirement to show information for 10 years.

REQUIRED SUPPLEMENTARY INFORMATION
 FRS HEALTH INSURANCES/UBSIDY DEFINED BENEFIT PENSION PLAN
 CITY OF SOUTH DA YTONA, FL

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
--	------	------	------	------	------	------	------	------	------	------

Schedule of Proportionate Share of Net Pension Liability:

City proportion of the net pension liability	0.015607693%	0.016428690%	0.015838424%	0.014944770%	0.016341427%	0.016014556%	0.016168139%	0.016416986%	0.016767803%	0.016767803%
City proportionate share of the net pension liability	\$ 2,478,710	\$ 1,740,061	\$ 1,942,821	\$ 1,824,732	\$ 1,828,442	\$ 1,694,999	\$ 1,728,772	\$ 1,913,332	\$ 1,710,052	\$ 1,625,596
City covered payroll	\$ 6,292,248	\$ 5,796,815	\$ 5,643,228	\$ 5,321,112	\$ 5,412,212	\$ 5,394,917	\$ 5,594,389	\$ 5,418,743	\$ 5,077,155	\$ 5,118,666
City proportionate share of the net pension liability as a percentage of covered payroll	39.39%	30.02%	34.43%	34.29%	33.78%	31.42%	30.90%	35.31%	33.68%	31.76%
Plan fiduciary net position as a percentage of the total pension liability	4.12%	4.81%	3.56%	3.00%	2.50%	2.50%	1.64%	0.97%	0.50%	0.99%

Schedule of Contributions:

Contractually required contribution	\$ 102,670	\$ 99,407	\$ 93,098	\$ 86,120	\$ 90,742	\$ 86,847	\$ 85,566	\$ 84,148	\$ 64,097	\$ 59,557
Contributions in relation to the contractually required contribution	(102,670)	(99,407)	(93,098)	(86,120)	(90,742)	(86,847)	(85,566)	(84,148)	(64,097)	(59,557)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City covered payroll	\$ 6,183,375	\$ 5,987,114	\$ 5,681,079	\$ 5,321,112	\$ 5,412,212	\$ 5,394,917	\$ 5,594,389	\$ 5,077,155	\$ 5,077,155	\$ 5,118,666
Contributions as a percentage of covered payroll	1.66%	1.66%	1.64%	1.62%	1.68%	1.61%	1.53%	1.66%	1.26%	1.16%

* The amounts presented for each fiscal year were determined as of 6/30.

This schedule is presented to illustrate the requirement to show information for 10 years.



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OTHER SUPPLEMENTARY INFORMATION



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City of South Daytona, Florida
Combining Balance Sheet
Community Trust Fund
September 30, 2023

	<u>Community</u> <u>Trust</u> <u>Fund</u>	<u>Other</u> <u>Nonmajor</u> <u>Fund</u>	<u>Total</u> <u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>
ASSETS			
Cash and cash equivalents	\$ 77,055	\$ -	\$ 77,055
Notes receivable	3,000	-	3,000
Total assets	<u>\$ 80,055</u>	<u>\$ -</u>	<u>\$ 80,055</u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and other current liabilities	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:			
Community Trust	80,055	-	80,055
Total fund balance	<u>80,055</u>	<u>-</u>	<u>80,055</u>
Total liabilities and fund balance	<u>\$ 80,055</u>	<u>\$ -</u>	<u>\$ 80,055</u>

City of South Daytona, Florida
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2023

	<u>Community Trust Fund</u>	<u>Other Nonmajor Funds</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES			
Miscellaneous	\$ 15,837	\$ -	\$ 15,837
Total revenues	<u>15,837</u>	<u>-</u>	<u>15,837</u>
EXPENDITURES			
Current:			
Comprehensive planning	61	-	61
Parks and recreation	7,515	-	7,515
Total expenditures	<u>7,576</u>	<u>-</u>	<u>7,576</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>8,261</u>	<u>-</u>	<u>8,261</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers in	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	8,261	-	8,261
Fund balances-beginning	<u>71,794</u>	<u>-</u>	<u>71,794</u>
Fund balances-ending	<u>\$ 80,055</u>	<u>\$ -</u>	<u>\$ 80,055</u>

City of South Daytona, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Capital Project Fund
For the Year Ended September 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget-</u>
REVENUES				
Federal grants	\$ 307,117	\$ 307,117	\$ 51,790	\$ (255,327)
State grants	-	-	-	-
Grants - other local units	-	-	119,676	119,676
Miscellaneous	-	-	218,157	218,157
Total revenues	<u>307,117</u>	<u>307,117</u>	<u>389,623</u>	<u>82,506</u>
EXPENDITURES				
Current:				
Environmental services - sanitation	-	-	936,061	(936,061)
Parks and recreation	-	-	269,409	(269,409)
Capital outlays	<u>4,090,000</u>	<u>4,090,000</u>	<u>256,084</u>	<u>3,833,916</u>
Total expenditures	<u>4,090,000</u>	<u>4,090,000</u>	<u>1,461,554</u>	<u>2,628,446</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(3,782,883)</u>	<u>(3,782,883)</u>	<u>(1,071,931)</u>	<u>2,710,952</u>
OTHER FINANCING SOURCES AND (USES)				
Transfer from reserves	3,782,883	3,782,883	-	(3,782,883)
Transfers to reserves	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>3,782,883</u>	<u>3,782,883</u>	<u>-</u>	<u>(3,782,883)</u>
Net change in fund balances	-	-	(1,071,931)	(1,071,931)
Fund balances-beginning	<u>9,224,091</u>	<u>9,224,091</u>	<u>9,224,091</u>	<u>-</u>
Fund balances-ending	<u>\$ 9,224,091</u>	<u>\$ 9,224,091</u>	<u>\$ 8,152,160</u>	<u>\$ (1,071,931)</u>

City of South Daytona, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Community Trust Fund
For the Year Ended September 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Miscellaneous	\$ 20,000	\$ 20,000	\$ 15,837	\$ (4,163)
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>15,837</u>	<u>(4,163)</u>
EXPENDITURES				
Current:				
Comprehensive planning	10,000	10,000	61	9,939
Parks and recreation	10,000	10,000	7,515	2,485
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>7,576</u>	<u>12,424</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>-</u>	<u>-</u>	<u>8,261</u>	<u>8,261</u>
Net change in fund balances	-	-	8,261	8,261
Fund balances-beginning	<u>71,794</u>	<u>71,794</u>	<u>71,794</u>	<u>-</u>
Fund balances-ending	<u>\$ 71,794</u>	<u>\$ 71,794</u>	<u>\$ 80,055</u>	<u>\$ 8,261</u>



STATISTICAL SECTION



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STATISTICAL SECTION

This part of the City of South Daytona’s 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.

Contents	Page
Financial Trends	101
<i>These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.</i>	
Revenue Capacity	106
<i>These schedules contain information to help the reader assess the City’s most significant local revenue source, property taxes.</i>	
Debt Capacity	112
<i>These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.</i>	
Demographic and Economic Information	118
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.</i>	
Operating Information	120
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports of the City for the relevant year.



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TABLE I

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

September 30, 2023

CITY OF SOUTH DAYTONA, FLORIDA

(accrual basis of accounting)

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental activities										
Net investment in capital assets	\$ 16,783,919	\$ 14,570,567	\$ 13,941,798	\$ 13,849,857	\$ 12,177,138	\$ 10,534,584	\$ 9,444,684	\$ 8,120,997	\$ 7,774,857	\$ 7,586,871
Restricted	2,481,507	1,403,772	1,290,771	1,274,546	969,716	1,620,443	600,216	1,903,137	545,881	615,638
Unrestricted (deficit)	2,545,311	4,167,316	(6,029,623)	(8,369,432)	(8,353,303)	(9,344,063)	(7,496,162)	(7,347,769)	(6,001,696)	32,523
Total governmental activities net position	\$ 21,810,737	\$ 20,141,655	\$ 9,202,946	\$ 6,754,971	\$ 4,793,551	\$ 2,810,964	\$ 2,548,738	\$ 2,676,365	\$ 2,319,042	\$ 8,235,032
Business-type activities										
Net investment in capital assets	\$ 18,495,153	\$ 17,950,970	\$ 17,861,091	\$ 17,773,515	\$ 17,272,002	\$ 17,270,420	\$ 16,946,401	\$ 16,277,612	\$ 15,954,483	\$ 15,553,514
Restricted	417,237	350,260	342,364	349,713	180,469	104,712	102,730	155,490	548,518	534,563
Unrestricted (deficit)	1,450,670	559,152	(115,996)	(986,803)	(1,832,330)	(1,598,729)	(900,012)	(836,180)	(1,463,337)	(737,893)
Total business-type activities net position	\$ 20,363,060	\$ 18,860,382	\$ 18,087,459	\$ 17,136,425	\$ 15,620,141	\$ 15,776,403	\$ 16,149,119	\$ 15,596,922	\$ 15,039,664	\$ 15,350,184
Primary government										
Net investment in capital assets	\$ 35,279,072	\$ 32,521,537	\$ 31,802,889	\$ 31,623,372	\$ 29,449,140	\$ 27,805,004	\$ 26,391,085	\$ 24,398,609	\$ 23,729,340	\$ 23,140,385
Restricted	2,898,744	1,754,032	1,633,135	1,624,259	1,150,185	1,725,155	702,946	2,058,627	1,094,399	1,150,201
Unrestricted (deficit)	3,995,981	4,726,468	(6,145,619)	(9,356,235)	(10,185,633)	(10,942,792)	(8,396,174)	(8,183,949)	(7,465,033)	(705,370)
Total primary government net position	\$ 42,173,797	\$ 39,002,037	\$ 27,290,405	\$ 23,891,396	\$ 20,413,692	\$ 18,587,367	\$ 18,697,857	\$ 18,273,287	\$ 17,358,706	\$ 23,585,216

Note: During the fiscal year ended September 30, 2015, GASB Statement No. 68 was implemented resulting in adjustments to beginning net position. Periods previous to that year have not been adjusted for these changes.

TABLE II

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
 September 30, 2023
 CITY OF SOUTH DAYTONA, FLORIDA
 (accrual basis of accounting)

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses										
Governmental activities:										
General government	\$ 1,899,627	\$ 1,660,979	\$ 1,528,399	\$ 1,488,212	\$ 2,311,135	\$ 2,122,681	\$ 2,337,247	\$ 2,252,653	\$ 2,320,673	\$ 2,257,561
Comprehensive planning	708,090	412,521	343,509	584,686	970,206	1,015,415	948,947	861,523	660,543	686,678
Public safety	6,444,392	5,371,597	4,455,874	5,587,529	5,524,599	5,047,259	5,001,435	4,691,442	4,425,389	4,745,775
Environmental services- public works	2,350,477	693,454	1,199,276	1,048,044	600,151	1,444,527	2,722,801	1,022,247	944,136	962,031
Environmental services- sanitation	936,061	1,682,224	1,632,326	1,654,109	1,495,970	1,470,249	1,419,128	1,336,965	1,402,863	1,302,646
Road and street facilities	1,635,355	743,929	1,043,424	509,674	1,107,544	851,093	777,712	769,679	370,112	409,385
Community redevelopment	746,574	782,288	686,607	640,413	284,926	241,484	164,900	163,621	134,479	126,520
Parks and recreation	1,746,625	1,240,335	927,913	1,121,458	1,547,442	1,652,424	1,542,747	1,431,711	1,337,629	1,382,993
Parks - summer/spring day camp	-	-	45,018	9,774	39,310	38,666	40,037	35,253	40,815	45,593
Parks - recreation programs	325,637	333,078	339,024	144,842	142,047	151,372	154,891	164,895	179,083	161,644
Interest on long-term debt	37,279	94,229	173,696	251,081	340,526	321,242	388,030	369,850	431,808	462,089
Total governmental activities expenses	16,830,117	13,014,364	12,375,066	13,039,822	14,363,856	14,356,412	15,497,875	13,099,839	12,247,530	12,542,915
Business-type activities:										
Utility service	6,540,164	6,399,800	7,155,674	7,239,470	5,975,235	5,381,327	5,105,439	4,755,505	4,528,236	4,264,573
Stormwater service	1,579,256	974,436	-	-	-	-	-	-	-	-
Refuse service	1,967,012	-	-	-	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-	-	-	-	-
Total business-type activities expenses	10,086,432	7,374,236	7,155,674	7,239,470	5,975,235	5,381,327	5,105,439	4,967,756	4,796,722	4,542,779
Total primary government expenses	26,916,549	20,388,600	19,530,740	20,279,292	20,339,091	19,737,739	20,603,314	18,067,595	17,044,252	17,085,694
Program Revenues										
Governmental activities:										
Charges for services										
General government	\$ 12,319	\$ 21,447	\$ 12,056	\$ 13,250	\$ 1,854	\$ 1,326	\$ 1,159	\$ 2,387	\$ 1,697	\$ 1,114
Comprehensive planning	618,705	533,266	525,491	583,990	438,263	387,594	419,908	366,648	345,186	329,951
Public safety	126,482	53,260	54,641	84,275	97,844	108,445	99,620	82,375	104,721	79,505
Environmental services- sanitation	27,611	2,262,043	2,222,554	2,243,423	2,024,438	1,951,606	1,887,886	1,735,189	1,794,415	1,787,597
Parks and recreation	22,663	28,302	27,541	34,605	22,743	53,558	42,581	41,613	34,608	29,738
Parks - summer/spring day camp	-	-	22,521	595	46,960	48,179	38,947	32,447	33,502	40,450
Parks - recreation programs	52,893	67,840	39,490	35,877	128,823	102,052	96,257	112,594	130,457	115,648
Operating grants and contributions	2,864,392	7,257,262	501,068	1,076,610	779,715	833,464	1,858,644	89,644	94,131	105,583
Capital grants and contributions	304,516	346,714	269,894	476,224	1,503,823	818,230	228,917	1,374,782	16,478	449,922
Total governmental activities program revenues	4,029,581	10,570,134	3,675,256	4,548,849	5,044,463	4,304,454	4,673,919	3,837,679	2,555,195	2,939,508
Business-type activities:										
Charges for services										
Water and sewer	11,539,904	8,627,640	8,309,347	8,112,893	6,811,893	6,541,407	6,771,324	6,610,304	6,268,470	6,462,741
Operating grants and contributions	456,561	35,100	99,450	573,300	388,090	-	-	-	-	-
Capital grants and contributions	33,091	7,895	26,539	628,280	9,859	118,024	601,292	330,326	55,330	199,488
Total business-type activities program revenues	12,029,556	8,670,635	8,435,336	9,314,473	7,209,842	6,659,431	7,372,616	6,940,630	6,323,800	6,662,229
Total primary government program revenues	16,059,137	19,240,769	12,110,592	13,863,322	12,254,305	10,963,885	12,046,535	10,778,309	8,878,995	9,601,737
Net										
Governmental activities	\$ (12,800,536)	\$ (2,444,230)	\$ (8,699,810)	\$ (8,490,973)	\$ (9,319,393)	\$ (10,051,958)	\$ (10,823,956)	\$ (9,262,160)	\$ (9,692,335)	\$ (9,603,407)
Business-type activities	1,943,124	1,296,399	1,279,662	2,075,003	1,234,607	1,278,104	2,267,177	1,972,874	1,527,078	2,119,450
Total primary government net expense	\$ (10,857,412)	\$ (1,147,831)	\$ (7,420,148)	\$ (6,415,970)	\$ (8,084,786)	\$ (8,773,854)	\$ (8,556,779)	\$ (7,289,286)	\$ (8,165,257)	\$ (7,483,957)

TABLE II
CONTINUED

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
September 30, 2023
CITY OF SOUTH DAYTONA, FLORIDA
(accrual basis of accounting)

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 4,592,705	\$ 4,110,715	\$ 3,901,533	\$ 3,669,527	\$ 3,514,933	\$ 3,325,668	\$ 2,965,814	\$ 2,840,097	\$ 2,703,529	\$ 2,679,609
Property tax increments	3,078,221	2,144,334	1,932,099	1,666,585	1,534,641	1,375,280	1,210,342	1,092,555	985,184	875,628
Sales taxes	918,016	906,581	827,486	713,178	792,952	729,043	698,174	668,367	639,870	594,501
Franchise taxes	982,096	902,469	780,115	737,959	776,487	761,782	752,465	851,398	868,935	847,249
Public Service taxes	1,486,171	1,348,036	1,288,697	1,247,084	1,258,971	1,228,426	1,194,892	1,180,666	1,156,243	1,125,497
Motor fuel taxes	-	-	-	-	-	347,001	341,364	335,286	313,780	305,461
Communication service tax	452,473	440,424	433,950	380,999	394,341	378,596	369,548	404,599	442,686	467,132
Other taxes	12,134	12,058	11,840	15,474	13,387	24,360	23,389	20,181	20,380	21,286
Intergovernmental revenue	1,545,771	1,484,798	1,310,774	1,222,334	1,144,298	1,095,633	1,095,642	767,966	756,727	729,383
Unrestricted investments earnings	484,247	18,292	3,001	6,543	7,460	6,840	73	-	9,038	74
Miscellaneous	168,791	126,360	201,463	216,852	358,375	290,205	342,822	118,439	206,816	139,931
Gain (Loss) on sale of fixed assets	27,389	1,343,969	-	-	5,239	1,263	(5,910)	-	4,436	8,832
Transfers	721,604	544,903	456,827	575,858	1,500,896	1,543,253	1,707,714	1,424,274	1,649,598	1,339,823
Total governmental activities	14,469,618	13,382,939	11,147,785	10,452,393	11,301,980	11,107,350	10,696,329	9,703,828	9,757,222	9,134,406
Business-type activities:										
Unrestricted investments earnings	123,723	18,332	3,068	4,418	5,691	-	-	-	8,777	(992)
Miscellaneous	120,494	3,095	125,131	12,721	104,336	4,992	(9,531)	8,658	-	-
Gain (Loss) on sale of fixed assets	36,941	-	-	-	-	-	2,265	-	-	8,349
Transfers	(721,604)	(544,903)	(456,827)	(575,858)	(1,500,896)	(1,543,253)	(1,707,714)	(1,424,274)	(1,649,598)	(1,339,823)
Total business-type activities	(440,446)	(523,476)	(328,628)	(558,719)	(1,390,869)	(1,538,261)	(1,714,980)	(1,415,616)	(1,640,821)	(1,332,466)
Total primary government	\$ 14,029,172	\$ 12,859,463	\$ 10,819,157	\$ 9,893,674	\$ 9,911,111	\$ 9,569,089	\$ 8,981,349	\$ 8,288,212	\$ 8,116,401	\$ 7,801,940
Change in Net Position										
Governmental activities	\$ 1,669,082	\$ 10,938,709	\$ 2,447,975	\$ 1,961,420	\$ 1,982,587	\$ 1,055,392	\$ (127,627)	\$ 441,668	\$ 64,887	\$ (469,001)
Business-type activities	1,502,678	772,923	951,034	1,516,284	(156,262)	(260,157)	552,197	557,258	(113,743)	786,984
Total primary government	\$ 3,171,760	\$ 11,711,632	\$ 3,399,009	\$ 3,477,704	\$ 1,826,325	\$ 795,235	\$ 424,570	\$ 998,926	\$ (48,856)	\$ 317,983

Note: Refuse Service Fund was added as a Proprietary Fund in 2023 to have a separate accounting for refuse charges and expenses. Motor fuel taxes were reclassified to Operating Contributions starting in fiscal year 2019. During the fiscal year ended September 30, 2015, GASB Statement No. 68 was implemented resulting in adjustments to beginning net position. Periods previous to that year have not been adjusted for these changes.

TABLE III

FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

September 30, 2023
CITY OF SOUTH DAVENPORT, FLORIDA
(modified accrual basis of accounting)

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund										
Nonspendable	\$ 466,856	\$ 237,098	\$ 16,278	\$ 181,697	\$ 871,528	\$ 8,050	\$ 17,314	\$ 12,606	\$ 157,543	\$ 43,720
Restricted	618,291	468,594	703,956	834,448	450,090	1,100,631	53,211	253,824	269,449	271,974
Committed	1,682,589	1,375,000	1,250,000	429,770	82,660	-	-	-	-	-
Assigned	1,276,535	1,069,624	1,052,499	688,368	80,500	81,700	80,800	160,197	165,035	129,084
Unassigned	3,011,284	3,010,809	2,453,126	2,282,337	1,341,280	1,270,096	708,007	246,442	906,312	1,442,530
Total general fund	\$ 7,055,555	\$ 6,161,125	\$ 5,475,859	\$ 4,416,620	\$ 2,826,058	\$ 2,460,477	\$ 859,332	\$ 673,069	\$ 1,498,339	\$ 1,887,308
All Other Governmental Funds										
Nonspendable	\$ -	\$ 755	\$ 1,994	\$ -	\$ 2,259	\$ 2,316	\$ 21,864	\$ -	\$ 4,760	\$ -
Restricted	1,863,216	935,178	584,821	440,098	517,367	435,797	443,279	1,489,116	106,637	214,580
Committed	7,226,934	9,224,091	-	-	-	-	-	-	-	-
Assigned	925,226	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 10,015,376	\$ 10,160,024	\$ 586,815	\$ 440,098	\$ 519,626	\$ 438,113	\$ 465,143	\$ 1,489,116	\$ 111,397	\$ 214,580

TABLE IV

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

September 30, 2023

CITY OF SOUTH DA YTONA, FLORIDA

(modified accrual basis of accounting)

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
Taxes	\$ 10,914,698	\$ 9,277,450	\$ 8,336,394	\$ 8,005,758	\$ 7,864,042	\$ 8,170,156	\$ 7,555,988	\$ 7,393,149	\$ 7,130,607	\$ 6,916,363
Licenses and permits	618,705	400,828	456,830	543,089	341,729	338,819	373,588	327,940	310,908	315,377
Intergovernmental revenue	1,663,801	1,619,973	1,435,383	1,223,980	1,329,725	506,438	497,544	464,669	454,181	427,904
Payments in lieu of taxes	812,120	783,464	714,717	727,006	607,525	589,195	598,098	303,297	302,546	301,479
Fines and forfeitures	92,771	52,212	119,194	88,699	155,847	80,525	75,068	82,331	108,128	65,292
Unrestricted investment earnings	484,287	18,292	-	-	-	6,840	73	-	9,038	74
Miscellaneous	168,751	126,360	204,464	223,395	379,222	290,205	342,822	118,439	206,816	139,931
Grants and contributions	2,845,876	7,272,504	768,848	1,249,230	398,870	1,651,694	2,087,561	1,464,426	110,609	555,505
Charges for services	149,197	2,513,118	2,328,270	2,364,227	2,263,349	2,233,416	2,137,702	1,962,982	2,025,550	2,003,334
Total revenues	17,750,206	22,064,201	14,364,100	14,425,384	13,340,309	13,867,288	13,668,444	12,117,233	10,658,383	10,725,259
Expenditures										
General government	1,565,377	1,594,098	1,713,069	1,239,648	2,008,212	1,930,728	2,158,652	2,108,165	1,981,667	1,809,895
Comprehensive planning	617,271	415,338	405,181	526,576	921,957	937,046	849,718	787,556	676,620	679,607
Public safety	5,539,157	5,239,239	4,756,285	4,594,153	4,568,679	4,514,402	4,413,816	4,228,959	4,452,149	4,434,911
Environmental services	3,286,538	1,885,925	1,828,242	2,062,658	1,852,301	2,297,662	3,549,266	1,747,829	1,727,115	1,671,785
Road and streets	867,424	525,640	608,907	320,140	551,802	671,384	645,941	630,079	419,103	409,385
Community redevelopment	722,773	765,415	713,917	607,666	256,448	237,323	163,180	170,024	128,438	125,812
Parks and recreation	1,744,113	1,395,584	1,046,128	1,039,698	1,437,355	1,563,955	1,480,468	1,357,242	1,330,653	1,335,420
Capital outlays	1,393,921	1,275,320	621,235	587,450	266,677	1,237,127	180,902	2,320,472	453,499	547,381
Debt service:										
Principal	1,953,762	1,858,978	1,716,835	2,244,027	2,365,176	1,110,215	989,542	997,959	5,306,240	5,486,259
Interest	59,081	120,092	207,286	268,192	367,763	337,847	388,030	356,428	438,277	434,253
Total Expenditures	17,749,417	15,075,629	13,617,085	13,490,208	14,596,370	14,837,689	14,819,515	14,704,713	16,913,761	16,934,708
Excess of revenues over (under) expenditures	789	6,988,572	747,015	935,176	(1,256,061)	(970,401)	(1,151,071)	(2,587,480)	(6,255,378)	(6,209,449)
Other financing sources (uses)										
Transfers in	796,902	544,903	565,327	575,858	3,214,550	3,077,503	3,770,554	2,610,896	2,424,505	1,746,463
Transfers out	(75,298)	-	(108,500)	-	(1,713,654)	(1,534,250)	(2,062,840)	(1,186,622)	(774,907)	(406,640)
Operating grants and contributions	-	-	2,114	-	-	-	-	-	-	-
Sale of capital assets	27,389	2,725,000	-	-	5,239	1,263	4,647	-	4,436	8,832
Issuance of debt	-	-	-	-	197,020	1,000,000	401,000	1,800,000	4,109,192	4,200,000
Total other financing sources (uses)	748,993	3,269,903	458,941	575,858	1,703,155	2,544,516	2,113,361	3,224,274	5,763,226	5,548,655
Net change in fund balances	\$ 749,782	\$ 10,258,475	\$ 1,205,956	\$ 1,511,034	\$ 447,094	\$ 1,574,115	\$ 962,290	\$ 636,794	\$ (492,152)	\$ (660,794)
Debt service as a percentage of noncapital expenditures	12.31%	14.34%	14.81%	19.47%	19.07%	10.65%	9.41%	10.94%	34.90%	36.13%

TABLE V

PROGRAM REVENUES BY FUNCTION
LAST TEN FISCAL YEARS
 September 30, 2023
 CITY OF SOUTH DAYTONA, FLORIDA
 (accrual basis of accounting)

Function/Program	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental activities:										
General government	\$ 12,319	\$ 21,447	\$ 12,056	\$ 13,250	\$ 1,854	\$ 1,326	\$ 1,159	\$ 2,387	\$ 1,697	\$ 1,114
Comprehensive planning	618,705	533,266	525,491	583,990	438,263	387,594	419,908	366,648	345,186	329,951
Police	100,106	52,363	51,783	55,979	52,491	33,270	39,063	44,503	75,773	52,108
Fire	26,376	897	2,858	28,296	45,353	75,175	60,557	37,872	28,948	27,397
Public works	-	-	-	-	-	-	-	-	-	-
Refuse collection	27,611	2,262,043	2,222,554	2,243,423	2,024,438	1,951,606	1,887,886	1,735,189	1,794,415	1,787,597
Road and street facilities	-	-	-	-	-	-	-	-	-	-
Parks and recreation	22,663	28,302	27,541	34,605	22,743	53,558	42,581	41,613	34,608	29,738
Parks - summer/spring day camp	-	-	22,521	595	46,960	48,179	38,947	32,447	33,502	40,450
Parks - recreation programs	52,893	67,840	39,490	35,877	128,823	102,052	96,257	112,594	130,457	115,648
Intergovernmental services	-	-	-	-	-	-	-	-	-	-
Subtotal governmental activities	860,673	2,966,158	2,904,294	2,996,015	2,760,925	2,652,760	2,586,358	2,373,253	2,444,586	2,384,003
Business-type activities										
Water	3,330,765	3,230,365	3,105,606	3,001,807	2,779,994	2,720,907	2,899,587	2,706,258	2,544,533	2,528,020
Sewer	4,416,581	4,288,101	4,113,812	4,042,639	2,974,458	2,762,926	2,807,568	2,838,561	2,646,632	2,869,423
Stormwater	1,285,377	1,109,174	1,089,929	1,068,447	1,057,441	1,057,574	1,064,169	1,065,485	1,077,305	1,065,298
Refuse collection	2,507,181	-	-	-	-	-	-	-	-	-
Subtotal business-type activities	11,539,904	8,627,640	8,309,347	8,112,893	6,811,893	6,541,407	6,771,324	6,610,304	6,268,470	6,462,741
Total primary government	\$ 12,400,577	\$ 11,593,798	\$ 11,213,641	\$ 11,108,908	\$ 9,572,818	\$ 9,194,167	\$ 9,357,682	\$ 8,983,557	\$ 8,713,056	\$ 8,846,744

Note: Business type Refuse Service Fund was added in 2023 to account for refuse collection revenues and expenditures separately. Utility tax for refuse is still accounted for in the Governmental activities

TABLE VI

TAX REVENUES BY SOURCE - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

September 30, 2023

CITY OF SOUTH DA YTONA, FLORIDA

(modified accrual basis of accounting)

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Ad Valorem property tax										
City operating	\$ 4,592,705	\$ 4,110,715	\$ 3,901,533	\$ 3,669,527	\$ 3,514,933	\$ 3,325,668	\$ 2,965,814	\$ 2,840,097	\$ 2,703,529	\$ 2,679,609
Tax increment districts	3,078,221	2,144,334	1,932,099	1,666,585	1,534,641	1,375,280	1,210,342	1,092,555	985,184	875,628
Total property tax	\$ 7,670,926	\$ 6,255,049	\$ 5,833,632	\$ 5,336,112	\$ 5,049,574	\$ 4,700,948	\$ 4,176,156	\$ 3,932,652	\$ 3,688,713	\$ 3,555,237
Sales and use tax	\$ 918,016	\$ 906,581	\$ 827,486	\$ 713,178	\$ 792,952	\$ 729,043	\$ 698,174	\$ 668,367	\$ 639,870	\$ 594,501
Franchise fee	982,096	902,469	780,115	737,959	776,487	761,782	752,465	851,398	868,935	847,249
Public service tax	1,486,171	1,348,036	1,288,697	1,247,084	1,258,971	1,228,426	1,194,892	1,180,666	1,156,243	1,125,497
Motor fuel tax	323,032	331,472	345,964	303,604	384,669	347,001	341,364	335,286	313,780	305,461
Communication services tax	452,473	440,424	433,950	380,999	394,341	378,596	369,548	404,599	442,686	467,132
Other taxes	12,134	12,058	11,840	15,474	13,387	24,360	23,389	20,181	20,380	21,286

**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

September 30, 2023

CITY OF SOUTH DAYTONA, FLORIDA

Table VII

Fiscal Year Ended Sept. 30,	Residential Property	Commercial Property	Industrial /Other Property	Total Just Value	Less: Tax-Exempt Property	Total Taxable Assessed Value	Value of One Mill	Total
								Direct Tax Rate
2014	400,854,761	132,947,205	69,538,993	603,340,959	174,730,685	428,610,274	428,610	7.400
2015	409,974,063	136,904,422	72,876,547	619,755,032	176,942,377	442,812,655	442,813	7.400
2016	428,317,132	139,440,851	78,130,176	645,888,159	177,562,072	468,326,087	468,326	7.400
2017	449,605,213	148,422,698	81,933,587	679,961,498	182,410,198	497,551,300	497,551	7.400
2018	476,360,970	142,227,143	103,489,489	722,077,602	186,954,750	535,122,852	535,123	7.800
2019	512,318,266	145,314,454	110,420,884	768,053,604	192,594,620	575,458,984	575,459	7.750
2020	541,113,304	152,371,996	112,780,968	806,266,268	197,236,229	609,030,039	609,030	7.750
2021	575,315,615	168,217,350	74,399,565	817,932,530	198,458,898	619,473,632	619,474	7.750
2022	606,204,994	177,452,239	73,225,273	856,882,506	201,601,306	655,281,200	655,281	7.750
2023	674,046,426	241,873,624	81,316,576	997,236,626	211,073,434	786,163,192	786,163	7.750

Source: Volusia County Property Appraiser's Office

TABLE VIII

**PROPERTY TAX RATES ALL DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

September 30, 2023
CITY OF SOUTH DAYTONA, FLORIDA
(rate per \$1,000 of assessed value)

Fiscal Year	City Direct Rate				Overlapping Rates							Total Direct & Overlapping Rates	
	Tax Year	Operating Rate	Debt Rate	Total City Millage	Volusia County	Volusia School District	Volusia Forever and Echo	Mosquito Control	Inlet and Port Authority	Halifax Hospital	St. Johns Water Management		Inland Navigation
2014	2013	7.400	0.000	7.400	7.271	7.358	0.000	0.208	0.0929	1.0000	0.3283	0.0345	23.693
2015	2014	7.400	0.000	7.400	7.271	7.336	0.000	0.188	0.0929	1.0000	0.3164	0.0345	23.639
2016	2015	7.400	0.000	7.400	7.271	7.197	0.000	0.188	0.0929	0.9550	0.3023	0.0320	23.438
2017	2016	7.400	0.000	7.400	7.052	6.848	0.000	0.188	0.0929	0.7561	0.2885	0.0320	22.658
2018	2017	7.800	0.000	7.800	7.052	6.520	0.000	0.188	0.0929	0.3781	0.2724	0.0320	22.335
2019	2018	7.750	0.000	7.750	6.646	6.281	0.000	0.188	0.0929	0.3546	0.2562	0.0320	21.601
2020	2019	7.750	0.000	7.750	6.542	6.081	0.000	0.188	0.0929	0.3546	0.2414	0.0320	21.282
2021	2020	7.750	0.000	7.750	6.151	5.907	0.000	0.178	0.0880	0.9879	0.2287	0.0320	21.323
2022	2021	7.750	0.000	7.750	6.299	5.802	0.000	0.178	0.0845	0.9529	0.2189	0.0320	21.317
2023	2022	7.750	0.000	7.750	5.713	5.482	0.000	0.178	0.0760	0.8606	0.1974	0.0320	20.290

Note: Tax rates are per \$1,000 of assessed taxable value

Source: Volusia County Finance Department and the City of South Daytona Finance Department

**PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND NINE YEARS AGO**
September 30, 2023
CITY OF SOUTH DAYTONA, FLORIDA

TABLE IX

<u>Taxpayer</u>	<u>2023</u>			<u>2014</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Enclave at 3230	\$ 38,711,743	1	4.924			
Florida Power & Light Company	28,234,873	2	3.591	\$ 11,296,524	1	2.636
Ridge Apartments LLC	14,760,045	3	1.877	5,429,285	2	1.267
ORF VII Sunshine Plaza LLC	12,686,158	4	1.614	4,298,061	4	1.003
LGC Lakeview Estates LTD	11,610,824	5	1.477	4,478,495	3	1.045
Marcell Gardens LTD	6,523,934	6	0.830	3,547,602	5	0.828
South Daytona Apartments LLC	3,817,728	7	0.486			
Golfview Apartments	4,072,011	8	0.518			
International Academy of Hair Design	3,730,320	9	0.474	2,631,035	10	0.614
South Daytona Storage	3,674,172	10	0.467	2,792,896	9	0.652
Industrial Opportunity LLC				3,322,751	6	0.775
TRB Daytona LLC				3,235,228	7	0.755
Bright House Networks LLC				3,617,151	8	0.844
	<u>\$ 89,110,065</u>		<u>11.33%</u>	<u>\$ 41,031,877</u>		<u>9.57%</u>

Source: Volusia County Property Appraiser

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
September 30, 2023
CITY OF SOUTH DAYTONA, FLORIDA

TABLE X

Fiscal Year Ended September 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collection to Date	
		Amount	Percent of Levy		Amount	Percentage of Levy
2014	3,171,716	2,968,386	93.59%	*	2,968,386	93.59%
2015	3,276,814	3,172,927	96.83%	*	3,172,927	96.83%
2016	3,465,613	3,247,789	93.71%	*	3,247,789	93.71%
2017	3,681,880	3,436,338	93.33%	*	3,436,338	93.33%
2018	4,173,958	3,889,239	93.18%	*	3,889,239	93.18%
2019	4,459,807	4,174,118	93.59%	*	4,174,118	93.59%
2020	4,719,983	4,385,452	92.91%	*	4,385,452	92.91%
2021	4,800,921	4,780,787	99.58%	*	4,780,787	99.58%
2022	5,078,429	5,069,269	99.82%	*	5,069,269	99.82%
2023	6,092,765	6,072,488	99.67%	*	6,072,488	99.67%

Source: Volusia County Finance Department and the City of South Daytona Finance Department

* Collections in subsequent years of prior year levies is not available from the Volusia County Property Appraisers Office.

TABLE XI

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

September 30, 2023

CITY OF SOUTH DAYTONA, FLORIDA

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income	Outstanding Debt Per Capita
	Notes Payable	Financed Purchases	Note Payable	State Revolving Loan Payable	Financed Purchases	Note Payable	State Revolving Loan Payable	Financed Purchases			
2014	12,954,744	523,752	4,411,539	4,385,244	-	-	-	-	22,275,279	5.29%	1,814
2015	11,944,050	337,399	3,681,876	3,997,093	-	-	-	-	19,960,418	4.26%	1,462
2016	12,863,493	219,997	3,258,168	3,599,418	-	-	-	-	19,941,076	4.46%	1,578
2017	10,551,549	143,399	2,821,460	3,191,989	304,469	-	-	-	17,012,866	3.39%	1,266
2018	10,506,097	78,636	2,364,637	2,774,561	246,117	-	-	-	15,970,048	3.06%	1,257
2019	8,192,010	224,567	1,895,772	2,346,888	187,420	-	-	-	12,846,657	2.34%	1,002
2020	6,013,659	158,892	1,404,892	1,908,718	126,873	-	-	-	9,613,034	1.67%	739
2021	4,334,224	121,488	891,339	1,547,017	64,420	-	-	-	6,958,488	1.09%	508
2022	2,514,153	82,579	353,000	1,176,602	-	-	-	-	4,126,334	0.59%	314
2023	600,866	42,104	-	523,421	-	-	-	-	1,166,391	0.17%	89

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements. See Schedule XVI for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

TABLE XII

September 30, 2023

CITY OF SOUTH DAYTONA, FLORIDA

General Bonded Debt Outstanding

The City has not had any general bonded debt over the past ten fiscal years.

Source: City of South Daytona Finance Department.

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

TABLE XIII

September 30, 2023

CITY OF SOUTH DAYTONA, FLORIDA

City of South Daytona Direct Debt

\$ 642,970

The City did not have any overlapping governmental activities debt as of September 30, 2023

Source: Independent Taxing Districts

LEGAL DEBT MARGIN INFORMATION

TABLE XIV

LAST TEN FISCAL YEARS

September 30, 2023

CITY OF SOUTH DAYTONA, FLORIDA

The City Charter, the Constitution of the State of Florida and Florida State Statute 200.181 do not provide for a legal debt limit.

Source: City of South Daytona Finance Department

Utility Service Fund Pledged Revenues

Series 2013B (Maturity: July 1, 2027)

State Revolving Loan Fund (SRF) Loans:

Palm Grove Phase I (Maturity: December 15, 2024)/Palm Grove Phase II (Maturity: December 15, 2027)

Fiscal Year	Utility Gross Revenues	Less: Operating Expenses	Net Available Revenues	Debt Service		Total Annual Debt Service	Coverage		
				Annual SRF	Maximum 2013B		State Revolving Fund Actual	Required and Add'l Parity	2013B Required and Add'l Parity
2014	6,662,229	3,286,040	3,376,189	488,674	76,608	565,282	5.97	1.15	1.10
2015	6,332,577	3,507,231	2,825,346	488,605	76,608	565,213	5.00	1.15	1.10
2016	6,949,288	3,824,612	3,124,676	491,554	76,608	568,162	5.50	1.15	1.10
2017	7,365,350	3,901,485	3,463,865	491,546	76,608	568,154	6.10	1.15	1.10
2018	6,664,423	4,160,420	2,504,003	491,546	76,608	568,154	4.41	1.15	1.10
2019	6,926,088	4,754,788	2,171,300	491,544	76,595	568,139	3.82	1.15	1.10
2020	8,125,614	5,507,163	2,618,451	404,886	76,027	480,913	5.44	1.15	1.10
2021	8,325,546	5,805,320	2,520,226	404,885	76,433	481,318	5.24	1.15	1.10
2022	8,645,972	6,172,278	2,473,694	404,886	76,403	481,289	5.14	1.15	1.10
2023	9,156,446	6,850,556	2,305,890	285,193	-	285,193	8.09	1.15	-

Governmental Pledged Revenues

Transportation Revenue Note, Series 2006

(CRA # 34 - Maturity: February 1, 2024)

Fiscal Year	Tax Increment Proceeds	Maximum Annual Debt Service	Coverage		
			Actual	Required	Additional Parity
2014	875,628	243,175	3.60	1.15	1.50
2015	985,184	243,175	4.05	1.15	1.50
2016	1,092,555	243,175	4.49	1.15	1.50
2017	1,210,342	243,175	4.98	1.15	1.50
2018	1,375,280	243,175	5.66	1.15	1.50
2019	1,534,641	236,908	6.48	1.15	1.50
2020	1,666,585	236,908	7.03	1.15	1.50
2021	1,932,099	236,907	8.16	1.15	1.50
2022	2,144,334	236,908	9.05	1.15	1.50
2023	3,078,221	118,454	25.99	1.15	1.50

Capital Improvement Revenue Note Series 2013

(#109 - Maturity: November 27, 2028)

Fiscal Year	Sales Tax	Maximum Annual Debt Service	Coverage		
			Actual	Required	Additional Parity
2014	\$ 594,501	\$ 339,488	1.75	N/A	1.50
2015	639,870	339,488	1.88	N/A	1.50
2016	688,367	339,488	2.03	N/A	1.50
2017	698,174	338,983	2.06	N/A	1.50
2018	729,043	348,264	2.09	N/A	1.50
2019	792,952	359,036	2.21	N/A	1.50
2020	713,178	355,863	2.00	N/A	1.50
2021	827,486	336,567	2.46	N/A	1.50
2022	906,581	338,973	2.67	N/A	1.50
2023	918,016	339,441	2.70	N/A	1.50

Source: City of South Daytona Finance Department

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating revenues include investment revenue, capital grants and contributions. Operating expenses do not include interest, depreciation, or amortization expense. Coverage calculation provided from year of issuance forward.

Anti-dilution Test									
<u>Revenues</u>	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Revenues per ACFR	\$ 17,777,595	\$ 23,408,170	\$ 14,366,214	\$ 14,425,384	\$ 13,340,309	\$ 13,867,288	\$ 13,668,444	\$ 12,117,233	\$ 10,658,383
Less: Ad Valorem revenues	(7,670,926)	(6,255,049)	(5,833,632)	(5,336,112)	(5,049,574)	(4,700,948)	(4,176,156)	(3,932,652)	(3,688,713)
Total Non-ad valorem revenues	10,106,669	17,153,121	8,532,582	9,089,272	8,290,735	9,166,340	9,492,288	8,184,581	6,969,670
Less Restricted Funds									
General Fund Grant Revenues	(2,076,590)	(128,205)	(36,709)	(1,052,304)	(93,855)	(724,776)	(1,858,974)	(152,656)	-
Less Hurricane grants - debt service	-	-	-	-	-	-	356,095	-	-
Less Essential exp grants	-	-	-	-	-	-	55,140	-	-
Capital Projects Fund	(171,466)	(6,551,166)	-	-	(57,703)	-	-	(63,585)	-
Transportation Fund	(472,424)	(410,519)	(649,395)	(425,566)	(442,500)	(1,280,738)	(612,473)	(1,595,126)	(356,235)
Community Trust Fund	(15,837)	(19,682)	(15,750)	(14,331)	(20,063)	(20,654)	(17,712)	(20,541)	(16,572)
Redevelopment Fund	(34,001)	(94,086)	-	-	-	-	-	-	-
Total Restricted	(2,770,318)	(7,203,658)	(701,854)	(1,492,201)	(614,121)	(2,026,168)	(2,077,924)	(1,831,908)	(372,807)
Adjusted non-ad valorem revenues	7,336,351	9,949,463	7,830,728	7,597,071	7,676,614	7,140,172	7,414,364	6,352,673	6,596,863
Essential Expenditures									
General government	(1,614,793)	(1,660,979)	(1,713,069)	(1,239,648)	(2,008,212)	(1,930,728)	(2,158,547)	(2,108,165)	(1,981,667)
Public safety	(5,593,995)	(5,371,597)	(4,756,285)	(4,594,153)	(4,568,679)	(4,514,402)	(4,412,454)	(4,228,959)	(4,452,149)
Total essential expenditures	(7,208,788)	(7,032,576)	(6,469,354)	(5,833,801)	(6,576,891)	(6,445,130)	(6,571,001)	(6,337,124)	(6,433,816)
Total ad valorem	7,670,926	6,255,049	5,833,632	5,336,112	5,049,574	4,700,948	4,176,156	3,932,652	3,688,713
Less TIF	(2,144,334)	(2,144,334)	(1,932,099)	(1,666,585)	(1,534,641)	(1,375,280)	(1,210,342)	(1,092,555)	(985,184)
Available ad valorem not restricted	5,526,592	4,110,715	3,901,533	3,669,527	3,514,933	3,325,668	2,965,814	2,840,097	2,703,529
Adjusted essential expenditures	(1,682,196)	(2,921,861)	(2,567,821)	(2,164,274)	(3,061,958)	(3,119,462)	(3,605,187)	(3,497,027)	(3,730,287)
Legally available non-ad valorem revenues	5,654,155	7,027,602	5,262,907	5,432,797	4,614,656	4,020,710	3,809,177	2,855,646	2,866,576
City debt service coverage ratio:									
2 year average of legally available NAV	6,340,879	6,145,255	5,347,852	5,023,727	4,317,683	3,914,943	3,332,411	2,861,111	1,433,288
Maximum annual debt service									
Obligation # 117	-	-	522,424	533,483	557,423	543,700	543,700	543,700	543,700
Obligation # 109	339,441	338,973	336,567	355,863	357,471	338,984	338,984	339,488	339,488
Obligation # 67 (note 75)	-	-	435,173	435,186	435,187	426,392	426,392	426,392	426,392
BBVA Compass 2016 (\$401,000)	-	3,140	49,978	49,598	107,004	107,006	107,006	-	-
Leases	43,798	43,798	43,798	43,798	71,789	68,178	68,178	81,759	125,220
Emergency Loan - Hurricane Matthew	-	-	-	-	-	356,095	356,095	-	-
Total maximum annual debt service	\$ 383,239	\$ 385,911	\$ 1,387,940	\$ 1,417,928	\$ 1,528,874	\$ 1,840,355	\$ 1,840,355	\$ 1,391,339	\$ 1,434,800
Actual annual debt ratio	16.55	15.92	3.85	3.54	2.82	2.13	1.81	2.06	1.00
Required debt ratio	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50

Source: City of South Daytona Finance Department

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating revenues include investment revenue, capital grants and contributions. Operating expenses do not include interest, depreciation, or amortization expense. Coverage calculation provided from year of issuance forward.

**DEMOGRAPHIC AND ECONOMIC STATS
LAST TEN FISCAL YEARS**

TABLE XVI

September 30, 2023

CITY OF SOUTH DAYTONA, FLORIDA

Fiscal Year	Population (a)	Personal Income (amounts expressed in thousands) (b)	Per Capita Personal Income (b)	Median Age (c)	School Enrollment (c)	County Unemployment Rate (d)
2014	12,279	17,117,508	34,305	*	61,234	5.6%
2015	13,653	17,292,604	34,321	46.5	61,829	5.3%
2016	12,635	18,297,539	35,364	*	62,850	5.2%
2017	13,436	19,577,196	37,404	*	63,043	3.7%
2018	12,703	20,543,253	41,019	*	62,948	3.5%
2019	12,819	21,902,076	42,867	*	63,264	3.5%
2020	13,007	24,444,162	44,180	*	62,931	5.9%
2021	13,686	26,979,379	46,475	*	61,641	4.0%
2022	13,140	29,893,649	52,964	*	61,088	2.8%
2023	13,140	31,021,130	53,559	*	62,666	3.4%

* Information not readily available.

(a) Bureau of Economic and Business Research(2012-2020)/Florida Department of Revenue (2021-2023)

(b) Florida Research & Economic Database (2013-2019) (Federal Reserve Economic Data 2020-2023) (Number represents County total)

(c) Volusia County School Board (Number represents county total)

(d) Agency for Work Force Innovation(2014-2023)

PRINCIPAL EMPLOYERS
CURRENT YEAR AND 9 YEARS AGO
September 30, 2023
CITY OF SOUTH DAYTONA, FLORIDA

TABLEXVII

<u>Employer</u>	<u>2023</u>			<u>2014</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Votran	250	1	4.17%	235	1	4.70%
W.B. Mason	173	2	2.88%	-	-	
Giles Electric prior year	150	3	2.50%	68	6	1.36%
Publix	140	4	2.33%	120	3	2.40%
Total Quality Logistics	122	5	2.03%	-	-	
City of South Daytona	105	6	1.75%	92	4	1.84%
Warner Christian Academy	99	7	1.65%	126	2	2.52%
South Daytona Elementary	80	8	1.33%	90	5	1.80%
Johns Appliance	73	9	1.22%	50	8	1.00%
Food Supply Inc	65	10	1.08%	48	9	0.96%
RGIS Inventory Specialist py	-	-		58	7	1.16%
Ocean Buffet	-	-		40	10	0.80%
	<u>1,257</u>		<u>20.95%</u>	<u>927</u>		<u>18.54%</u>

Source: City of South Daytona Executive Department

**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

TABLE XVIII

September 30, 2023

CITY OF SOUTH DAYTONA, FLORIDA

<u>Function</u>	<u>Fiscal Year</u>									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Government										
Executive	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Finance	4.00	5.00	5.00	4.00	5.00	5.00	5.00	6.00	6.00	6.00
Community Development	7.00	7.00	8.00	8.00	7.00	10.00	10.00	9.00	7.00	7.00
Information Technology	1.00	1.00	1.00	1.00	-	-	-	-	-	-
Human Resources	1.00	1.00	1.00	1.00	1.00	1.50	1.00	-	-	-
Community Redevelopment	1.00	3.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Custodial	-	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Police										
Officers	27.00	28.00	28.00	28.00	28.00	30.00	30.00	29.00	30.00	30.00
Civilians	4.00	4.00	6.00	6.00	6.00	6.00	6.00	6.00	8.00	8.00
Fire										
Firefighters and officers	14.00	13.00	14.00	14.00	14.00	13.00	13.00	13.00	13.00	13.00
Civilians	1.00	-	-	-	-	-	-	-	-	-
Public works	5.00	3.00	4.00	5.00	5.00	3.00	3.00	3.00	3.00	3.00
Road and street	-	-	-	2.00	2.00	4.00	4.00	1.00	-	-
Parks and recreation	8.00	7.00	7.00	7.00	7.50	8.50	8.50	7.00	8.00	8.00
Field and ground maintenance	7.00	7.00	7.00	-	-	-	-	-	-	-
Community center	-	-	-	-	0.50	0.50	0.50	1.00	1.00	1.00
Water and sewer operations	5.00	7.00	7.00	9.00	6.00	5.00	5.00	6.00	6.00	6.00
Water and sewer office	6.00	6.00	6.00	7.00	5.00	4.50	4.00	3.00	3.00	3.00
Equipment maintenance	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Total	96.00	97.00	101.00	99.00	94.00	98.00	97.00	91.00	92.00	92.00

Note: Number of positions are full time equivalents

Source: City of South Daytona Finance Department

**OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

September 30, 2023

CITY OF SOUTH DAYTONA, FLORIDA

TABLE XIX

Function	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Police										
Physical arrests	246	411	493	327	608	641	744	782	708	1,053
Parking violations	101	137	27	33	133	470	561	676	529	7
Traffic violations	3,060	3,170	3,605	3,265	5,623	5,005	4,060	2,634	4,122	4,092
Fire										
Emergency responses	1,725	1,857	1,688	1,557	1,508	2,323	1,766	1,662	1,370	1,265
Fire responses	1,084	1,299	1,181	1,063	1,044	506	1,147	1,003	714	742
Inspections	783	174	158	237	268	253	287	265	360	230
Solid Waste:										
Refuse collected (tons per day)	b)	b)	b)	b)	b)	b)	b)	b)	b)	b)
Recyclables collected (tons per day)	b)	b)	b)	b)	b)	b)	b)	b)	b)	b)
Other public works										
Street resurfacing (miles)	3	3	1	-	-	0.600	-	-	3	-
Water										
Average daily consumption (thousands of gallons)	a)	a)	a)	a)	a)	a)	a)	a)	a)	a)
Number of Customers c)	5,473	5,672	5,685	5,654	5,667	5,222	5,158	5,145	5,152	5,162
Sewer										
Average daily treatment (thousands of gallons)	a)	a)	a)	a)	a)	a)	a)	a)	a)	a)
Number of Customers c)	5,361	5,412	5,430	5,349	5,379	4,912	4,877	5,040	5,028	5,025

a) Water and Sewer service is outsourced to the City of Daytona Beach

b) Solid waste service outsourced

c) In 2023 cleaning accounts were not included in the water account numbers. In 2019 number of water and sewer customers includes accounts with availability charges

TABLEXX

CAPITAL ASSETS BY FUNCTION
 LAST TEN FISCAL YEARS
 September 30, 2023
 CITY OF SOUTH DAYTONA, FLORIDA

Function	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire	2	2	2	2	2	2	2	2	2	2
Solid Waste	a)	a)	a)	a)	a)	a)	a)	a)	a)	a)
Collection trucks (services contracted)	46.40	46.40	46.40	46.40	46.40	46.40	46.40	46.40	46.40	46.40
Public works - transportation	-	-	-	-	-	-	-	-	-	-
Streets (miles)	29	29	29	29	29	29	29	29	29	29
Highways (miles)	c)	c)	c)	c)	c)	c)	c)	c)	c)	c)
Streetlights	66.75	66.75	66.75	66.75	66.75	66.75	66.75	66.75	66.75	66.75
Traffic signals	7	7	7	7	7	7	7	7	7	7
Parks and recreation	4	4	4	4	4	4	4	4	4	4
Acreage	1	1	1	1	1	1	1	1	1	1
Playgrounds	1	1	1	1	1	1	1	1	1	1
Baseball/softball diamonds	1	1	1	1	1	1	1	1	1	1
Soccer/football fields	1	1	1	1	1	1	1	1	1	1
Community centers	1	1	1	1	1	1	1	1	1	1
Water	40	40	40	40	40	40	40	40	40	40
Water mains (miles)	403	403	403	403	403	403	403	403	403	403
Fire hydrants	d)	d)	d)	d)	d)	d)	d)	d)	d)	d)
Storage capacity (thousands of gallons)	35	35	35	35	35	35	35	35	35	35
Wastewater	10	10	10	10	10	10	10	10	10	10
Sanitary sewers (miles)	d)	d)	d)	d)	d)	d)	d)	d)	d)	d)
Storm sewers (miles)	40	40	40	40	40	40	40	40	40	40
Treatment capacity (thousands of gallons)	d)	d)	d)	d)	d)	d)	d)	d)	d)	d)

- a) Solid waste service outsourced
- b) Streetlights owned and maintained by FPL
- c) Traffic Signals owned and maintained by Volusia County
- d) Water and Sewer service is outsourced to the City of Daytona Beach

Source: City of South Daytona Finance Department

**WATER AND SEWER RESIDENTIAL RATES
LAST TEN FISCAL YEARS**

TABLE XXI

September 30, 2023
CITY OF SOUTH DAYTONA, FLORIDA

Fiscal Year	Water Service Rates			Sewer Service Rates			
	Minumum Use (0-1,000 Total Gallons)	Additional Use (2,000-7,000 Total Gallons)	Additional Use (Over 7,000 Total Gallons)	Minumum Use (0-1,000 Total Gallons)	Additional Use (2,000-7,000 Total Gallons)	Additional Use (Over 7,000 Total Gallons)	Stormwater Management Fee
2014	\$ 13.19	\$ 5.05	\$ 5.52	\$ 14.33	\$ 6.58	\$ 7.26	\$ 9.00
2015	13.35	5.13	5.60	14.69	6.67	7.44	9.00
2016	13.44	5.16	5.64	14.79	6.81	7.49	9.00
2017	14.33	5.57	6.06	15.57	7.18	7.87	9.00
2018	14.61	5.67	6.17	15.61	7.19	7.89	9.00

Fiscal Year	Water Service Rates				Sewer Service Rates			
	Availability Charge	Minumum Use (0-1,000 Total Gallons)	Additional Use (1,001-7,000 Total Gallons)	Additional Use (Over 7,000 Total Gallons)	Availability	Additional Use (0-1,000 Total Gallons)	Additional Use (Over 1,000 Total Gallons)	Stormwater Management Fee
2019	\$ 13.00	\$ 3.39	\$ 5.43	\$ 9.50	\$ 16.00	\$ 6.16	\$ 9.85	\$ 9.00
2020	13.00	3.39	5.43	9.50	16.00	6.16	9.85	9.00
2021	13.46	3.51	5.62	9.84	16.56	6.37	10.19	9.00
2022	14.42	3.76	6.02	10.54	17.74	6.83	10.92	9.00
2023	14.92	3.89	6.23	10.90	18.36	7.07	11.30	10.50

Notes: Changes in water and sewer rates must be approved via resolution by the City Council.
City Council changed water and sewer rates based on a water sewer study conducted in 2018. The City instituted an availability charge for customer accounts that are temporarily turned off.

Source: City of South Daytona Finance Department



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SUPPLEMENTAL AUDIT REPORTS



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

To the Honorable Mayor, City Council, and City Manager
of the City of South Daytona, 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, each major fund, and the aggregate remaining fund information of the City of South Daytona, Florida (the City) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 2, 2024.

Report on Internal Control over Financial Reporting

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

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

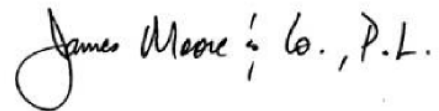
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from 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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Daytona Beach, Florida
February 2, 2024



**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED
BY OFFICE OF THE AUDITOR GENERAL**

To the Honorable Mayor, City Council, and City Manager
of the City of South Daytona, Florida:

Report on the Financial Statements

We have audited the financial statements of the City of South Daytona, Florida, as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated February 2, 2024.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Examination Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated February 2, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. No findings remain uncorrected from the second preceding audit. The following is a summary of prior year recommendations:

2022-001 Fund Balance Policy—Corrective action taken.

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 for the primary government and component units of the reporting entity is disclosed in Note 1 of the basic financial statements.

Financial Condition and Management

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

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

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

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Specific Special District Information – South Daytona Community Redevelopment Agency

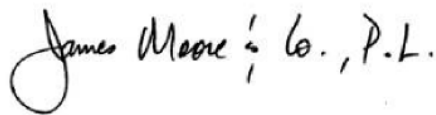
The required reporting items in accordance with Section 218.39(3)(c), Florida Statutes for the South Daytona Community Redevelopment Agency (the CRA) have been reported in the separately-issued audited financial statements of the CRA.

Additional Matters

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

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, City Council, management, others within the City, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Daytona Beach, Florida
February 2, 2024



INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

To the Honorable Mayor, City Council, and City Manager
of the City of South Daytona, Florida:

We have examined the City of South Daytona, Florida's (the City) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies* (the Statute), for the year ended September 30, 2023. Management is responsible for the City's compliance with the Statute. Our responsibility is to obtain reasonable assurance by evaluate the City's compliance with the Statute and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of our evaluation based on our examination.

Our examination was conducted in accordance with attestation standards for a direct examination engagement established by the American Institute of Certified Public Accountants (AICPA). Those standards require that we obtain reasonable assurance for evaluating the City's compliance with the Statute, and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of our evaluation of the City's compliance with the Statute. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks that the City was not in compliance with the Statute in all material respects, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

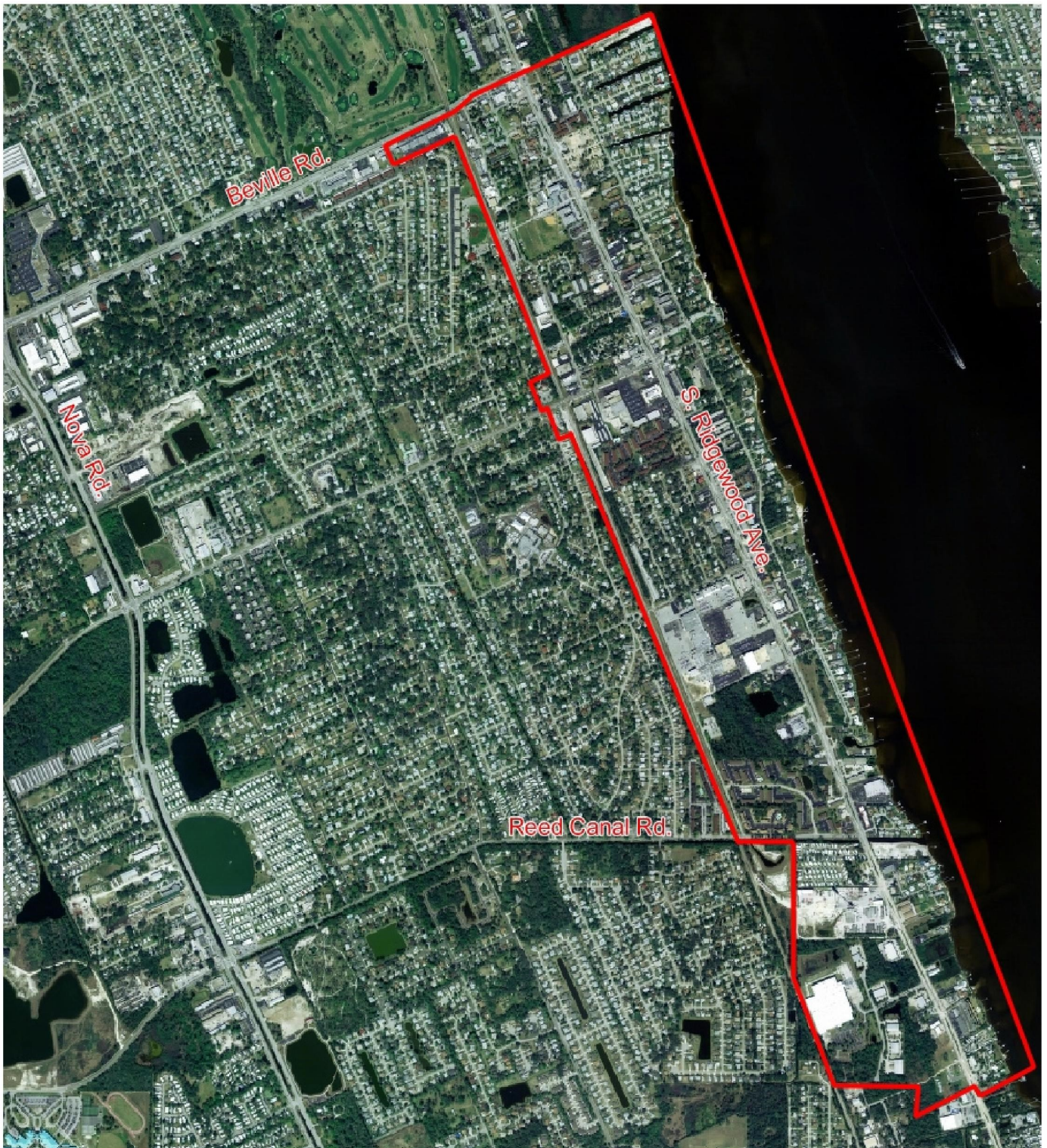
In our opinion, the City of South Daytona, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2023.

A handwritten signature in black ink that reads 'James Moore & Co., P.L.' with a stylized flourish at the end.

Daytona Beach, Florida
February 2, 2024



CRA District Boundary Map



Note: Area within the red boundary line is included in the redevelopment district.



22 SOUTH DAYTONA 23

SMALL CITY. BIG POSSIBILITIES.

