

The City of Daytona Beach, Florida Quarterly Financial Report 3rd Quarter FY 2011



The City of Daytona Beach
Quarterly Budget Report
For the Nine Month Period Ended June 30, 2011

Introduction

The quarterly budget report is prepared by the Finance Department, as required by the Fiscal Integrity Principles Ordinance, to provide the City Commission, the City Manager and all interested citizens a simple summary of revenues, expenditures and net revenues. The report provides a simple answer to the question “How is the fund doing?” I am hopeful you will find this report useful and should you need more detail the report can be modified in the future based on your feedback.

Laurie Matta
Chief Financial Officer

Executive Summary

In conformance with the Fiscal Integrity Principles Ordinance the Finance Department presents the City of Daytona Beach Fiscal Year 2010-11 Quarterly Budget Report for the nine month period ended June 30, 2011. Included in this report are a “Financial Snapshot” (page 4) and a Financial Summary narrative of the first nine months’ activity for the following major funds:

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

The following information is included behind the “Supplemental Information” tab:

- Cash and Investment Report
- Redevelopment Trust Funds
- Redevelopment Trust Funds Capital Projects

Major Fund Financial Summary

General Fund

Upon review of the “Financial Snapshot” for the General Fund, you will note that \$50 million or 68.2% of the budgeted revenues has been received. This compares well to total General Fund expenditures of \$47.8 million or 65.4% spent. This leaves net revenue of \$2.1 million through the end of the third quarter ending June 30, 2011. Total expenditures are favorable when compared to the budget benchmark of 75% spent at the end of the quarter, however revenues fall slightly short of the benchmark at 68% received.

The City of Daytona Beach
Quarterly Budget Report
For the Nine Month Period Ended June 30, 2011

As part of the quarterly review, initial projections have been made of FY 2010-11 revenues and expenditures. General Fund revenues are expected to be approximately 2% under budget since the red light camera program implementation did not begin until April, therefore the full amount of budgeted revenue will not be collected. Utility tax and sales tax revenues are expected to be under budget as well. However all General Fund departments' expenditures are below budget at the end of the third quarter and this trend is expected to continue through the end of the year. The bottom line is the General Fund is expected to be at a breakeven point at the end of FY 2010-11.

Water and Sewer Fund

The "Financial Snapshot" of the Water and Sewer Fund shows that \$27.2 million or 74.2% has been received and \$25.5 million or 70.3% has been spent, resulting in positive net revenue of \$1.7 million for the nine months ended June 30, 2011. Expenses are 5% less than budget primarily due to decreased maintenance. The bottom line is these cost reductions will result in a positive net revenue at the end of the fiscal year.

Solid Waste Management Fund

Upon review of the Solid Waste Management Fund in the "Financial Snapshot" you will note that \$9.6 million or 73.4% of budgeted revenue has been received. This compares well to expenses of \$7.6 million or 68.2% and results in a positive net revenue of \$2 million for the nine month period ended June 30, 2011. Expenses have decreased from the prior year primarily due to decreased personnel costs related to retirements. The bottom line is the projected Solid Waste Management Fund revenue is expected to be at or at least slightly higher than budget.

**The City of Daytona Beach
Quarterly Budget Report
For the Nine Month Period Ended June 30, 2011**

Halifax Harbor Marina/Plaza Fund

The impact of our current economic slowdown can clearly be seen when looking at the “Financial Snapshot” of the Halifax Harbor Marina/Plaza Fund. Only 61.7% of budgeted revenue has been collected through the end of the third quarter primarily due to a 31% vacancy rate for slip rentals. This is partly a result of the submerged land lease requirement to reserve 10% of the boat slips for transient boaters. Operating expenses are at 57% compared to the 75% benchmark due to general cost cutting and a reduction of property tax expense on the Plaza. The decreased revenue was anticipated and an appropriation of fund balance is included in the budget. This fund is not required to maintain the 10% reserve and is in compliance with the Fiscal Integrity Principles Ordinance. The bottom line is the Halifax Harbor Marina/Plaza Fund is anticipated to reflect a slight net revenue decrease at fiscal year end due to a reduction in revenues resulting from the current recession. However, this was anticipated and fund balance was budgeted to be utilized to cover any shortfalls.

Stormwater Improvement Fund

The “Financial Snapshot” shows total operating revenue collected of \$10.5 million and expenses of \$7.6 million, resulting in positive net revenue of \$2.9 million through the quarter ended June 30, 2011. An appropriation of retained earnings has been budgeted as part of the capital improvement program related to the Nova Canal Basin stormwater capital project. Ongoing 2011 capital projects include South Street and Midtown infrastructure improvements. The bottom line is the Stormwater Fund is expected to reflect positive net revenue for fiscal year 2011.

Financial Snapshot

For the Nine Month Period Ended June 30, 2011

General Fund			
Revenues	Budget	Year-to-Date	% Received
Taxes	\$ 41,522,667	\$ 32,618,530	78.6%
Intergovernmental	6,563,994	4,365,946	66.5%
Charges for services	3,219,300	2,347,378	72.9%
Other revenue	10,626,751	2,847,403	26.8%
Transfers in	10,125,323	7,527,064	74.3%
Capital Reserve Prior Yr	1,103,737	190,798	17.3%
Total revenues	\$ 73,161,772	\$ 49,897,119	68.2%
Expenditures	Budget	Year-to-Date	% Spent
City Manager	\$ 2,058,851	\$ 1,294,011	62.9%
City Attorney	943,718	701,806	74.4%
Development Services	1,280,167	726,253	56.7%
City Clerk	519,665	372,483	71.7%
Finance	1,812,148	1,387,296	76.6%
Police	37,187,231	24,419,628	65.7%
Public Works	10,838,145	7,839,477	72.3%
Fire	12,149,673	8,432,725	69.4%
Capital Projects	3,392,008	398,768	11.8%
Transfers out	2,980,166	2,244,767	75.3%
Total expenditures	\$ 73,161,772	\$ 47,817,214	65.4%
Net revenues	\$ -	\$ 2,079,905	n/a

Water and Sewer Fund			
Revenues	Budget	Year-to-Date	% Received
W & S charges	\$ 35,657,924	\$ 26,370,901	74.0%
Other revenue	289,300	311,817	107.8%
Transfers in	721,000	540,750	75.0%
Total revenues	\$ 36,668,224	\$ 27,223,468	74.2%
Expenses	Budget	Year-to-Date	% Spent
W & S operations	\$ 20,536,623	\$ 13,757,002	67.0%
Utility Billing	1,239,859	864,738	69.7%
Transfers out-debt svc	7,313,910	5,485,431	75.0%
Transfers out-other	7,164,986	5,373,740	75.0%
Total expenses	\$ 36,255,378	\$ 25,480,911	70.3%
Net revenues	\$ 412,846	\$ 1,742,557	n/a

Solid Waste Management Fund			
Revenues	Budget	Year-to-Date	% Received
Solid Waste charges	\$ 11,939,295	\$ 9,518,250	79.7%
Other revenue	99,000	55,059	55.6%
Capital Reserve Prior Yr	1,007,893	119,589.00	11.9%
Total revenues	\$ 13,046,188	\$ 9,573,309	73.4%
Expenses	Budget	Year-to-Date	% Spent
Solid Waste operations	\$ 8,710,128	\$ 6,413,585	73.6%
Transfers out	1,443,064	1,082,298	75.0%
Capital projects	1,007,893	119,589	11.9%
Total expenses	\$ 11,161,085	\$ 7,615,472	68.2%
Net revenues	\$ 1,885,103	\$ 1,957,837	n/a

Halifax Harbor Marina/Plaza Fund			
Revenues	Budget	Year-to-Date	% Received
Marina charges	\$ 3,684,700	\$ 2,300,059	62.4%
Commercial leases	522,000	365,634	70.0%
Other revenue	341,200	158,564	46.5%
Capital Reserve Prior Yr	279,274	9,442	3.4%
Appropriation of retained earnings	1,106,451	829,838	75.0%
Total revenues	\$ 5,933,625	\$ 3,663,537	61.7%
Expenses	Budget	Year-to-Date	% Spent
Marina and Plaza operations	\$ 2,562,507	\$ 1,631,768	63.7%
Transfers out-debt svc	1,134,492	850,868	75.0%
Transfers out-other	1,378,352	871,729	63.2%
Capital projects	862,992	70,061	8.1%
Total expenses	\$ 5,938,343	\$ 3,424,426	57.7%
Net revenues	\$ (4,718)	\$ 239,111	n/a

Stormwater Improvement Fund			
Revenues	Budget	Year-to-Date	% Received
Stormwater charges	\$ 8,066,872	\$ 6,538,976	81.1%
Other revenue	60,000	32,627	54.4%
Capital Reserve Prior Yr	9,373,013	2,528,194	27.0%
Appropriation of retained earnings	1,919,100	1,439,325	75.0%
Total revenues	\$ 19,418,985	\$ 10,539,122	54.3%
Expenses	Budget	Year-to-Date	% Spent
Stormwater operations	\$ 4,129,528	\$ 2,828,889	68.5%
Transfers out-debt svc	644,548	483,411	75.0%
Transfers out-other	2,182,712	1,637,034	75.0%
Capital projects	12,462,197	2,633,073	21.1%
Total expenses	\$ 19,418,985	\$ 7,582,407	39.0%
Net revenues	\$ -	\$ 2,956,715	n/a



SUPPLEMENTAL INFORMATION

Index

Page

- ❖ Monthly Investment Report..... 5
- ❖ Investment Metrics..... 6
- ❖ Redevelopment Trust Fund Overview..... 7

CITY HALL

DAYTONA BEACH

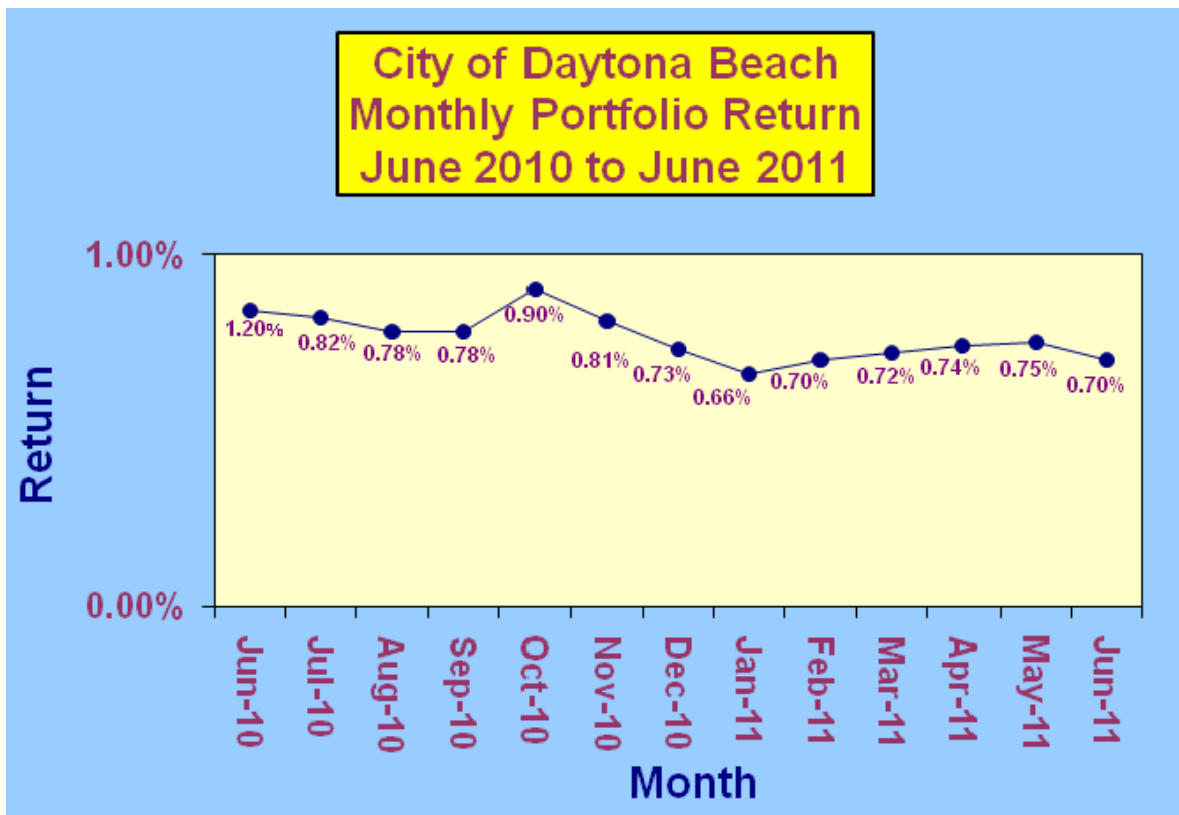
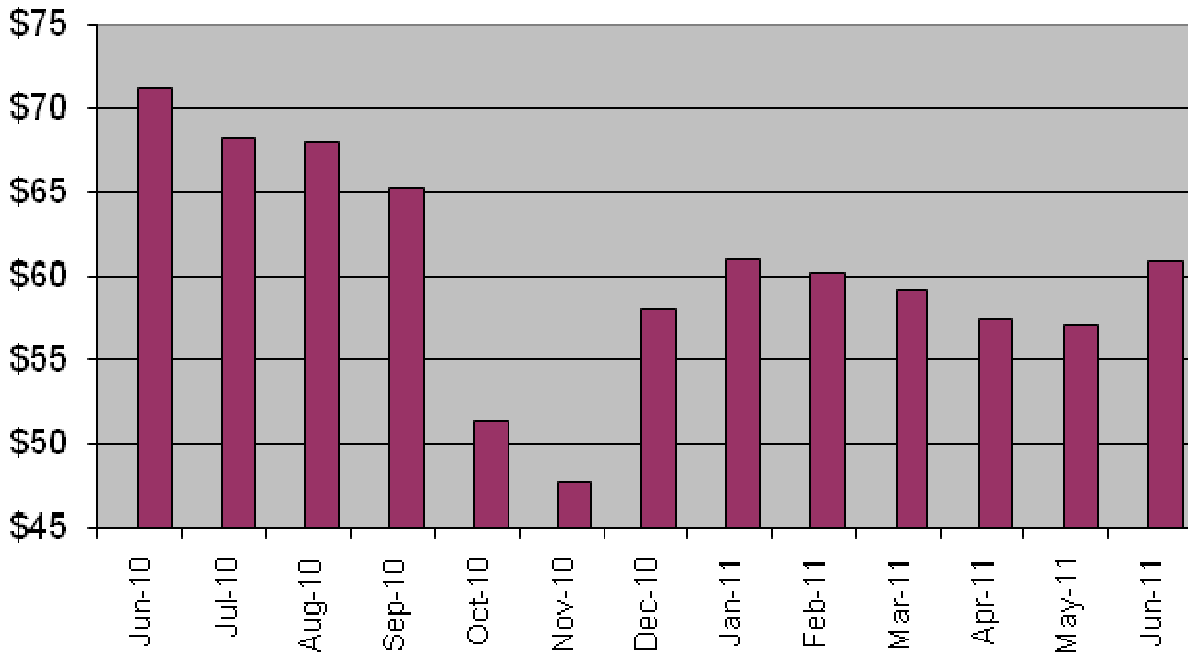
**The City of Daytona Beach
Monthly Investment Report
For the Nine Month Period Ended June 30, 2011**

Investment Type	Book Value	Market	Current Yield
Cash - Suntrust Bank	\$ 21,050,030	\$ 21,050,030	0.25 %
Cash - Bond Proceeds	3,953,036	3,953,036	0.25
BB&T Bank			
Money Rate Savings	1,008,499	1,008,499	0.25
PFM Mutual Fund:			
Restricted - Water & Sewer	3,388,519	3,388,519	0.11
FL Municipal Investment Trust Mutual Fund	1,733,496	1,733,496	1.80
Asset Under Management - Cutwater	26,278,281	26,438,577	1.30
Debt Service Escrow:			
C-1 and C-2 (Gov't money market)	<u>3,395,551</u>	<u>3,395,551</u>	0.01
TOTAL INVESTMENTS ALL FUNDS	<u>\$ 60,807,412</u>	<u>\$ 60,967,708</u>	0.70 %

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

**The City of Daytona Beach
Investment Metrics
For the Nine Month Period Ended June 30, 2011**

Investment Balances



City of Daytona Beach
Quarterly Budget Report
For the Nine Month Period Ended June 30, 2011

Redevelopment Trust Funds

The Redevelopment Trust Fund Overview shows a summary of each fund for the nine months ended June 30, 2011. The entire tax increment revenue for the fiscal year was collected in the first quarter. Total tax increment revenue has decreased approximately \$2.1 million compared to the prior year due to decreased property assessments and is \$164K less than originally budgeted. A budget amendment to adjust tax increment revenues to actual and appropriate fund balance to cover the shortage was approved by the City Commission in January 2011.

Expenses overall were low due to decreased police user fee charges. All of the funds reflect positive net revenue except South Atlantic due to expenditures for capital projects in that fund. The bottom line for the Redevelopment Trust Funds is tax increment revenue has decreased \$2.1 million from the prior year due to decreases in property assessments, however this decrease will be offset with expenditure reductions. Additionally, the FY 2010 ending reserves were higher than expected (\$1 million) resulting in funds being budgeted for capital projects in the first quarter budget amendment.

Redevelopment Trust Fund Overview

For the Nine Month Period Ended June 30, 2011

Redevelopment - Downtown			
Revenues	Budget	Year-to-Date	% Received
Tax increment revenue	\$ 1,013,493	\$ 1,013,493	100.0%
Charges for services	40,533	40,533	100.0%
Other revenue	23,500	5,637	24.0%
Capital Reserve Prior Year	2,714,737	425,818	15.7%
Appropriated Fund Balance	506,700	380,025	75.0%
Total revenues	\$ 4,298,963	\$ 1,865,506	43.4%
Expenditures	Budget	Year-to-Date	% Spent
Operating programs	\$ 878,241	\$ 619,281	70.5%
Capital projects	3,032,499	425,818	14.0%
Transfers out-debt svc	168,223	126,167	75.0%
Transfers out-police and code svcs	220,000	102,096	46.4%
Total expenditures	\$ 4,298,963	\$ 1,273,362	29.6%
Net revenues	\$ -	\$ 592,144	n/a

Redevelopment - Main Street			
Revenues	Budget	Year-to-Date	% Received
Tax increment revenue	\$ 4,182,590	\$ 4,182,590	100.0%
Charges for services	92,000	65,142	70.8%
Other revenue	131,000	16,846	12.9%
Capital Reserve Prior Year	9,179,655	2,207,899	24.1%
Appropriated Fund Balance	683,071	512,303	75.0%
Total revenues	\$ 14,268,316	\$ 6,984,780	49.0%
Expenditures	Budget	Year-to-Date	% Spent
Operating programs	\$ 1,524,640	\$ 1,095,927	71.9%
Capital projects	9,587,542	2,207,899	23.0%
Transfers out-debt svc	2,708,934	1,687,329	62.3%
Transfers out-police and code svcs	447,200	381,763	85.4%
Total expenditures	\$ 14,268,316	\$ 5,372,918	37.7%
Net revenues	\$ -	\$ 1,611,862	n/a

Redevelopment - Ballough Road			
Revenues	Budget	Year-to-Date	% Received
Tax increment revenue	\$ 188,449	\$ 188,449	100.0%
Other revenue	11,000	1,281	11.6%
Capital Reserve Prior Year	1,117,848	-	0.0%
Appropriated Fund Balance	70,706	53,030	75.0%
Total revenues	\$ 1,388,003	\$ 242,760	17.5%
Expenditures	Budget	Year-to-Date	% Spent
Operating programs	\$ 171,766	\$ 65,512	38.1%
Capital projects	1,196,937	-	0.0%
Transfers out-police and code svcs	19,300	5,861	30.4%
Total expenditures	\$ 1,388,003	\$ 71,373	5.1%
Net revenues	\$ -	\$ 171,387	n/a

Redevelopment - Midtown			
Revenues	Budget	Year-to-Date	% Received
Tax increment revenue	\$ 484,239	\$ 484,239	100.0%
Other revenue	25,000	4,201	16.8%
Capital Reserve Prior Year	2,009,147	197,934	9.9%
Appropriated Fund Balance	209,285	156,964	75.0%
Total revenues	\$ 2,727,671	\$ 843,338	30.9%
Expenditures	Budget	Year-to-Date	% Spent
Operating programs	\$ 413,174	\$ 253,028	61.2%
Capital projects	2,143,815	197,934	9.2%
Transfers out-police and code svcs	170,682	140,806	82.5%
Total expenditures	\$ 2,727,671	\$ 591,768	21.7%
Net revenues	\$ -	\$ 251,570	n/a

Redevelopment - South Atlantic			
Revenues	Budget	Year-to-Date	% Received
Tax increment revenue	\$ -	\$ -	0.0%
Other revenue	12,400	5,162	41.6%
Capital Reserve Prior Year	566,220	506,948	89.5%
Appropriated Fund Balance	99,817	74,863	75.0%
Total revenues	\$ 678,437	\$ 586,973	86.5%
Expenditures	Budget	Year-to-Date	% Spent
Operating programs	\$ 28,500	\$ 16,009	56.2%
Capital Projects	649,937	621,948	95.7%
Total expenditures	\$ 678,437	\$ 637,957	94.0%
Net revenues	\$ -	\$ (50,984)	n/a