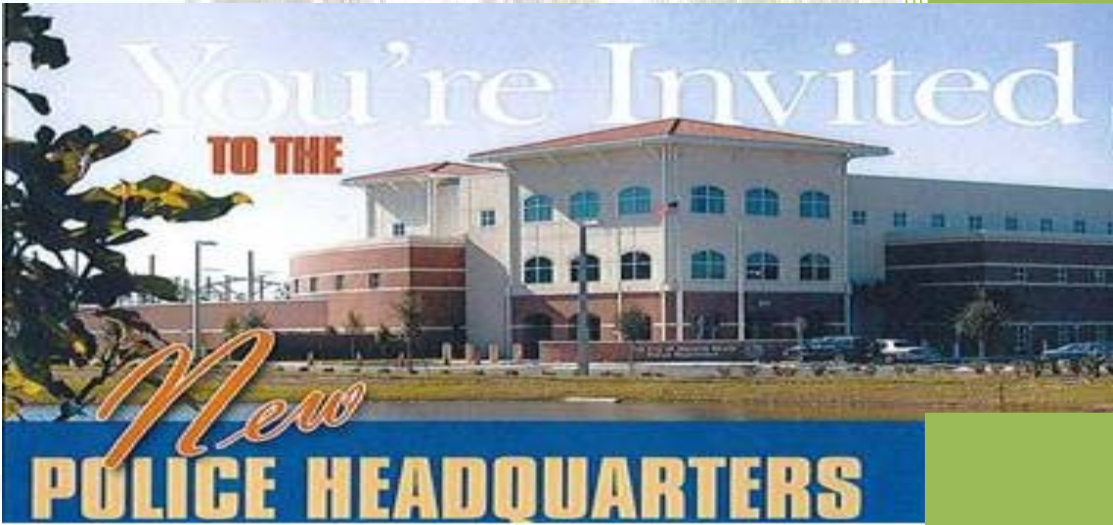


Nine Month
Period Ended
June 30, 2009

**THE CITY OF DAYTONA BEACH
QUARTERLY BUDGET REPORT**



PREPARED BY:

The Finance Department
Michael Robertson, CFO



The City of Daytona Beach Quarterly Budget Report



For the Nine Month Period Ended June 30, 2009

Prepared by: The Finance Department
Michael Robertson, CFO

**City of Daytona Beach
Quarterly Budget Report
For the Nine Month Period Ended June 30, 2009**

Executive Summary

Introduction

In conformance with the Fiscal Integrity Principles Ordinance the Finance Department presents the City of Daytona Beach Fiscal Year 2008-09 Quarterly Budget Report for the nine month period ended June 30, 2009. Included in this report are summaries of the first nine months' activity for the following major funds:

- General Fund
- Redevelopment Funds
- Water and Sewer Fund
- Solid Waste Fund
- Marina and Marina Plaza Funds
- Stormwater Fund

Each summary page is prepared in an "Income Statement or Profit and Loss Statement" format, to include: revenues, expenditures and net revenues for the first nine months as compared to the FY 2008-09 budget and the prior year 2007-08 first nine months actual totals. Following each table are highlights of the changes that have occurred and the impact of these changes on the respective funds' revenues/expenditures. Additionally, I have included the following information behind the "Supplemental Information" tab.

- Available Unreserved Fund Balance as of June 30, 2009
- Cash and Investment Report



**City of Daytona Beach
Quarterly Budget Report
For the Nine Month Period Ended June 30, 2009**

Overall Summary

Following is a financial summary of all the major funds reported in this Executive Summary; this table includes actual collections or disbursements for the first nine months of FY 2008-09 (October 1, 2008 to June 30, 2009) compared to actual collections and disbursements for the first nine months of FY 2007-08.

| | Revenues | | | Expenditures | | | FY 2008-09 Net Revenues |
|----------------|--------------|--------------|-------------|--------------|--------------|-------------|-------------------------------|
| | 6/30/2009 | 6/30/2008 | Incr/(Decr) | 6/30/2009 | 6/30/2008 | Incr/(Decr) | |
| | Actual | Actual | Percent | Actual | Actual | Percent | |
| General | \$53,283,581 | \$59,007,440 | -9.70% | \$54,958,866 | \$51,808,968 | 6.08% | (\$1,675,285) |
| Downtown | \$2,205,093 | \$1,850,510 | 19.16% | \$1,844,767 | \$2,195,232 | -15.96% | \$360,326 |
| Main Street | \$7,960,776 | \$7,385,759 | 7.79% | \$4,950,126 | \$8,202,325 | -39.65% | \$3,010,650 |
| Ballough Road | \$324,800 | \$325,629 | -0.25% | \$130,741 | \$141,107 | -7.35% | \$194,059 |
| Midtown | \$1,068,173 | \$1,055,138 | 1.24% | \$268,370 | \$372,159 | -27.89% | \$799,803 |
| South Atlantic | \$625,110 | \$929,309 | -32.73% | \$260,474 | \$2,469,006 | -89.45% | \$364,636 |
| Water & Sewer | \$26,336,563 | \$24,794,954 | 6.22% | \$23,482,370 | \$25,631,662 | -8.39% | \$2,854,193 |
| Solid Waste | \$8,787,877 | \$8,736,330 | 0.59% | \$8,110,230 | \$7,870,997 | 3.04% | \$677,647 |
| Marina/Plaza | \$3,246,896 | \$4,378,232 | -25.84% | \$3,638,557 | \$3,164,593 | 14.98% | (\$391,661) |
| Stormwater | \$5,609,439 | \$5,721,571 | -1.96% | \$4,836,492 | \$3,552,343 | 36.15% | \$772,947 |

In summary, you will note that all Funds reflect a positive net revenue balance with the exception of the General Fund and the Halifax Marina/Plaza. The General Fund deficit was anticipated due to declining state revenues, a reduction in property tax revenue and the appropriation of fund balance to reimburse the Redevelopment Trust Funds. Based on projections of revenue and expenditures through the end of the fiscal year it is estimated that the General Fund should end the year with approximately \$1 million above the 10% reserve requirement. The deficit in the Marina/Plaza is due to increased debt service principal and interest payments for the Sunshine State Financing Commission Loan. As you will recall, this loan was refinanced in February 2009 to a fixed interest rate loan therefore rising interest rates are no longer a factor and no additional budget revisions are anticipated.

You will also note in the table above that a majority of the funds reflect increased revenue with the most notable exceptions being the South Atlantic Redevelopment Fund and the Halifax Marina/Plaza Fund. The South Atlantic Redevelopment Trust Fund decrease is due to decreased assessed values, the effects of Amendment 1 and the removal of the 516 Grandview property from the tax roll. The Halifax Marina/Plaza Fund decrease is primarily due to declining fuel sales.

Of the expenditure variances noted in the table above, following is a brief explanation for the General Fund increase of 6.08%, Marina/Plaza increase of 14.98%, Stormwater increase of 36.15% and Main Street and South Atlantic Redevelopment Funds decreases of 39.65% and 89.45% respectively.

**City of Daytona Beach
Quarterly Budget Report
For the Nine Month Period Ended June 30, 2009**

- The General Fund increase was mostly due to increases in the police and fire pension contribution and the moving of the Police and Code personal service cost previously recorded in the Redevelopment Trust Funds back to the General Fund and charging these Funds for “services rendered” through transfers.
- The Halifax Marina/Plaza increase was primarily due to the increase in principal and interest related to the Sunshine State Financing Commission Loan, which was refinanced in February 2009.
- The Stormwater Fund increase was primarily due to reorganization in the Utilities Department.
- The Main Street Redevelopment Trust Fund decreased due to the expenditures for the Breakers Oceanfront Park in FY 2007-08 not incurred in FY 2008-09.
- The South Atlantic Redevelopment Trust Fund decreased due to the expenditure for the acquisition of the 516 Grandview property in FY 2007-08 not incurred in FY 2008-09.

In pages 4 thru 14 of this Executive Summary is a more detailed financial presentation of the first nine months’ revenues, expenditures, and net revenues. This detailed summary includes a more thorough analysis of revenues and expenditures with a comparison to the prior year third quarter actual and a comparison to budget. Additionally, a summary of the financial position is provided for each major fund reported. You will also note behind the “Supplemental Information” tab is a summary report of current available unreserved fund balance for each fund and a report on the cash and investments held by the City at June 30, 2009.

Summary Revenues/Expenditures

For the Nine Month Period Ended June 30, 2009

All Funds



City of Daytona Beach
Quarterly Budget Report
For the Nine Month Period Ended June 30, 2009
General Fund

| | FY 2009 Budget | 6/30/2009 Actual | % Remaining | 6/30/2008 Actual | Inc/(Dec) 09 vs 08 | % Inc/Dec 09 vs 08 |
|-------------------------------|----------------------|-----------------------|----------------|----------------------|-----------------------|-----------------------|
| Revenues | | | | | | |
| Taxes | \$ 45,681,179 | \$ 35,692,453 | 21.9% | \$ 36,755,072 | \$ (1,062,619) | -2.89% |
| Licenses & permits | 1,103,000 | 1,075,060 | 2.5% | 1,369,769 | (294,709) | -21.52% |
| Intergovernmental revenue | 7,698,292 | 3,886,841 | 49.5% | 4,226,829 | (339,988) | -8.04% |
| Charges for services | 4,007,668 | 2,471,603 | 38.3% | 3,086,878 | (615,275) | -19.93% |
| Fines & forfeitures | 1,001,300 | 415,889 | 58.5% | 412,986 | 2,903 | 0.70% |
| Miscellaneous revenue | 1,237,445 | 1,321,969 | -6.8% | 1,001,739 | 320,230 | 31.97% |
| Reserve Capital Prior Yr | 1,154,533 | 0 | 100.0% | 0 | 0 | 0.00% |
| Appropriation of fund balance | 2,219,400 | 0 | 100.0% | 0 | 0 | 0.00% |
| Transfers | 12,012,626 | 8,419,766 | 29.9% | 12,154,167 | (3,734,401) | -30.73% |
| Subtotal | \$ 76,115,443 | \$ 53,283,581 | 30.0% | \$ 59,007,440 | \$ (5,723,859) | -9.70% |
| Expenditures | | | | | | |
| City Manager | \$ 2,347,803 | \$ 1,495,016 | 36.3% | \$ 1,424,881 | \$ 70,135 | 4.92% |
| City Attorney | 1,073,565 | 675,861 | 37.0% | 748,009 | (72,148) | -9.65% |
| Development Services | 1,352,403 | 861,298 | 36.3% | 886,598 | (25,300) | -2.85% |
| City Clerk | 626,153 | 446,742 | 28.7% | 444,020 | 2,722 | 0.61% |
| Support Service | 450,218 | 320,418 | 28.8% | 473,094 | (152,676) | -32.27% |
| Finance | 2,366,617 | 1,671,352 | 29.4% | 2,316,282 | (644,930) | -27.84% |
| Police Department | 34,684,361 | 24,325,258 | 29.9% | 21,687,150 | 2,638,108 | 12.16% |
| Leisure Services | 4,556,024 | 3,235,749 | 29.0% | 3,013,038 | 222,711 | 7.39% |
| Public Works | 8,097,829 | 5,927,114 | 26.8% | 6,098,124 | (171,010) | -2.80% |
| Fire Department | 12,870,052 | 8,979,382 | 30.2% | 8,595,404 | 383,978 | 4.47% |
| Capital Projects | 1,175,917 | 678,025 | 42.3% | 302,866 | 375,159 | 123.87% |
| Transfers | 6,514,501 | 6,342,651 | 2.6% | 5,819,502 | 523,149 | 8.99% |
| Subtotal | \$ 76,115,443 | \$ 54,958,866 | 27.8% | \$ 51,808,968 | \$ 3,149,898 | 6.08% |
| Net Revenues | \$ 0 | \$ (1,675,285) | n/a | \$ 7,198,472 | \$ (8,873,757) | -123.27% |

Following is a summary of the significant changes in General Fund revenues and expenditures as reflected in the table above.

Revenue

- Taxes - Ad valorem tax collections have decreased \$1.3 million when compared to the same period last year. This is due to a reduction in the millage rate below the rolled back rate for FY 2008-09.
- Intergovernmental revenue decreased from the prior year primarily due to the Safer Hiring Program grant for \$158K received in the first half of FY 2008. Additionally, sales tax and state revenue sharing have decreased \$260K when compared to the prior year. This decrease is consistent with State of Florida revenue estimates.
- Charges for services decreased from the prior year primarily due to a decline in site plan reviews of \$140K and decreased indirect cost allocations from the enterprise funds of \$240K.
- The decrease in transfer revenue is primarily due to a one-time transfer from the Capital Projects Fund to the General Fund in FY 2008.

City of Daytona Beach
Quarterly Budget Report
For the Nine Month Period Ended June 30, 2009

Expenditures

- Finance
 - Salaries and benefits expense decreased due to the unfilled Deputy Finance Director position and the reclassification of the internal auditor position to the City Manager's department, \$307K.
 - General liability insurance expense decreased \$350K.

- Police
 - Pension contribution increased \$585K through the third quarter ended 6-30-09.
 - Salaries and benefits charged to Redevelopment Funds in FY 2008 are charged to the General Fund in FY 2009, resulting in a \$1.1 million increase.
 - Health Insurance expense increased \$335K.
 - Vehicle purchases increased in 2009 by \$265K.

- Fire
 - Pension contribution increased \$351K through the third quarter ended 6-30-09.
 - Health insurance expense increased \$100K while workmen's comp decreased \$115K.

- Capital Projects increased primarily due to the purchase of 4 police vehicles \$117K and a fire truck, \$280K.

- Transfers to other funds increased due to a \$1.1 million reimbursement to the Redevelopment Trust Funds.

Summary

Overall it is projected that expenditures will exceed revenues by \$2.6 million due to the use of fund balance to reduce the FY 2008-09 millage rate, a reduction in sales tax revenues (due to the current economic recession) and the \$1.1 million reimbursement to the Redevelopment Trust Funds. However, despite these challenges, the General Fund is still projected to end the year with approximately \$1M above the 10% reserve requirement.

City of Daytona Beach
Quarterly Budget Report
For the Nine Month Period Ended June 30, 2009
Redevelopment - Downtown

| | FY 2009 Budget | 6/30/2009 Actual | % Remaining | 6/30/2008 Actual | Incr/(Decr) 09 vs 08 | % Incr/(Decr) 09 vs 08 |
|-------------------------------|---------------------|---------------------|----------------|---------------------|-------------------------|---------------------------|
| Revenues | | | | | | |
| Licenses & Permits | \$ 6,000 | \$ 1,016 | 83.1% | \$ 333 | \$ 683 | 205.1% |
| Tax Increment Revenue | 1,635,879 | 1,636,176 | 0.0% | 1,641,756 | (5,580) | -0.3% |
| Charges for Services | 128,193 | 79,556 | 37.9% | 135,719 | (56,163) | -41.4% |
| Miscellaneous Revenue | 42,035 | 20,020 | 52.4% | 72,702 | (52,682) | -72.5% |
| Reserve Capital Prior Year | 1,666,316 | 0 | 100.0% | 0 | 0 | 0.0% |
| Appropriation of Fund Balance | 376,797 | 0 | 100.0% | 0 | 0 | 0.0% |
| Transfer from General Fund | 468,325 | 468,325 | 0.0% | 0 | 468,325 | 100.0% |
| Subtotal | \$ 4,323,545 | \$ 2,205,093 | 49.0% | \$ 1,850,510 | \$ 354,583 | 19.2% |
| Expenditures | | | | | | |
| Redevelopment Services | \$ 1,004,738 | \$ 582,907 | 42.0% | \$ 544,207 | \$ 38,700 | 7.1% |
| Finance | 6,948 | 6,202 | 10.7% | 0 | 6,202 | 100.0% |
| Police | 0 | 0 | 0.0% | 237,175 | (237,175) | -100.0% |
| Leisure Services | 17,919 | 1,769 | 90.1% | 0 | 1,769 | 100.0% |
| Public Works | 130,581 | 90,319 | 30.8% | 95,195 | (4,876) | -5.1% |
| Capital Projects | 2,500,192 | 866,317 | 65.3% | 1,203,973 | (337,656) | -28.0% |
| Transfers | 663,167 | 297,253 | 55.2% | 114,682 | 182,571 | 159.2% |
| Subtotal | \$ 4,323,545 | \$ 1,844,767 | 57.3% | \$ 2,195,232 | \$ (350,465) | -16.0% |
| Net Revenues | \$ 0 | \$ 360,326 | n/a | \$ (344,722) | \$ 705,048 | 204.5% |

Following is a summary of the significant changes in the Downtown Redevelopment Fund revenues and expenditures as reflected in the table above.

Revenues

- Tax increment monies remained flat for FY 2008-2009 and reflect a small decrease of \$5,580 when compared to FY 2007-2008.
- Miscellaneous revenues decreased \$53K due to a decrease in investment income resulting from lower interest rates.
- Transfer revenues increased due to the General Fund reimbursement of \$468K to the Downtown Redevelopment Fund.

Expenditures

- Police expenditures decreased \$237K as a result of moving these costs back to the General Fund and charging the CRA for actual time incurred through transfers.
- Transfers increased \$103K primarily due to an increase in the Sunshine State Financing Commission Loan principal and interest expense and transfers related to police services.

Summary

In summary, FY 2008-09 Downtown Redevelopment Fund revenues are higher than FY 2007-08 due to the General Fund reimbursement to the Downtown CRA. Based on projections of revenue and expenditures through the end of the fiscal year this fund should reflect a positive net revenue of approximately \$150K.

City of Daytona Beach
Quarterly Budget Report
For the Nine Month Period Ended June 30, 2009
Redevelopment - Main Street

| | FY 2009 Budget | 6/30/2009 Actual | % Remaining | 6/30/2008 Actual | Incr/(Decr) 09 vs 08 | % Incr/(Decr) 09 vs 08 |
|-------------------------------|----------------------|---------------------|----------------|---------------------|-------------------------|---------------------------|
| Revenues | | | | | | |
| Licenses & Permits | \$ 5,000 | \$ 5,524 | -10.5% | \$ 8,560 | \$ (3,036) | -35.5% |
| Tax Increment Revenue | 6,961,098 | 6,961,099 | 0.0% | 6,898,225 | 62,874 | 0.9% |
| Intergovernmental Revenue | 25,000 | 132,076 | -428.3% | 180,659 | (48,583) | -26.9% |
| Charges for Services | 88,767 | 62,261 | 29.9% | 44 | 62,217 | 141402.3% |
| Miscellaneous Revenue | 200,000 | 106,652 | 46.7% | 298,271 | (191,619) | -64.2% |
| Reserve Capital Prior Year | 6,860,994 | 0 | 100.0% | 0 | 0 | 0.0% |
| Appropriation of Fund Balance | 2,299,251 | 0 | 100.0% | 0 | 0 | 0.0% |
| Transfers | 693,165 | 693,165 | 0.0% | 0 | 693,165 | 100.0% |
| Subtotal | \$ 17,133,275 | \$ 7,960,776 | 53.5% | \$ 7,385,759 | \$ 575,017 | 7.8% |
| Expenditures | | | | | | |
| Redevelopment Services | \$ 1,364,767 | \$ 624,350 | 54.3% | \$ 455,434 | \$ 168,916 | 37.1% |
| Finance | 13,124 | 6,862 | 47.7% | 0 | 6,862 | 100.0% |
| Police | 0 | 24,114 | 0.0% | 641,931 | (617,817) | -96.2% |
| Leisure Services | 76,767 | 43,657 | 43.1% | 0 | 43,657 | 100.0% |
| Public Works | 116,258 | 82,449 | 29.1% | 115,676 | (33,227) | -28.7% |
| Capital Projects | 11,812,240 | 1,895,348 | 84.0% | 5,261,582 | (3,366,234) | -64.0% |
| Transfers | 3,750,119 | 2,273,346 | 39.4% | 1,727,702 | 545,644 | 31.6% |
| Subtotal | \$ 17,133,275 | \$ 4,950,126 | 71.1% | \$ 8,202,325 | \$ (3,252,199) | -39.6% |
| Net Revenues | \$ 0 | \$ 3,010,650 | n/a | \$ (816,566) | \$ 3,827,216 | 468.7% |

Following is a summary of the significant changes in the Main Street Redevelopment Fund revenues and expenditures as reflected in the table above.

Revenues

- Tax increment revenues were essentially the same in FY 2009 when compared to FY 2008 and reflect a small increase of \$63K or 1%.
- Transfer revenues increased due to the General Fund reimbursement of \$693K.

Expenditures

- Redevelopment Services expenses increased \$169K primarily due to various promotional activities for the Main Street Merchants Association.
- Police expenditures decreased \$618K as a result of moving these costs back to the General Fund and charging the CRA for actual time incurred through transfers.
- Leisure Services expenses of \$44K in 2009 are related to the operating costs at Breakers Oceanfront Park.
- Capital Projects expenditures decreased \$3.3 million due to the Breakers Oceanfront Park project expense during FY 2007-08.
- Transfers increased due to police service charges of \$427K and increased debt service costs in the amount of \$128K.

Summary

Revenues increased due to the reimbursement from the General Fund, resulting in positive net revenue through the third quarter. Based on projections of revenues and expenditures through the end of the fiscal year, an estimated positive net revenue of \$400K is expected.

**City of Daytona Beach
Quarterly Budget Report
For the Nine Month Period Ended June 30, 2009**

Redevelopment - Ballough Road

| | FY 2009 Budget | 6/30/2009 Actual | % Remaining | 6/30/2008 Actual | Incr/(Decr) 09 vs 08 | % Incr/(Decr) 09 vs 08 |
|-------------------------------|---------------------|---------------------|----------------|---------------------|-------------------------|---------------------------|
| Revenues | | | | | | |
| Tax Increment Revenue | \$ 314,129 | \$ 314,129 | 0.0% | \$ 302,331 | \$ 11,798 | 3.9% |
| Miscellaneous Revenue | 17,000 | 8,951 | 47.3% | 23,298 | (14,347) | -61.6% |
| Reserve Capital Prior Year | 580,123 | 0 | 100.0% | 0 | 0 | 0.0% |
| Appropriation of Fund Balance | 239,677 | 0 | 100.0% | 0 | 0 | 0.0% |
| Transfer from General Fund | 1,720 | 1,720 | 0.0% | 0 | 1,720 | 100.0% |
| Subtotal | \$ 1,152,649 | \$ 324,800 | 71.8% | \$ 325,629 | \$ (2,549) | -0.8% |
| Expenditures | | | | | | |
| Redevelopment Services | \$ 218,561 | \$ 103,601 | 52.6% | \$ 121,923 | \$ (18,322) | -15.0% |
| Finance | 2,315 | 5,093 | 224.0% | 0 | 5,093 | 100.0% |
| Police | 0 | 0 | 0.0% | 1,971 | (1,971) | -100.0% |
| Capital Projects | 910,773 | 17,213 | 98.1% | 17,213 | 0 | 0.0% |
| Transfers | 21,000 | 4,834 | 77.0% | 0 | 4,834 | 100.0% |
| Subtotal | \$ 1,152,649 | \$ 130,741 | 88.7% | \$ 141,107 | \$ (10,366) | -7.3% |
| Net Revenues | \$ 0 | \$ 194,059 | n/a | \$ 184,522 | \$ 7,817 | 4.2% |

Following is a summary of the significant changes in the Ballough Road Redevelopment Fund revenues and expenditures as reflected in the table above.

Revenues

- In general, revenues remained flat with tax increment monies increasing \$12K or 3.9% when compared to FY 2007-08. Miscellaneous revenues decreased \$14K due to lower investment income as a result of lower interest rates.

Expenditures

- In general, expenses are essentially the same for FY 2009 when compared to FY 2008 and reflect a slight increase of \$550.

Summary

Revenues remained the same while expenditures decreased, resulting in slightly higher net revenue through June 30, 2009 as compared to 2008. Projections of revenues and expenditures through the end of the fiscal year indicate a positive net revenue of \$176K at year end.

**City of Daytona Beach
Quarterly Budget Report
For the Nine Month Period Ended June 30, 2009**

Redevelopment - Midtown

| | FY 2009 Budget | 6/30/2009 Actual | % Remaining | 6/30/2008 Actual | Incr/(Decr) 09 vs 08 | % Incr/(Decr) 09 vs 08 |
|-------------------------------|---------------------|---------------------|----------------|---------------------|-------------------------|---------------------------|
| Revenues | | | | | | |
| Tax Increment Revenue | \$ 1,044,299 | \$ 1,044,299 | 0.0% | \$ 991,240 | \$ 53,059 | 5.4% |
| Miscellaneous Revenue | 32,000 | 22,154 | 30.8% | 63,898 | (41,744) | -65.3% |
| Reserve Capital Prior Year | 812,362 | 0 | 100.0% | 0 | 0 | 0.0% |
| Appropriation of Fund Balance | 1,027,142 | 0 | 100.0% | 0 | 0 | 0.0% |
| Transfer from General Fund | 1,720 | 1,720 | 0.0% | 0 | 1,720 | 100.0% |
| Subtotal | \$ 2,917,523 | \$ 1,068,173 | 63.4% | \$ 1,055,138 | \$ 11,315 | 1.1% |
| Expenditures | | | | | | |
| Redevelopment Services | \$ 263,519 | \$ 141,726 | 46.2% | \$ 158,913 | \$ (17,187) | -10.8% |
| Finance | 5,404 | 5,496 | -1.7% | 0 | 5,496 | 100.0% |
| Police | 0 | 0 | 0.0% | 59,103 | (59,103) | -100.0% |
| Capital Projects | 2,572,822 | 82,424 | 96.8% | 141,667 | (59,243) | -41.8% |
| Transfers | 75,778 | 38,724 | 48.9% | 12,476 | 26,248 | 210.4% |
| Subtotal | \$ 2,917,523 | \$ 268,370 | 90.8% | \$ 372,159 | \$ (103,789) | -27.9% |
| Net Revenues | \$ 0 | \$ 799,803 | n/a | \$ 682,979 | \$ 115,104 | 16.9% |

Following is a summary of the significant changes in the Midtown Redevelopment Fund revenues and expenditures as reflected in the table above.

Revenues

- Tax increment revenue increased \$53K or 5.4% when compared to FY 2007-08. This increase is the net of a 5.5% increase in the various taxing districts' millage rates and a .1% decrease in assessed property values due to the general decline in the real estate market and the effect of Amendment 1.

Expenditures

- Police expenditures decreased \$59K as a result of moving these costs back to the General Fund and charging the CRA for actual time incurred through transfers.
- Capital projects expenditures were lower in 2009 due to expenses for infill land acquisition in FY 2008.

Summary

In general, revenues compare favorably when compared to one year ago. Expenditures also reflect a favorable trend with a total remaining expenditure balance of 90.8%, when compared to the 25% third quarter benchmark. A positive net revenue balance of \$80K is projected for year end.

**City of Daytona Beach
Quarterly Budget Report
For the Nine Month Period Ended June 30, 2009**

Redevelopment - South Atlantic

| | FY 2009 Budget | 6/30/2009 Actual | % Remaining | 6/30/2008 Actual | Incr/(Decr) 09 vs 08 | % Incr/(Decr) 09 vs 08 |
|-------------------------------|-------------------|---------------------|----------------|-----------------------|-------------------------|---------------------------|
| Revenues | | | | | | |
| Tax Increment Revenue | \$ 613,808 | \$ 613,808 | 0.0% | \$ 820,714 | \$ (206,906) | -25.2% |
| Intergovernmental Revenue | 0 | 0 | 0.0% | 97,650 | (97,650) | -100.0% |
| Miscellaneous Revenue | 15,806 | 9,582 | 39.4% | 10,945 | (1,363) | -12.5% |
| Reserve Capital Prior Year | 56,251 | 0 | 100.0% | 0 | 0 | 0.0% |
| Appropriation of Fund Balance | 265,966 | 0 | 100.0% | 0 | 0 | 0.0% |
| Transfer from General Fund | 1,720 | 1,720 | 0.0% | 0 | 1,720 | 100.0% |
| Subtotal | \$ 953,551 | \$ 625,110 | 34.4% | \$ 929,309 | \$ (304,199) | -32.7% |
| Expenditures | | | | | | |
| Redevelopment Services | \$ 260,803 | \$ 149,083 | 42.8% | \$ 236,832 | (87,749) | -37.1% |
| Finance | 3,090 | 5,128 | -66.0% | 0 | 5,128 | 100.0% |
| Police | 0 | 0 | 0.0% | 40,710 | (40,710) | -100.0% |
| Capital Projects | 634,089 | 100,304 | 84.2% | 2,178,988 | (2,078,684) | -95.4% |
| Transfers | 55,569 | 5,959 | 89.3% | 12,476 | (6,517) | -52.2% |
| Subtotal | \$ 953,551 | \$ 260,474 | 72.7% | \$ 2,469,006 | \$ (2,208,532) | -89.5% |
| Net Revenues | \$ 0 | \$ 364,636 | n/a | \$ (1,539,697) | \$ 1,904,333 | 123.7% |

Following is a summary of the significant changes in the South Atlantic Redevelopment Fund revenues and expenditures as reflected in the table above.

Revenues

- Tax increment revenue decreased \$207K or 25% when compared to the prior year. This decrease is due to property assessment decreases due to the general decline in the real estate market, the effects of Amendment 1 and the removal from the tax roll of the property purchased at 516 Grandview.

Expenditures

- Redevelopment Services expenditures decreased \$88K due to costs incurred related to the demolition of the property at 516 Grandview in the first half of FY 2008.
- Police expenditures decreased \$41K as a result of moving these costs back to the General Fund and charging the CRA for actual time incurred through transfers.
- Capital Projects expenditures decreased \$2.08M due to the acquisition of the 516 Grandview property in the first half of FY 2008.

Summary

The South Atlantic Redevelopment Trust Fund has not fared as well as the other CRA's in FY 2008-09. Tax increment revenues have decreased by \$207K or 25% when compared to FY 2007-08. This has been due to decreased assessed values, the effects of Amendment 1 and the removal of the 516 Grandview property from the tax roll as taxable property. However, expenditures look much better on a budgetary basis, with expenditures remaining at 72.7% as compared to the third quarter benchmark of 25%. A positive net revenue balance of \$60K is projected for fiscal year end.

City of Daytona Beach
Quarterly Budget Report
For the Nine Month Period Ended June 30, 2009
WATER AND SEWER OPERATING FUND

| | FY 2009 Budget | 6/30/2009 Actual | % Remaining | 6/30/2008 Actual | Inc/(Dec) 09 vs 08 | Percent 09 vs 08 |
|------------------------------|---------------------|---------------------|----------------|---------------------|-----------------------|---------------------|
| Revenues | | | | | | |
| Charges for services | \$36,051,656 | \$25,466,453 | 29.4% | \$23,356,868 | \$2,109,585 | 9.0% |
| Miscellaneous revenue | 399,153 | 332,801 | 16.6% | 422,142 | (89,341) | -21.2% |
| Transfers | 716,412 | 537,309 | 25.0% | 1,015,944 | (478,635) | -47.1% |
| Approp of retained earnings | 234,166 | 0 | 100.0% | 0 | 0 | 0.0% |
| Subtotal | \$37,401,387 | \$26,336,563 | 29.6% | \$24,794,954 | \$1,541,609 | 6.2% |
| Expenses | | | | | | |
| Administration | \$4,980,173 | \$3,460,734 | 30.5% | \$3,620,243 | (\$159,509) | -4.4% |
| Water operations | 6,411,831 | 4,435,230 | 30.8% | 4,636,302 | (201,072) | -4.3% |
| Wastewater | 8,133,245 | 5,332,952 | 34.4% | 5,915,537 | (582,585) | -9.8% |
| Utility Billing | 1,133,611 | 806,665 | 28.8% | 848,636 | (41,971) | -4.9% |
| Transfers - Debt service | 7,047,638 | 5,913,484 | 16.1% | 5,589,106 | 324,378 | 5.8% |
| Transfers - Other | 4,679,951 | 3,509,963 | 25.0% | 5,021,838 | (1,511,875) | -30.1% |
| Capital projects (2009 only) | 25,000 | 23,342 | 6.6% | 0 | 23,342 | 0.0% |
| Subtotal | \$32,411,449 | \$23,482,370 | 27.5% | \$25,631,662 | (\$2,149,292) | -8.4% |
| Net Revenues | \$4,989,938 | \$2,854,193 | n/a | (\$836,708) | \$3,690,901 | 441.1% |

Following is a summary of the significant changes in the Water and Sewer operating fund revenues and expenses as reflected in the table above.

Revenues

- Charges for services increased by \$2.1M or 9.0% over last year due to an additional billing cycle in June 2009 when compared to June 2008 and the annual CPI adjustment.
- Miscellaneous revenues decreased by \$89K due to a decrease in interest revenues.
- Transfers decreased \$479K due to a one time transfer from the Capital Projects Fund in FY 2008 - \$355K.

Expenses

- Administration costs decreased due to a reorganization of Utility staff and the Stormwater fund - \$275K.
- Water operations costs decreased mainly due to reorganization – \$145K and a decrease in the Early Severance Plan contribution - \$55K.
- Wastewater costs decreased primarily due to reorganization - \$251K, and a reduction in the Early Severance Plan contribution for FY 2009 - \$228K.
- Other transfers decreased due to the reduction of the transfer to the Water & Sewer Improvement Fund - \$1.55 million.

Summary

The net revenues through the third quarter of \$2.9M have improved significantly over a year ago by \$3.7M. The improvement is mostly due to an additional billing cycle in the month of June 2009, reorganization in the Utilities department - \$526K, and a reduction in the transfer to the Water and Sewer Improvement fund - \$1.55M. Revenues are slightly less than budget in that 29.4% remains to be collected which is more than the 25% benchmark. This reduction is primarily due to a reduction in tap fees for new construction. Expenses compare favorably to the budget in that 27.5% of the budget remains when compared to the benchmark of 25%.

**City of Daytona Beach
Quarterly Budget Report
For the Nine Month Period Ended June 30, 2009**

SOLID WASTE MANAGEMENT FUND

| | FY 2009 Budget | 6/30/2009 Actual | % Remaining | 6/30/2008 Actual | Inc/Dec 09 vs 08 | Percent 09 vs 08 |
|------------------------------|---------------------|---------------------|----------------|---------------------|---------------------|---------------------|
| Revenues | | | | | | |
| Charges for services | \$12,073,248 | \$8,718,916 | 27.8% | \$8,608,281 | \$110,635 | 1.3% |
| Miscellaneous revenue | 95,416 | 68,961 | 27.7% | 99,332 | (30,371) | -30.6% |
| Transfers | 0 | 0 | 0.0% | 28,717 | (28,717) | -100.0% |
| Approp of retained earnings | 155,102 | 0 | 100.0% | 0 | 0 | 0.0% |
| Subtotal | \$12,323,766 | \$8,787,877 | 28.7% | \$8,736,330 | \$51,547 | 0.6% |
| Expenses | | | | | | |
| Personal services | \$512,525 | \$366,908 | 28.4% | \$285,816 | \$81,092 | 28.4% |
| Operating | 8,447,162 | 5,902,985 | 30.1% | 5,640,708 | 262,277 | 4.6% |
| Transfers | 2,453,782 | 1,840,337 | 25.0% | 1,944,473 | (104,136) | -5.4% |
| Capital projects (2009 only) | 75,000 | 0 | 100.0% | 0 | 0 | 0.0% |
| Subtotal | \$11,488,469 | \$8,110,230 | 29.4% | \$7,870,997 | \$239,233 | 3.0% |
| Net Revenues | \$835,297 | \$677,647 | n/a | \$865,333 | (\$187,686) | -21.7% |

Following is a summary of the significant changes in the Solid Waste Management Fund revenues and expenses as reflected in the table above.

Revenues

- Charges for services increased by \$111K over last year mainly due to an additional billing cycle in June 2009 when compared to June 2008.
- Miscellaneous revenues decreased by \$30K due to a decrease in interest revenues.

Expenses

- Operating costs increased primarily due to the annual CPI increase in the contract with the solid waste services provider.

Summary

Through the third quarter, the Solid Waste fund reflects positive net revenues of \$677,647. Expenses compare well to budget in that 29.4% of the budget remains when compared to the benchmark of 25%. Revenues are running slightly under budget in that 28.7% of revenues remain to be collected when compared to the 25% benchmark; however, despite the slight reduction in revenues it is projected that the Solid Waste fund will reflect a positive net revenue balance at fiscal year end.

**City of Daytona Beach
Quarterly Budget Report
For the Nine Month Period Ended June 30, 2009
HALIFAX HARBOR MARINA AND PLAZA**

| | FY 2009 Budget | 6/30/2009 Actual | % Remaining | 6/30/2008 Actual | Inc/Dec 09 vs 08 | Percent 09 vs 08 |
|-----------------------------|--------------------|---------------------|----------------|---------------------|----------------------|---------------------|
| Revenues | | | | | | |
| Charges for services | \$3,834,015 | \$2,723,686 | 29.0% | \$2,842,831 | (\$119,145) | -4.2% |
| Miscellaneous revenue | 784,504 | 523,210 | 33.3% | 546,381 | (23,171) | -4.2% |
| Transfers | 0 | 0 | 0.0% | 989,020 | (989,020) | -100.0% |
| Approp of retained earnings | 591,093 | 0 | 100.0% | 0 | 0 | 0.0% |
| Subtotal | \$5,209,612 | \$3,246,896 | 37.7% | \$4,378,232 | (\$1,131,336) | -25.8% |
| Expenses | | | | | | |
| Personal services | \$112,419 | \$82,272 | 26.8% | \$0 | \$82,272 | 100.0% |
| Operating | 2,437,073 | 1,700,886 | 30.2% | 1,874,414 | (173,528) | -9.3% |
| Transfers | 2,550,620 | 1,824,749 | 28.5% | 1,290,179 | 534,570 | 41.4% |
| Capital projects | 109,500 | 30,650 | 72.0% | 0 | 30,650 | 100.0% |
| Subtotal | \$5,209,612 | \$3,638,557 | 30.2% | \$3,164,593 | \$473,964 | 15.0% |
| Net Revenues | \$0 | (\$391,661) | n/a | \$1,213,639 | (\$1,605,300) | -132.3% |

Following is a summary of the significant changes in the combined Halifax Harbor and Plaza fund revenues and expenses as reflected in the table above.

Revenues

- Through the third quarter of FY 2009, Charges for Services show a decrease of \$119K over a year ago primarily due to a reduction of boat fuel sales.
- Transfers reflect a decrease of \$989K due to the return of funds from the Golf Course Fund previously transferred by the Marina in FY 2008.

Expenses

- Operating costs have decreased from last year due to a reduction in the cost of fuel sold - \$205K.
- Transfers increased primarily due to increases in principal and interest payments for the Sunshine State Financing Commission loan. This loan was refinanced in February 2009.

Summary

The net revenues through the third quarter reflect a negative \$392K. This is primarily due to the increase in debt service expenses of \$289K. Expenses compare favorably to the budget benchmark of 25% with 30.2% budget remaining. Operating revenues are essentially the same as last year with little growth due to the current economic slowdown. The net revenue currently noted was expected and an appropriation of unreserved retained earnings was budgeted at \$591,093.

**City of Daytona Beach
Quarterly Budget Report
For the Nine Month Period Ended June 30, 2009**

STORMWATER IMPROVEMENT FUND

| | FY 2009 Budget | 6/30/2009 Actual | % Remaining | 6/30/2008 Actual | Inc/Dec 09 vs 08 | Percent 09 vs 08 |
|------------------------------------|----------------------|---------------------|----------------|---------------------|----------------------|---------------------|
| Revenues | | | | | | |
| Charges for services | \$7,610,353 | \$5,496,907 | 27.8% | \$5,420,487 | \$76,420 | 1.4% |
| Miscellaneous revenue | 203,866 | 112,532 | 44.8% | 301,084 | (188,552) | -62.6% |
| Appropriation of retained earnings | 1,046,326 | 0 | 100.0% | 0 | 0 | 0.0% |
| Subtotal | \$8,860,545 | \$5,609,439 | 36.7% | \$5,721,571 | (\$112,132) | -2.0% |
| Expenses | | | | | | |
| Personal services | \$2,329,556 | \$1,585,776 | 31.9% | \$1,068,089 | \$517,687 | 48.5% |
| Operating | 1,163,611 | 765,725 | 34.2% | 512,926 | 252,799 | 49.3% |
| Capital outlay | 199,628 | 24,628 | 87.7% | 0 | 24,628 | 100.0% |
| Transfers | 3,602,253 | 2,408,433 | 33.1% | 1,971,328 | 437,105 | 22.2% |
| Capital projects (2009 only) | 3,590,497 | 51,900 | 98.6% | 0 | 51,900 | 100.0% |
| Subtotal | \$10,885,545 | \$4,836,462 | 55.6% | \$3,552,343 | \$1,284,119 | 36.1% |
| Net Revenues | (\$2,025,000) | \$772,977 | n/a | \$2,169,228 | (\$1,396,251) | -64.4% |

Following is a summary of the significant changes in the Stormwater Improvement Fund revenues and expenses as reflected in the table above.

Revenues

- Miscellaneous revenue decreased from last year due to decreased investment income.

Expenses

- Personal service costs increased due a reorganization of Utilities and the Stormwater Fund.
- Operating costs have increased due to liability insurance - \$150K, and increased chemicals and fertilizer costs - \$122K.
- Transfers increased primarily due to an increase in the PLT transfer to the General Fund.

Summary

Net revenues through the third quarter FY 2008-09 reflect a positive \$772,977, which represents a positive trend. Operating revenues are running under budget in that 36.7% of the budget remains to be collected when compared to the 25% benchmark. Expenses compare well to the budget in that 55.6% of the budget remains when compared to the benchmark of 25%. Overall the Stormwater fund looks very good with a strong net revenue balance of \$773K.

Available Unreserved Fund Balance
For the Nine Month Period Ended June 30, 2009

All Funds



Fund Balance Analysis
July 20, 2009
Includes 3rd Quarter Budget Amendment

| FUND | (A) | (B) | (C) | A+B-C | FISCAL | AVAILABLE |
|-------------------------------|--|----------------------------|---------------------------------------|--|----------------------------------|---------------------|
| | UNRESERVED FUND BALANCE AT 9-30-2008 | NET REVENUES FY 2008-09 | APPROPR FUND BALANCE FY 2008-09 | UNRESERVED FUND BALANCE AT 9-30-2009 | INTEGRITY ORD 10% REQUIRED | FUND BALANCE |
| GENERAL FUND | \$ 10,376,896 | \$ (574,035) (2) | \$ 2,041,258 | \$ 7,761,603 | \$ 6,761,603 | \$ 1,000,000 |
| COMMUNITY DEVELOPMENT | 0 | 0 | 0 | 0 | 0 | 0 |
| CD REHAB PROGRAM | 607,846 | 0 | 26,809 | 581,037 | 0 | 581,037 |
| FEDERAL HOME PROGRAM | 84,787 | 0 | 84,787 | 0 | 0 | 0 |
| SHIP LOCAL HOUSING ASSISTANCE | 230,634 | 0 | 230,634 | 0 | 0 | 0 |
| HOPE 3 | 192,775 | 0 | 18,181 | 174,594 | 0 | 174,594 |
| LAW ENFORCEMENT TRUST | 63,921 | 0 | 0 | 63,921 | 0 | 63,921 |
| FEDERAL SHARED PROPERTY | (9,154) | 9,154 (2) | 0 | 0 | 0 | 0 |
| HURRICAN RECOVERY PROG | 0 | 0 | 0 | 0 | 0 | 0 |
| REDEVELOPMENT DOWNTOWN | 113,100 | 0 (2) | 113,100 | 0 | 0 | 0 |
| REDEVELOPMENT MAIN STREET | 2,277,231 | 0 | 2,277,231 | 0 | 0 | 0 |
| REDEVELOPMENT BALLOUGH ROAD | 239,677 | 0 | 239,677 | 0 | 0 | 0 |
| REDEVELOPMENT MIDTOWN | 1,017,262 | 0 | 1,017,262 | 0 | 0 | 0 |
| REDEVELOPMENT SOUTH ATLANTIC | 265,966 | 0 | 265,966 | 0 | 0 | 0 |
| DOWNTOWN DEVELOPMENT AUTH | 92,139 | 0 | 29,887 | 62,252 | 0 | 62,252 |
| 5 CENTS GAS TAX | (22,307) | 73,588 | 0 | 51,281 | 0 | 51,281 |
| PERMITTING AND LICENSING | 559,095 | (523,714) (2) | 35,381 | 0 | 0 | 0 |
| ROAD IMPACT FEES | 193,394 | (193,394) (2) | 0 | 0 | 0 | 0 |
| RECREATION IMPACT FEES | 266,245 | 56,304 | 0 | 322,549 | 0 | 322,549 |
| FIRE IMPACT FEES | 103,267 | 12,418 | 102,339 | 13,346 | 0 | 13,346 |
| POLICE IMPACT FEES | 132,809 | (2,809) (2) | 130,000 | 0 | 0 | 0 |
| GENERAL GOV'T IMPACT FEES | 363,068 | 136 | 0 | 363,204 | 0 | 363,204 |
| DEBT SERVICE FIFC C-1 & C-2 | 1,754,845 | 0 | 0 | 1,754,845 | 0 | 1,754,845 |
| DEBT SERVICE 203 THRU 211 | 0 | 0 | 0 | 0 | 0 | 0 |
| CAPITAL PROJECTS | 0 | 0 | 0 | 0 | 0 | 0 |
| WATER AND SEWER | 3,800,912 | 0 (1) | 234,166 | 3,566,746 | 2,065,886 | 1,500,860 |
| WATER AND SEWER IMPROVEMENT | 1,969,844 | (44,844) (2) | 1,475,000 | 450,000 | 0 | 450,000 |
| WATER AND SEWER DEBT SV | 668,500 | 0 | 0 | 668,500 | 0 | 668,500 |
| WATER IMPACT FEE | 795,130 | 0 | 795,130 | 0 | 0 | 0 |
| SEWER IMPACT FEE | (179,734) | 0 | 0 | (179,734) | 0 | (179,734) |
| WATER AND SEWER CONSTRUCTION | (5,700,362) | 0 | 0 | (5,700,362) | 0 | (5,700,362) |
| SOLID WASTE | 1,702,945 | 755,195 | 155,102 | 2,303,038 | 895,968 | 1,407,070 |
| HALIFAX MARINA | 3,667,391 | 0 | 591,093 | 3,076,298 | 0 | 3,076,298 |
| HALIFAX PLAZA | 171,354 | 0 | 0 | 171,354 | 0 | 171,354 |
| MARINA/PLAZA DEBT SV | 0 | 0 | 0 | 0 | 0 | 0 |
| CULTURAL SERVICES | (222,491) | 0 | 0 | (222,491) | 0 | (222,491) |
| GOLF COURSE | (1,681,921) | 216,625 | 0 | (1,465,296) | 0 | (1,465,296) |
| GOLF COURSE DEBT SV | 0 | 0 | 0 | 0 | 0 | 0 |
| STORMWATER | 3,481,628 | 0 | 1,046,326 | 2,435,302 | 369,279 | 2,066,023 |
| STORMWATER SRF LOAN | 1,926,168 | 0 | 0 | 1,926,168 | 0 | 1,926,168 |
| STORMWATER CONSTRUCTION & DEE | 0 | 0 | 0 | 0 | 0 | 0 |
| TENNIS CENTER | (493,514) | 0 | 0 | (493,514) | 0 | (493,514) |
| FLEET MAINTENANCE | 44,762 | 0 | 0 | 44,762 | 0 | 44,762 |
| EMPLOYMENT SERVICES | 67,060 | 0 | 0 | 67,060 | 0 | 67,060 |
| PROPERTY MAINTENANCE | 27,847 | 0 | 0 | 27,847 | 0 | 27,847 |
| INFORMATION TECHNOLOGY | 379,254 | 0 | 0 | 379,254 | 0 | 379,254 |
| SELF INSURANCE | (3,727,694) | 15,567 | 28,929 | (3,741,056) | 0 | (3,741,056) |
| | | | | | TOTAL | \$ 4,369,773 |

(1) Net revenues for the water & sewer fund have been decreased to -0- as a result of current revenue projections based on actual revenue collection for FY 2008-09.

(2) Adjustment - reconciliation

Calculation of Fiscal Integrity Principles Ordinance reserve is based on total budgeted fund operating expenditures (excluding transfers out).

Note: The above calculations are based on the assumption that all revenues budgeted are collected and all expenditures budgeted are spent.

Cash & Investments
As of June 30, 2009



The City of Daytona Beach
Monthly Investment Report
For the Period Ending June 30, 2009

| Investment Type | Book Value | Market | Current Yield |
|---|-----------------------------|-----------------------------|---------------|
| Cash - Suntrust Bank | \$ 3,971,189 | \$ 3,971,189 | 0.40 % |
| Public Funds NOW Account | 1,021,061 | 1,021,061 | 0.40 |
| BB&T Bank | | | |
| Certificate of Deposit | 1,500,000 | 1,500,000 | 1.28 |
| Certificate of Deposit | 1,500,000 | 1,500,000 | 1.48 |
| Fifth Third Bank | | | |
| Certificate of Deposit | 5,000,000 | 5,000,000 | 1.36 |
| Certificate of Deposit | 5,500,000 | 5,500,000 | 1.76 |
| Certificate of Deposit | 5,500,000 | 5,500,000 | 1.76 |
| PFM Mutual Fund: | | | |
| Unreserved - Operating Account | 12,867,714 | 12,867,714 | 0.49 |
| Reserved for Landfill Escrow | 139,299 | 139,299 | 0.49 |
| Reserved for Police Station Project | 711,784 | 711,784 | 0.49 |
| FL Municipal Investment Trust Mutual Fund | 1,658,836 | 1,658,836 | 3.86 |
| Asset Under Management - PFM | 29,459,038 | 29,856,257 | 2.35 |
| Debt Service Escrow: | | | |
| C-1 and C-2 (Gov't money market) | 3,591,139 | 3,591,139 | 0.01 |
| Sunshine State Loans | <u>141,386</u> | <u>141,386</u> | 0.01 |
| TOTAL INVESTMENTS ALL FUNDS | <u>\$ 72,561,445</u> | <u>\$ 72,958,664</u> | 1.22 % |

NOTE: The above investment balances are of all City investments EXCEPT the Police and Fire Pension Fund.

The City of Daytona Beach
 Investment Metrics
 June 30, 2009

