



INSTITUTE FOR THE POSITIVE USE OF TECHNOLOGY

P.O. Box 21719
WASHINGTON, D.C. 20009
(202)328-0654 (VOICE)
(202)265-2490 (FAX)

VIA OVERNIGHT MAIL

November 20, 2001

Blanca Bayo
Director, Division of Records and Reporting
Florida Public Service Commission
Division of Communications
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

011599-77

*Re: City of Daytona Beach's Application for Certification
to Provide Interexchange Telecommunications Service*

Dear Ms. Bayo:

Enclosed are the original and seven (7) copies of this letter and the City of Daytona Beach's application to provide interexchange telecommunications service in Florida. Also enclosed is a check for \$250.00 to cover the required filing fee. Please file this application in your usual fashion and acknowledge receipt of this application by returning one (1) date-stamped copy to me in the enclosed postage-paid envelope.

If you have any questions concerning this application, please feel free to write me at the above-referenced address or to call me at (202)328-0654.

Sincerely,

A handwritten signature in cursive script that reads "Cynthia M. Pols".

Cynthia M. Pols

enclosures

DOCUMENT NUMBER - DATE

14851 NOV 21 2001

FPSC-COMMISSION CLERK

**** FLORIDA PUBLIC SERVICE COMMISSION ****

DIVISION OF REGULATORY OVERSIGHT
CERTIFICATION SECTION

Application Form for Authority to Provide
Interexchange Telecommunications Service
Between Points Within the State of Florida

Instructions

- ◆ This form is used as an application for an original certificate and for approval of assignment or transfer of an existing certificate. In the case of an assignment or transfer, the information provided shall be for the assignee or transferee (See Page 16).
- ◆ Print or Type all responses to each item requested in the application and appendices. If an item is not applicable, please explain why.
- ◆ Use a separate sheet for each answer which will not fit the allotted space.
- ◆ Once completed, submit the original and six (6) copies of this form along with a non-refundable application fee of **\$250.00** to:

**Florida Public Service Commission
Division of Records and Reporting
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6770**

Note: **No filing fee is required** for an assignment or transfer of an existing certificate to another company.

- ◆ If you have questions about completing the form, contact:

**Florida Public Service Commission
Division of Regulatory Oversight
Certification Section
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6480**

1. This is an application for \checkmark (check one):
- Original certificate** (new company).
 - Approval of transfer of existing certificate:** Example, a non-certificated company purchases an existing company and desires to retain the original certificate of authority.
 - Approval of assignment of existing certificate:** Example, a certificated company purchases an existing company and desires to retain the certificate of authority of that company.
 - Approval of transfer of control:** Example, a company purchases 51% of a certificated company. The Commission must approve the new controlling entity.

2. Name of company:

City of Daytona Beach

3. Name under which applicant will do business (fictitious name, etc.):

City of Daytona Beach

4. Official mailing address (including street name & number, post office box, city, state, zip code):

PO Box 2451

Daytona Beach, FL 32115-2451

5. Florida address (including street name & number, post office box, city, state, zip code):

same

6. Select type of business your company will be conducting \checkmark (check all that apply):

- Facilities-based carrier** - company owns and operates or plans to own and operate telecommunications switches and transmission facilities in Florida.

8. **If individual**, provide.

Name: Not applicable
Title: _____
Address: _____
City/State/Zip: _____

Telephone No.: _____ Fax No.: _____
Internet E-Mail Address: _____
Internet Website Address: _____

9. **If incorporated in Florida**, provide proof of authority to operate in Florida:

(a) The Florida Secretary of State Corporate Registration number:
Not applicable

10. **If foreign corporation**, provide proof of authority to operate in Florida:

(a) The Florida Secretary of State Corporate Registration number:
Not applicable

11. **If using fictitious name-d/b/a**, provide proof of compliance with fictitious name statute (Chapter 865.09, FS) to operate in Florida:

(a) The Florida Secretary of State fictitious name registration number:
Not applicable

12. **If a limited liability partnership**, provide proof of registration to operate in Florida:

(a) The Florida Secretary of State registration number: Not applicable

13. **If a partnership**, provide name, title and address of all partners and a copy of the partnership agreement.

Name: Not applicable

Title: _____

Address: _____

City/State/Zip: _____

Telephone No.: _____ Fax No.: _____

Internet E-Mail Address: _____

Internet Website Address: _____

14. **If a foreign limited partnership**, provide proof of compliance with the foreign limited partnership statute (Chapter 620.169, FS), if applicable.

(a) The Florida registration number: Not applicable

15. Provide **F.E.I. Number** (if applicable): _____

16. Provide the following (if applicable):

(a) Will the name of your company appear on the bill for your services?
() Yes () No

(b) If not, who will bill for your services?

Name: Not applicable

Title: _____

Address: _____

City/State/Zip: _____

Telephone No.: _____ Fax No.: _____

(c) How is this information provided?

Not applicable

17. Who will receive the bills for your service?

- () Residential Customers () Business Customers
() PATs providers () PATs station end-users
() Hotels & motels () Hotel & motel guests
() Universities () Universities dormitory residents
() Other: (specify) _____.

18. Who will serve as liaison to the Commission with regard to the following?

(a) The application:

Name: Cynthia Pals

Title: President, INPUT

Address: 1862 Mintwood Place, NW, #304
City/State/Zip: Washington, DC 20009

Telephone No.: (202) 328-0654 Fax No.: (202) 265-2490
Internet E-Mail Address: inputco@aol.com
Internet Website Address: NOT applicable

(b) Official point of contact for the ongoing operations of the company:

Name: Grady Meeks, Jr

Title: Director, Information Systems + Services,
City of Daytona Beach

Address: PO Box 2451

City/State/Zip: Daytona Beach, FL 32115-2451

Telephone No.: (386) 671-7916 Fax No.: (386) 671-8065

Internet E-Mail Address: meeksgrady@ci.daytona-beach.fl.us

Internet Website Address: www.ci.daytona-beach.fl.us

(c) Complaints/Inquiries from customers:

Name: same

Title: _____

Address: _____

City/State/Zip: _____

Telephone No.: _____ Fax No.: _____

Internet E-Mail Address: _____

Internet Website Address: _____

19. List the states in which the applicant:

(a) has operated as an interexchange telecommunications company.

none

(b) has applications pending to be certificated as an interexchange telecommunications company.

none

(c) is certificated to operate as an interexchange telecommunications company.

none

(d) has been denied authority to operate as an interexchange telecommunications company and the circumstances involved.

none

(e) has had regulatory penalties imposed for violations of telecommunications statutes and the circumstances involved.

none

(f) has been involved in civil court proceedings with an interexchange carrier, local exchange company or other telecommunications entity, and the circumstances involved.

none

20. Indicate if any of the officers, directors, or any of the ten largest stockholders have previously been:

(a) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings. If so, please explain.

Not applicable

(b) an officer, director, partner or stockholder in any other Florida certificated telephone company. If yes, give name of company and relationship. If no longer associated with company, give reason why not.

Not applicable

21. The applicant will provide the following interexchange carrier services (check all that apply):

a. _____ **MTS with distance sensitive per minute rates**

_____ Method of access is FGA
_____ Method of access is FGB
_____ Method of access is FGD
_____ Method of access is 800

b. _____ **MTS with route specific rates per minute**

_____ Method of access is FGA
_____ Method of access is FGB
_____ Method of access is FGD
_____ Method of access is 800

c. **MTS with statewide flat rates per minute (i.e. not distance sensitive)**

- Method of access is FGA
- Method of access is FGB
- Method of access is FGD
- Method of access is 800

d. **MTS for pay telephone service providers**

e. **Block-of-time calling plan (Reach Out Florida, Ring America, etc.).**

f. **800 service (toll free)**

g. **WATS type service (bulk or volume discount)**

- Method of access is via dedicated facilities
- Method of access is via switched facilities

h. **Private line services (Channel Services)**
(For ex. 1.544 mbs., DS-3, etc.)

i. **Travel service**

- Method of access is 950
- Method of access is 800

j. **900 service**

k. **Operator services**

- Available to presubscribed customers
- Available to non presubscribed customers (for example, to patrons of hotels, students in universities, patients in hospitals).
- Available to inmates

1. **Services included are:**

- _____ Station assistance
- _____ Person-to-person assistance
- _____ Directory assistance
- _____ Operator verify and interrupt
- _____ Conference calling

22. Submit the proposed tariff under which the company plans to begin operation. Use the format required by Commission Rule 25-24.485 (example enclosed).

See proposed tariff

23. Submit the following:

A. Managerial capability; give resumes of employees/officers of the company that would indicate sufficient managerial experiences of each.

See Exhibit A

B. Technical capability; give resumes of employees/officers of the company that would indicate sufficient technical experiences or indicate what company has been contracted to conduct technical maintenance.

See Exhibit A

C. Financial capability.

See Exhibit A

The application **should contain** the applicant's audited financial statements for the most recent 3 years. If the applicant does not have audited financial statements, it shall so be stated.

The unaudited financial statements should be signed by the applicant's chief executive officer and chief financial officer **affirming that the financial statements are true and correct** and should include:

1. the balance sheet;
2. income statement; and
3. statement of retained earnings.

NOTE: *This documentation may include, but is not limited to, financial statements, a projected profit and loss statement, credit references, credit bureau reports, and descriptions of business relationships with financial institutions.*

Further, the following (which includes supporting documentation) should be provided: *See Exhib. + C*

1. **A written explanation** that the applicant has sufficient financial capability to provide the requested service in the geographic area proposed to be served.
2. **A written explanation** that the applicant has sufficient financial capability to maintain the requested service.
3. **A written explanation** that the applicant has sufficient financial capability to meet its lease or ownership obligations.

THIS PAGE MUST BE COMPLETED AND SIGNED

APPLICANT ACKNOWLEDGMENT STATEMENT

1. **REGULATORY ASSESSMENT FEE:** I understand that all telephone companies must pay a regulatory assessment fee in the amount of .15 of one percent of its gross operating revenue derived from intrastate business. Regardless of the gross operating revenue of a company, a minimum annual assessment fee of \$50 is required.
2. **GROSS RECEIPTS TAX:** I understand that all telephone companies must pay a gross receipts tax of two and one-half percent on all intra and interstate business.
3. **SALES TAX:** I understand that a seven percent sales tax must be paid on intra and interstate revenues.
4. **APPLICATION FEE:** I understand that a non-refundable application fee of \$250.00 must be submitted with the application.

UTILITY OFFICIAL:

Carey F. Smith
Print Name

Carey F. Smith
Signature

City Manager
Title

November 16, 2001
Date

(386) 671-8010 (386) 671-8015
Telephone No. Fax No.

Address: PO Box 2451
Daytona Beach, FL 32115-2451

THIS PAGE MUST BE COMPLETED AND SIGNED

CUSTOMER DEPOSITS AND ADVANCE PAYMENTS

A statement of how the Commission can be assured of the security of the customer's deposits and advance payments may be provided in one of the following ways (applicant, please check one):

- () The applicant will **not** collect deposits nor will it collect payments for service more than one month in advance.
- () The applicant intends to collect deposits and/or advance payments for more than one month's service and will file and maintain a surety bond with the Commission in an amount equal to the current balance of deposits and advance payments in excess of one month.
(The bond must accompany the application.)

UTILITY OFFICIAL:

Carey F. Smith
Print Name

Carey F. Smith
Signature

City Manager
Title

November 16, 2001
Date

(386) 671-8010
Telephone No.

(386) 671-8015
Fax No.

Address: PO Box 2451
Daytona Beach, FL 32115-2451

THIS PAGE MUST BE COMPLETED AND SIGNED

AFFIDAVIT

By my signature below, I, the undersigned officer, attest to the accuracy of the information contained in this application and attached documents and that the applicant has the technical expertise, managerial ability, and financial capability to provide interexchange telecommunications service in the State of Florida. I have read the foregoing and declare that, to the best of my knowledge and belief, the information is true and correct. I attest that I have the authority to sign on behalf of my company and agree to comply, now and in the future, with all applicable Commission rules and orders.

Further, I am aware that, pursuant to Chapter 837.06, Florida Statutes, "Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082 and s. 775.083."

UTILITY OFFICIAL:

Carey F. Smith
Print Name

Carey F. Smith
Signature

City Manager
Title

November 16, 2001
Date

(386)671-8010
Telephone No.

(386)671-8015
Fax No.

Address: PO Box 2451
Daytona Beach, FL 32115-2451

CURRENT FLORIDA INTRASTATE SERVICES

Applicant **has** () or **has not** () previously provided intrastate telecommunications in Florida.

If the answer is has, fully describe the following:

a) What services have been provided and when did these services begin?

b) If the services are not currently offered, when were they discontinued?

UTILITY OFFICIAL:

Carey F. Smith
Print Name

Carey F. Smith
Signature

City Manager
Title

November 16, 2001
Date

(386) 671-8010
Telephone No.

(386) 671-8015
Fax No.

Address: PO Box 2451
Daytona Beach, FL 32115-2451

CERTIFICATE TRANSFER, OR ASSIGNMENT STATEMENT

I, (Name) _____,

(Title) _____ of _____ (Name of Company)

and current holder of Florida Public Service Commission Certificate Number

_____, have reviewed this application and join in the petitioner's request for a:

() transfer

() assignment

of the above-mentioned certificate.

UTILITY OFFICIAL:

Print Name

Signature

Title

Date

Telephone No.

Fax No.

Address:

PROPOSED TARIFF

TITLE PAGE

FLORIDA TELECOMMUNICATIONS TARIFF

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of interexchange telecommunication services by the City of Daytona Beach, Florida, with principal offices located at 301 Ridgewood Avenue, Daytona Beach, Florida 32114. This tariff applies to services provided within the State of Florida and subject to the jurisdiction of the Florida Public Service Commission. This tariff is on file with the Florida Public Service Commission, and copies may be inspected, during normal business hours, at the City's principal place of business.

ISSUED: November 20, 2001

BY:

Carey F. Smith
City Manager
City of Daytona Beach
301 Ridgewood Avenue
Daytona Beach, Florida 32114

EFFECTIVE:

CHECK SHEET

The sheets of this tariff are effective as of the date shown at the lower right-hand corner of each sheet. Original and revised sheets as named below comprise all changes from the original tariff and are currently in effect as of the date of the lower right-hand corner of this sheet.

SHEET	REVISION LEVEL	SHEET	REVISION LEVEL
1	Original	21	Original
2	Original	22	Original
3	Original	23	Original
4	Original	24	Original
5	Original	25	Original
6	Original	26	Original
7	Original	27	Original
8	Original		
9	Original		
10	Original		
11	Original		
12	Original		
13	Original		
14	Original		
15	Original		
16	Original		
17	Original		
18	Original		
19	Original		
20	Original		

ISSUED: November 20, 2001
BY:

Carey F. Smith
City Manager
City of Daytona Beach
301 Ridgewood Avenue
Daytona Beach, Florida 32114

EFFECTIVE:

TABLE OF CONTENTS

TITLE SHEET1
CHECK SHEET.....2
TABLE OF CONTENTS3
SYMBOLS.....4
TARIFF FORMAT5
SECTION 1 – TECHNICAL TERMS AND ABBREVIATIONS6
SECTION 2 – RULES AND REGULATIONS7
SECTION 3 – DESCRIPTION OF SERVICE OFFERED19
SECTION 4 – RATES25

ISSUED: November 20, 2001
BY:

Carey F. Smith
City Manager
City of Daytona Beach
301 Ridgewood Avenue
Daytona Beach, Florida 32114

EFFECTIVE:

SYMBOLS

The following symbols will be used in this tariff for the purposes indicated below:

D	--	Delete or discontinue
I	--	Change resulting in an increase to a customer's bill
M	--	Moved from another tariff location
N	--	New
R	--	Change resulting in a reduction to a customer's bill
T	--	Change in text or regulation but no change to a rate or charge

ISSUED: November 20, 2001
BY:

Carey F. Smith
City Manager
City of Daytona Beach
301 Ridgewood Avenue
Daytona Beach, Florida 32114

EFFECTIVE:

TARIFF FORMAT

A. Sheet Numbering - Sheet numbers appear in the upper right-hand corner of the sheet. Sheets are numbered sequentially. However, new sheets are occasionally added to the tariff. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 14 and 15 would be sheet 14.1.

B. Sheet Revision Numbers - Revision numbers also appear in the upper right-hand corner of each sheet. These numbers are used to determine the most current sheet version on file with the Commission. For example, the 4th Revised Sheet 14 cancels the 3rd Revised Sheet 14. Because of various suspension periods, deferrals, *etc.*, the most current sheet number on file with the Commission is not always the tariff sheet in effect. Consult the Check Sheet for the sheet currently in effect.

C. Paragraph Numbering Sequence - There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:

- 2.
- 2.1.
- 2.1.1.
- 2.1.1.A.
- 2.1.1.A.1
- 2.1.1.A.1.(a).
- 2.1.1.A.1.(a).I.
- 2.1.1.A.1.(a).I.(i).
- 2.1.1.A.1.(a).I.(i).(l).

D. Check Sheets - When a tariff filing is made with the Commission, an updated check sheet accompanies the tariff filing. The check sheet lists the sheets contained in the tariff, with a cross reference to the current revision number. When new sheets are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on this sheet if these are the only changes made to it (*i.e.*, the format, *etc.* remains the same, just revised revision levels on some sheets). The tariff user should refer to the latest check sheet to find out if a particular sheet is the most current on file with the Commission.

ISSUED: November 20, 2001
BY:

Carey F. Smith
City Manager
City of Daytona Beach
301 Ridgewood Avenue
Daytona Beach, Florida 32114

EFFECTIVE:

SECTION 1 — TECHNICAL TERMS AND ABBREVIATIONS

Access Line — Service provided by a local exchange carrier, using either dedicated or switched access, which connects a Customer's location to a switching center.

Authorization Code — A numerical code which validates the caller's authorization to use services and which may be used to assign charges to Customers. The Customer is responsible for charges incurred through any use of the Authorization Code(s) assigned to the Customer.

Authorized User — Any person, firm, corporation, partnership, or other entity who is authorized by a Customer to be connected to or use the City's services.

City — The City of Daytona Beach, including any agency of or any other entity acting on behalf of the City and any officer, official, employee, agent, representative, or designee of the City, agency, or entity.

Commission — Florida Public Service Commission.

Customer — A person, firm, corporation, partnership, or other entity who is responsible for paying all charges for use of the City's service and complying with all terms and conditions of this tariff.

End User — A person, firm, corporation, partnership, or other entity who uses services provided pursuant to this tariff and who may or may not also be a Customer. The End User is responsible for payment of all charges for use of the City's service except in cases where the charges are accepted and paid for by another person or entity.

Local Calling Area — The geographic area within which telephone service is provided by a local exchange carrier without toll charges.

Prepaid Account — An account which consists of a prepaid usage balance which is depleted on a real-time basis by each Prepaid Service Call.

Prepaid Calling Card — A card issued by the City which provides the Customer with an Authorization Code and instructions for obtaining access to and using the City's service to make Prepaid Service Calls.

Prepaid Service Call — A call which is charged to a Prepaid Account by deducting the cost of the call from the available balance on the Prepaid Account and which is made by dialing an access code and identification number in addition to the called number.

Underlying Carrier — A telecommunications carrier whose network facilities provide the technical capability and capacity necessary for the transmission and reception of telecommunications traffic for Customers and End Users.

Working Day — Any day on which the City's offices are open to the public for business and the U.S. Mail is delivered.

ISSUED: November 20, 2001

BY:

Carey F. Smith
City Manager
City of Daytona Beach
301 Ridgewood Avenue
Daytona Beach, Florida 32114

EFFECTIVE:

SECTION 2 — RULES AND REGULATIONS

2.1 Undertaking of the City

This tariff contains the regulations and rates applicable to intrastate interexchange telecommunications services provided by the City for telecommunications between points within the State of Florida. These services are provided subject to the availability of facilities, the terms and conditions of this tariff, and all applicable rules and regulations of the Commission. Communications originate when the Customer obtains access to the City's network directly or through the facilities of another carrier. The City may act as the Customer's agent for ordering access connection facilities provided by another carrier to connect a Customer location(s) to the City's network when authorized to do so by the Customer.

2.1.1 The services provided by the City are not part of a joint undertaking with any other local exchange or other carrier, but may involve resale of services of an Underlying Carrier(s).

2.1.2 The rates and regulations contained in this tariff apply only to the services provided by the City and do not apply, unless otherwise specified, to the services, facilities, equipment, or lines provided by a local exchange or other carrier for use in obtaining access to the City's services.

2.2 Use of Service

2.2.1 The services provided pursuant to this tariff are provided on a monthly basis unless otherwise stated in this tariff.

2.2.2 The services provided pursuant to this tariff are available for use twenty-four (24) hours per day, seven (7) days per week.

2.2.3 The services provided pursuant to this tariff may be used for any lawful purpose for which the service is technically suited, subject to the limitations set forth in section 2.3.

ISSUED: November 20, 2001

BY:

Carey F. Smith
City Manager
City of Daytona Beach
301 Ridgewood Avenue
Daytona Beach, Florida 32114

EFFECTIVE:

SECTION 2 – RULES AND REGULATIONS continued

- 2.2.4** The City may require an applicant for service, Customer, or End User who intends to use the City's offerings for resale, shared, or joint use to file a statement with the City confirming that use of the City's services will comply with all applicable laws and regulations, including Commission regulations and other requirements.
- 2.2.5** A Customer or End User may transmit or receive information or signals via the City's facilities in any form that is compatible with the City's equipment.

2.3 Limitations of Service

- 2.3.1** The City may limit, suspend, or discontinue service as necessary to respond to conditions beyond its control including, without limitation, revision, alteration, or repricing of the service offerings of an Underlying Carrier or legal impediments or barriers to the City's provision of service.
- 2.3.2** The City's services may not be used in violation of this tariff, for any unlawful purpose, or for any use for which the Customer or End User has not obtained all required governmental approvals, authorizations, licenses, consents, and permits.
- 2.3.3** The City's services are offered subject to the availability of the necessary facilities and equipment.
- 2.3.4** The City is not liable for errors in transmission or for failure to establish connections.
- 2.3.5** The City's services may not be used to make calls which might reasonably be expected to frighten, abuse, torment, or harass a person.
- 2.3.6** To the extent that any conflict arises between the terms and conditions of a service agreement or other contract and the terms and conditions of this tariff, this tariff will prevail.
- 2.3.7** Title to all equipment provided by the City in connection with provision of service under this tariff remains with the City.

ISSUED: November 20, 2001
BY:

Carey F. Smith
City Manager
City of Daytona Beach
301 Ridgewood Avenue
Daytona Beach, Florida 32114

EFFECTIVE:

SECTION 2 – RULES AND REGULATIONS continued

2.4 Assignment and Transfer

All facilities provided in connection with this tariff are directly or indirectly controlled by the City. A Customer or End User may not transfer or assign the use of facilities without the express written consent of the City.

2.5 Liability of the City

2.5.1 The City's liability for damages arising from any interruption, error, or other defect in service or transmission which occurs in the course of providing service or facilities, will, in no event, exceed the lesser of one hundred dollars (\$100) or an amount equivalent to the proportionate charge to the Customer for the period during which the defects in service or transmission occurred. Except as set forth in this section, the City will not be liable for any damages, business interruption, expense, or loss of profits arising out of any interruption, error, or other defect in service or transmission or any other cause. In the event of any interruption, error, or other defect in service or transmission, neither the City nor any affiliated or unaffiliated third party provider or operator of facilities employed in the provision of the service will be liable for any damages, business interruption, expenses, or loss of profits. Moreover, any interruption, error, or other defect in service or transmission, which is caused in whole or in part by the negligence or willful act of the Customer, End User, or joint user or which arises from the use of facilities or equipment provided by the Customer, will not result in imposition of any liability on the City.

2.5.2 The City will not be liable for any claim or loss, expense, or damage for any interruption, error, or other defect in any service or transmission provided under this tariff, if caused by any person or entity other than the City, by any malfunction of any service or facility provided by any other carrier, by an Act of God, fire, war, civil disturbance, or government, or by any other cause beyond the City's direct control.

2.5.3 This tariff does not limit any liability of the City for gross negligence or willful misconduct. With respect to any other claim or lawsuit by a Customer or End User, the Customer will indemnify and hold harmless the City against claims or lawsuits

ISSUED: November 20, 2001
BY:

Carey F. Smith
City Manager
City of Daytona Beach
301 Ridgewood Avenue
Daytona Beach, Florida 32114

EFFECTIVE:

SECTION 2 — RULES AND REGULATIONS continued

for: (a) injury to or death of any person or for damage to any property which arises from the use, placement, or presence of the City's equipment, facilities, and associated wiring on the Customer's premises; (b) libel, slander, invasion of privacy, or infringement of copyright arising directly or indirectly from the material transmitted or received by the Customer or End User over the City's facilities or by use of the services provided by the City; (c) infringement of patents arising from combining with or using in connection with, facilities provided by the City and facilities provided by the Customer or End User; and (d) all other claims arising from any act or omission of the Customer or End User in connection with the services or facilities provided by the City. Agents and employees of other carriers will not be deemed to be agents or employees of the City in any circumstance.

2.6 Customer Responsibility

2.6.1 All Customers will assume general responsibilities in connection with the provision and use of the City's service. When facilities or equipment provided by other persons or entities are connected to the City's facilities, the Customer will assume additional responsibilities. The Customer's responsibilities include the following:

- A.** The Customer is responsible for placing orders for service, paying all charges for service provided by the City, and complying with all City regulations governing the service. The Customer is also responsible for assuring that its End Users comply with the City's regulations.
- B.** When placing an order for service, the Customer must provide:
 - 1. The names and addresses of the persons responsible for payment of charges for service, and
 - 2. The names, telephone numbers, and addresses of the Customer's contact person(s).

ISSUED: November 20, 2001
BY:

Carey F. Smith
City Manager
City of Daytona Beach
301 Ridgewood Avenue
Daytona Beach, Florida 32114

EFFECTIVE:

SECTION 2 — RULES AND REGULATIONS continued

- C. The Customer must pay the City for the replacement or repair of the City's equipment when the damage results from:
1. The negligence or willful act of the Customer or its End Users;
 2. Improper use of service; or
 3. Any use of equipment or service provided by other persons or entities.

2.6.2 Billing and Payment For Service

A. Responsibility for Charges

The Customer is responsible for payment of all charges for services and equipment provided to the Customer for transmission of calls and other service via the City's service. In particular and without limitation to the foregoing, the Customer is responsible for any and all cost(s) incurred as a result of:

1. Any delegation of authority resulting in the use of the Customer's equipment and/or services which results in the transmission of calls or other service via the City's service;
2. Any use of the City's services, including calls or other services which were not authorized by the Customer; and
3. Any calls placed by or through the Customer's equipment via any remote access feature(s).

B. Disputed Charges

Any objections to billed charges must be reported to the City (or its billing agent) in writing not later than twenty (20) days after the closing date specified on the invoice or statement issued to the Customer or End User. The City will make adjustments in a bill if adjustments are appropriate and warranted by the circumstances.

ISSUED: November 20, 2001
BY:

Carey F. Smith
City Manager
City of Daytona Beach
301 Ridgewood Avenue
Daytona Beach, Florida 32114

EFFECTIVE:

SECTION 2 — RULES AND REGULATIONS continued

C. Subaccounts

A Customer may request the City to assign one or more subaccounts for billing purposes and to submit invoices for subaccounts to another entity (or other entities) designated by the Customer to make payments to the City. These requests will not affect the liability of the Customer, who is solely liable to the City for payment of all invoices for service requested and obtained by Customer, whether invoiced by the City to the Customer or to another person or entity designated by the Customer.

2.6.3 Taxes and Fees

- A.** The rates specified in this tariff do not include federal, state, and local taxes, assessments, surcharges, or fees, including (but not limited to) sales and use taxes, gross receipts taxes, communications services taxes, regulatory fees, excise taxes, universal service charges, and utility taxes. These items will be listed as separate items on the Customer's or End User's bill and charged to the Customer or End User.
- B.** The City may impose additional charges on Customers and End Users to recover amounts it is required by governmental or quasi-governmental authorities to collect from or pay to other persons or entities. The City may also impose additional charges to cover the administrative cost of collecting these amounts and paying them to other persons or entities. Examples of these requirements include (but are not limited to) Presubscribed Interexchange Carrier Charges (PICC) for multiline service to businesses and compensation to pay telephone service providers for the use of their telephones to access the City's service (*e.g.*, a call to a Customer's 800 number from a pay phone).

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EFFECTIVE:

SECTION 2 – RULES AND REGULATIONS continued

- C. To the extent that the City, other political subdivision, or other local government imposes and collects from the City a gross receipts tax, occupation tax, license tax, permit fee, franchise fee, or regulatory fee, such tax or fee will, to the extent allowed by law, be billed on a *pro rata* basis to the Customer receiving service from the City within the territorial limits of the City or such political subdivision or local government.
- D. Service to a particular Customer or End User will not be subject to a particular tax if the Customer provides the City with written verification, acceptable to the City and to the relevant taxing jurisdiction, that the Customer has been granted an exemption to or is not subject to the tax in question.

2.6.4 Deposits

The City does not collect Customer deposits.

2.6.5 Advance Payments

The City does not require advance payments for service.

2.7 Credits for Service Interruptions

- 2.7.1 An interruption period begins when the Customer reports a service, facility, or circuit as inoperative and, if necessary, releases it for testing and repair. An interruption period ends when the service, facility, or circuit is operative. Credits for service interruptions are subject to the regulations specified in this section 2.7.
- 2.7.2 If the Customer reports a service, facility, or circuit as inoperative but declines to release it for testing and repair or refuses to provide access to its premises for testing and repair by the City, the service, facility, or circuit is considered to be impaired but not interrupted. No credit allowances will be made for a service, facility, or circuit deemed to be impaired by the City.

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EFFECTIVE:

SECTION 2 — RULES AND REGULATIONS continued

- 2.7.3** Credits for interruption periods which are due to the negligence of the Customer or to the failure, malfunctioning, or use of services, equipment, or facilities provided by the Customer (or any person or entity other than the City) are subject to the general liability provisions established by section 2.5 of this tariff. It is the Customer's obligation to notify the City immediately of any service interruption for which the Customer is seeking a credit.
- 2.7.4** The Customer is responsible for payment of service charges based upon time and materials or visits by the City to the premises of the Customer in any case in which the service interruption or difficulty is due to the negligence of the Customer or the failure, malfunctioning, or use of equipment or facilities provided by the Customer (or any person or entity other than the City).
- 2.7.5** The Customer will be credited for an interruption of two (2) or more hours at the rate of 1/720th of the monthly recurring charge for the services affected for each hour of interruption of service. The formula used for computation of credits is as follows:

$$\text{Credit} = A/720 \times B$$

A = outage time in hours (must be two (2) hours or more)

B = total monthly recurring charge for affected service

- 2.7.6** At the City's discretion, credit may be given on a per call basis for any interrupted call.

2.8 Termination of Service by a Customer

A Customer may terminate service by providing the City at least thirty (30) days' advance notice of the date for termination of service. The City will hold the Customer responsible for payment of all bills for service provided prior to the termination date. The City may, at its discretion, reduce or eliminate the requirement for thirty (30) days' advance notice.

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City of Daytona Beach
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EFFECTIVE:

SECTION 2 – RULES AND REGULATIONS continued

2.9 Termination of Service by the City

2.9.1 Without incurring any liability, the City may, after giving five (5) Working Days' notice in writing to the Customer and the opportunity to comply with the rules or remedy any deficiency within that time period, discontinue service to a Customer or withhold the provision of ordered or contracted services:

- A. For failure to comply with any law or regulation of the State, City, County, or any governmental entity pertaining to the City's service;
- B. For use of the City's service for any purpose other than the purpose described in the Customer's application;
- C. For failure or refusal to provide access to the City for the purpose of inspecting and maintaining equipment or facilities owned or provided by the City;
- D. For violation of any provision of this tariff or any Commission regulation; or
- E. For failure to pay any amount due to the City for services (the City is not required to provide advance notice in extreme cases of failure to pay; the City will not discontinue service for initial nonpayment of a current bill on a day the City's business office is closed or on a day preceding a day the business office is closed).

2.9.2 Without incurring any liability and without providing any advance notice to the Customer, the City may immediately limit or discontinue service to a Customer or withhold the provision of ordered or contracted services:

- A. For any use of service, equipment, or facilities which adversely affects the City's service, equipment, or facilities or service provided to any other Customer or End User;

ISSUED: November 20, 2001
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EFFECTIVE:

SECTION 2 – RULES AND REGULATIONS continued

- B. In the event of hazardous conditions or tampering with any services, equipment, or facilities owned or provided by the City;
- C. In the event of unauthorized, unlawful, or fraudulent use of the City's service (if service is discontinued for unauthorized, unlawful, or fraudulent use of service, the City may, before restoring service, require the Customer to make, at the Customer's own expense, all changes in facilities or equipment necessary to eliminate any such use, to provide other assurances that such use will not reoccur, and to pay an amount to the City equivalent to the loss in revenues resulting from such use); or
- D. By reason of any order or decision of the Commission, a court, or other governmental entity prohibiting the City from providing service.

2.10 Access Connection Facilities

The City's service may be connected with the services or facilities of other carriers. Such service or facilities will be provided in accordance with the terms, rates, and conditions established by the other carrier. The Customer is responsible for all charges associated with establishing and using access connection facilities provided by another carrier in connection with the City's service. The Customer is responsible for any special interface equipment or facilities necessary to achieve compatibility between the City's service and the services or facilities of another carrier.

2.11 Terminal Equipment

The City's service may be used with or terminated at terminal equipment and other facilities, including private branch exchange and key systems or single line, multiline, and pay telephones. Any such equipment and facilities will be provided and maintained by the Customer and at the Customer's expense and will be compatible with and will properly interface with the City's service. Any such terminal equipment and other facilities used by the Customer must be either certified by the FCC (or some other appropriate certifying body) as technically acceptable for direct connection to the City's service or connected to the City's

ISSUED: November 20, 2001
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301 Ridgewood Avenue
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EFFECTIVE:

SECTION 2 – RULES AND REGULATIONS continued

service by protective interface devices which comply with generally accepted minimum standards in the telecommunications industry for such devices. The Customer will be responsible for all costs at the Customer's premises, including personnel, wiring, and electrical power, incurred in using the City's service.

2.12 Inspection, Testing, and Adjustment

Upon reasonable notice, the Customer will provide the City with access to the Customer's premises to conduct any tests and make any adjustments which may be necessary to maintain or improve the service provided by the City. No interruption allowance will be provided for the time in which these tests and adjustments are made unless such interruption exceeds twenty-four (24) hours and the Customer submits a request for a credit for the interruption.

2.13 900, 976, and 700 Numbers

The City does not provide 900, 976, or 700 number or similar pay-per-call services. Customer calls placed to these numbers will be routed to the local or interexchange carrier which provides the service. The Customer may contact its local exchange carrier or other carrier providing this service to request blocking of access to these numbers or this service.

2.14 Toll Free Services

2.14.1 The City will make every effort to reserve toll free numbers (*e.g.*, 800, 866, 877, and 888 numbers) for Customers, but does not guarantee the availability of the requested number or numbers until actually assigned to the Customer. The City will reserve toll free numbers on a first-come first-served basis. All requests by Customers to reserve toll free service numbers must be in writing and dated and signed by the Customer.

ISSUED: November 20, 2001
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301 Ridgewood Avenue
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EFFECTIVE:

SECTION 2 — RULES AND REGULATIONS continued

2.14.2 A toll free number which is shared by more than one Customer (with individual Customers identified by a unique personal identification number) may not be assigned or transferred for use with service provided by another carrier. Subject to the limitations provided in this tariff, the City will honor a Customer's request for a change in provider for a toll free service number only for a toll free number which is dedicated to the sole use of the requesting Customer.

2.14.3 If a Customer does not subscribe to toll free service within thirty (30) days of the assignment of a toll free number to the Customer, the City may reclaim the assigned number and to make it available for use by another Customer.

2.15 Applicable Law

This tariff will be subject to and construed in accordance with Florida law.

ISSUED: November 20, 2001

BY:

Carey F. Smith
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City of Daytona Beach
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EFFECTIVE:

SECTION 3 – DESCRIPTION OF SERVICE OFFERED

3.1 General

The City provides direct dialed outbound and inbound for communications originating and terminating within the State. Intrastate service is offered in conjunction with interstate service.

The total charge for each call or transmission may be a variable measured charge which is dependent upon one or more variables, including the duration, distance, time of day, and day of the week of individual calls and the total volume of calls per month or other designated time period.

A Customer may resell or rebill the City's service only if it has obtained a Certificate of Public Convenience and Necessity as an interexchange carrier from the Commission.

3.2 Call Completion Rate

The call completion rate for both end-to-end Feature Group C & D service and all other calls will be at least ninety percent (90%) of attempted calls during the City's busy hour. This call completion rate will be calculated by dividing the number of calls completed (completed calls include calls which receive a busy signal or which are not answered by the called party) by the number of calls attempted.

3.3 Timing of Calls

Charges for calls made using the City's service will be based on the duration of the call and calculated on the basis of the following criteria except as otherwise specified in this tariff:

3.3.1 A call will be deemed to begin for purposes of calculating charges when the called station is answered (*i.e.*, when two-way communications are established).

3.3.2 A call will be deemed to end for purposes of calculating charges when one of the parties to the call disconnects from the call.

ISSUED: November 20, 2001

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EFFECTIVE:

SECTION 3 — DESCRIPTION OF SERVICE OFFERED continued

3.3.3 A call will be measured in increments (with each increment rounded up to the next whole increment) as set forth in the description of each service in this section 3 of this tariff.

3.3.4 The City will not knowingly bill for unanswered calls.

3.4 Rate Periods

The City does not offer time-of-day or day-of-week discounts.

3.5 Calculation of Distance

The City does not offer distance sensitive services.

3.6 Holidays

The City does not offer holiday discounts.

3.7 Outbound Services

Outbound service is available to Customers for outbound calls and other transmissions which originate on access lines provided by the Customer. Each call will be billed for an initial minimum billing period of sixty (60) seconds and in thirty (30) second increments for all time in excess of the initial sixty (60) seconds.

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EFFECTIVE:

SECTION 3 – DESCRIPTION OF SERVICE OFFERED continued

3.8 Toll Free Service

Inbound service is available to Customers for incoming calls and other transmissions which are initiated by dialing a toll free number and originate at a location outside of the Local Calling Area and terminate at the Customer's location on access lines provided by the Customer. Charges for such calls are billed to the Customer rather than to the person or entity originating the call. Each call will be billed for an initial minimum billing period of sixty (60) seconds and in thirty (30) second increments for all time in excess of the initial sixty (60) seconds.

3.9 Travel Card Service

Travel card service allows Customers and Authorized Users to place calls at locations other than the Customer's premises and to charge those calls to the Customer's account. The City's travel card service is used by dialing an access number and an identification number in addition to the number called. Calls are billed in one (1) minute increments after the initial minimum period of one (1) minute and are rounded up to the nearest minute.

3.10 Prepaid Calling Card Service

Prepaid Calling Card service allows Customers and Authorized Users to place calls from locations other than the premises of the Customer or Authorized User and to charge the costs of these calls against the available balance on a Prepaid Calling Card. Prepaid Calling Card service is used by dialing an access code and identification number in addition to the called number. Calls are billed in one (1) minute increments after an initial minimum period of three (3) minutes and are rounded up to the nearest minute (after an initial minimum period of three (3) minutes). Network usage for each call is deducted from the available balance in the Customer's Prepaid Account on a real-time basis as the call progresses.

ISSUED: November 20, 2001

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301 Ridgewood Avenue
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EFFECTIVE:

SECTION 3 – DESCRIPTION OF SERVICE OFFERED continued

The City may offer Prepaid Calling Card service to organizations and entities for distribution to or use by their members, patrons, or customers. The organization or entity is responsible for obtaining all necessary permissions for use of any trade mark, trade name, service mark, or other image which is placed on the Prepaid Calling Card. The City reserves the right to approve or reject information or images proposed for placement on a Prepaid Calling Card and to require inclusion on a Prepaid Calling Card of information or information designated by the City.

3.10.1 General Terms and Conditions

- A.** Prepaid Calling Cards may be purchased in various denominations of dollars or minutes as may be established by the City.
- B.** Calls to 500, 700, 800, 855, 866, 877, 888, 900, 976, and similar numbers and calls requiring operator assistance or quotation of time and charges cannot be completed using a Prepaid Calling Card. Air-to-ground and high seas service also cannot be made with a Prepaid Calling Card. Further, calls cannot be made via a Prepaid Calling Card by using a rotary telephone.
- C.** Calls may be charged against a Prepaid Calling Card only if the card has a sufficient available balance. Calls in progress will be terminated if the available balance on the Prepaid Calling Card is not sufficient to continue the call.
- D.** The available balance on a Prepaid Calling Card automatically expires on any Prepaid Calling Card which is not used for ninety (90) consecutive days. In addition, the available balance on a Prepaid Calling Card automatically expires on the 365th day following the date on which the card was purchased. The City will not refund any unused balances in a Prepaid Account.

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EFFECTIVE:

SECTION 3 – DESCRIPTION OF SERVICE OFFERED continued

3.10.2 Termination of Service

The City may terminate service for a Prepaid Calling Card without notice in any of the following situations:

- A. For nonpayment of any amount owed to the City by the Customer;
- B. When the available balance is depleted to a level which is not sufficient to place a call to any intrastate location; or
- C. When the established expiration date for the Prepaid Account is reached.

3.11 Pay Telephone Surcharge

In order to recover the City's costs of complying with the Federal Communications Commission's pay telephone compensation plan, an undiscountable per call charge is applied to all interstate, intrastate, and international calls which originate from a pay telephone which is used to access the City's services (*e.g.*, a call from a pay phone using toll free service provided by the City). This surcharge, which is in addition to standard tariffed usage charges and any applicable service charges and surcharges associated with the City's service, applies to the use of the instrument used to obtain access to the City's service and is unrelated to the City service accessed from the pay telephone. The pay telephone surcharge applies to the initial completed call and any reoriginated call (*i.e.*, subsequent calls originated by using the "#" symbol). Whenever possible, the pay telephone surcharge will appear on the same invoice or bill which contains the usage charges for the surcharged call. In cases where proper pay telephone coding digits are not transmitted to the City prior to completion of a call, the pay telephone surcharge may be billed on a subsequent invoice after the City has obtained information from a carrier that the originating station is an eligible pay telephone. The pay telephone surcharge does not apply to calls placed from a pay telephone at which the Customer pays for service by inserting coins during the call.

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EFFECTIVE:

SECTION 3 – DESCRIPTION OF SERVICE OFFERED continued

3.12 Promotional Offerings

The City may offer special promotions of new or existing services for limited time periods pursuant to a tariff issued in accordance with Commission regulations, which specifies the charges which are being reduced or waived, the persons and entities who are eligible for the promotion, and the beginning and ending dates of the period in which the reduction or promotion is in effect.

3.13 Emergency Calls

Emergency "911" calls will be completed through the local exchange network at no charge to the Customer or End User.

3.14 Miscellaneous Services

3.14.1 Returned Check

If payment is made by a check or a similar instrument which is returned to the City as unpaid by a bank or another financial institution for any reason, the City will charge the Customer a returned check fee. In addition, the Customer may be required to replace the returned check with a payment in cash or a cash equivalent (*e.g.*, a cashier's check, certified check or money order).

3.14.2 Restoration of Service

After service to an existing Customer has been discontinued for cause and the Customer requests restoration of service, the City will charge the Customer a fee to cover the cost of restoring service to the Customer.

ISSUED: November 20, 2001
BY:

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EFFECTIVE:

SECTION 4 — RATES

4.1 Outbound Service

4.1.1 Switched

Rate per minute: \$0.065

4.1.2 Dedicated

Rate per minute: \$0.065

4.2 Inbound Toll Free Service

4.2.1 Switched

Rate per minute: \$0.065

4.2.2 Dedicated

Rate per minute: \$0.065

4.3 Travel Card Service

Rate per minute: \$0.20

4.4 Prepaid Calling Card Service

Rate per minute: \$0.20

ISSUED: November 20, 2001
BY:

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EFFECTIVE:

SECTION 4 – RATES continued

4.5 Pay Telephone Surcharge

Rate per call: \$0.35

4.6 Special Rates for Hearing Impaired Persons

4.6.1 TDD Service

The City will charge evening rates (if any) for daytime calls and night rates (if any) for evening and night calls for any call made using a telecommunications device for the deaf (TDD) by a Customer or an End User which is a properly certified business establishment or is equipped with TDDs for communications with hearing or speech impaired persons.

4.6.2 Telecommunications Relay Service

The City will provide a discount for a call received from a telecommunications relay service equal in amount to fifty percent (50%) of the rate applicable to a call which is not received from a relay service. If either the calling or called party indicates that either party is both hearing and visually impaired, then the discount provided by the City for a call received from a telecommunications relay service will be equal in amount to sixty percent (60%) of the rate applicable to a call which is not received from a relay service. These discounts apply only to the time-of-day sensitive elements of a charge and do not apply to other per call charges such as a credit card surcharge.

ISSUED: November 20, 2001

BY:

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City Manager
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EFFECTIVE:

SECTION 4 — RATES continued

4.7 Miscellaneous Charges

4.7.1 Return Check Fee

The Customer or End User will be charged a return check fee of twenty-five dollars (\$25) for a check or similar instrument which is returned to the City as unpaid by a bank or other financial institution for any reason. At the discretion of the City, this fee may be waived under appropriate circumstances (*e.g.*, a bank error). Further, the City may require the Customer or End User to replace the returned check or other instrument with a payment in cash or its equivalent (*e.g.*, a cashier's check, certified check, money order).

4.7.2 Restoration of Service Fee

If service has been discontinued or disconnected for proper cause, the City may charge a fee for restoring service of twenty-five dollars (\$25). At the discretion of the City, this fee may be waived under appropriate circumstances.

4.7.3 Late Payment Fee

The Customer or End User will be charged a late payment fee of one and one-half percent (1.5%) per month (compounded daily) for any past due balance. At the discretion of the City, this fee may be waived under appropriate circumstances (*e.g.*, a billing dispute).

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BY:

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EFFECTIVE:

EXHIBIT A

The City of Daytona Beach (City) is a municipality and is governed by a seven-member city commission consisting of an elected mayor and six elected commissioners. The City Commission is responsible for making all major budget and spending decisions, including decisions with regard to telecommunications services and facilities. The City implemented a state-of-the-art telecommunications network in early 2001, which links together various city offices and facilities. This network includes an optical Gigabit Ethernet backbone and provides converged voice and data service for City offices and facilities. The City is submitting this request for certification as an Alternative Local Exchange Carrier (ALEC) so that it can build on these capabilities to provide local telecommunications service to tenants and other users of City facilities and educational and other public institutions in the community and to respond to other community-based telecommunications needs that may arise in the future.

The City has developed management and technical capabilities in numerous areas as a result of its wide-ranging responsibilities. (The City has a population of 64,000 and is also a resort community which hosts millions of visitors and several large-scale special events (e.g., the Daytona "500" at the International Speedway) each year.) The City's annual expenditures total about \$102 million (this total includes about \$55 million in general fund expenditures and about \$47 million in enterprise and internal service fund expenditures) and its assets total about \$438 million. The City currently has five enterprise funds and has developed substantial experience in operating enterprise-type activities. The City's work force includes about 995 full-time and 225 part-time employees.

Managerial Capability

Mr. Carey F. Smith, City Manager, and Mr. Richard F. Quigley, Assistant City Manager for Technology/Support Services, will be responsible for implementation of policies established by the City Commission with regard to telecommunications services and facilities and overall management of the City's telecommunications operations. In addition, the City's staff offers expertise in related areas, including law, finance, and engineering, and can provide additional management and other support on an as-needed basis.

Carey Smith:

Mr. Smith has served as a city manager or administrator for 29 years and has served as the city manager for Daytona Beach since 1994. In that capacity, he manages and oversees all City operations, including basic governmental functions and enterprise activities, and develops budgets and financing plans for both overall City operations and specific City projects. Prior to assuming his current position with the City, Mr. Smith served as a city manager or administrator for a number of cities, including Tarpon Springs, Florida (1990 to 1994), Hilton Head, South Carolina (1983 to 1990), Myrtle Beach, South Carolina (1980 to 1983), and North Augusta, South Carolina (1974 to 1980), and was responsible for developing and managing numerous infrastructure and service projects while working for these cities.

Richard Quigley:

Mr. Quigley is the City's Assistant Manager for Support/Technology Services and has been with the City for almost 20 years. Mr. Quigley manages finance, utility, information systems, human resources, employee relations, and risk management functions for the City and also serves as the City's Emergency Management Director. Among other things, Mr. Quigley has been the project manager for numerous telecommunications projects for the City. Mr. Quigley has 28 years of experience in city management, including service as the city manager for South Daytona, Florida (1980 to 1982) and as assistant to the city manager for Sanford, Florida (1973 to 1980).

Technical Capability

The City's Information Systems and Services (ISS) Department will be responsible for operation and management of the City's telecommunications system and services on a day-to-day basis and development and improvement of the City's telecommunications capabilities. Leading this effort will be Mr. Grady L. Meeks, Jr., Director of the ISS Department, and Mr. H. Eugene McWilliams, Manager of Information Services. The ISS Department provides support for the City's telecommunications and computer operations and services and provides expertise in a wide range of technical areas. Additional technical expertise will be provided on an as-needed basis by outside contractors such as Nortel Networks (equipment), Nextira (formerly Williams Communications) (voice), and Empire Computing and Consulting (data) who provided support in connection with development of the City's existing telecommunications network.

Grady Meeks:

Mr. Meeks has served as the City's ISS director since 1995 and is responsible for directing development of telecommunications and other information systems for the City and managing deployment and operation of these systems. He managed development and deployment of the City's existing advanced telecommunications system, which has been in operation since early 2001. From 1990 to 1995, he was a project manager and electrical engineer at IMProCOM, Inc., where he was responsible for designing and implementing engineering projects and installations throughout the United States, including projects involving integration of hardware and software for telecommunication/security networks.

Eugene McWilliams:

Mr. McWilliams has served as the City's Manager of Information Services since 1999 and designed and implemented the City's new telecommunications network. He has been in the telecommunications and computer business for about 38 years, including more than 25 years with the Bell System and BellSouth in various technical capacities (from 1963 to 1990). In addition, Mr. McWilliams has designed and implemented wide area networks for other entities, including Nassau County (Florida) Schools (1998 and 1999) and Jacksonville Utilities (Florida) Employees Credit Union (1996 and 1997). Mr. McWilliams has held various other positions in the telecommunications and computer business in recent years, including serving as a payments and accounts supervisor for America Online (1995 and 1996) and providing consulting services to

various entities with regard to computer and information services and telecommunications networks.

EXHIBIT B
AUDITED FINANCIAL STATEMENTS
FOR 1998, 1999, & 2000

JAMES MOORE & CO., P.L.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor, City Commissioners, and City Manager
of The City of Daytona Beach, Florida:

We have audited the accompanying general purpose financial statements of The City of Daytona Beach, Florida as of and for the year ended September 30, 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of The City of Daytona Beach, Florida's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget (OMB) Circular A-133, "*Audits of States, Local Governments and Non-Profit Organizations*." Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Governmental Accounting Standards Board Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*, requires disclosure of certain matters regarding the year 2000 issue. The City of Daytona Beach, Florida has included such disclosures in Note 23. Because of the unprecedented nature of the year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Accordingly, insufficient audit evidence exists to support The City of Daytona Beach, Florida's disclosures with respect to the year 2000 issue made in Note 23. Further, we do not provide assurance that The City of Daytona Beach, Florida is or will be year 2000 ready, that The City of Daytona Beach, Florida's year 2000 remediation efforts will be successful in whole or in part, or that parties with which The City of Daytona Beach, Florida does business will be year 2000 ready.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding year 2000 disclosures, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of The City of Daytona Beach, Florida, as of September 30, 1998, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 1998, on our consideration of The City of Daytona Beach, Florida's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund financial statements, required supplementary information, and the supporting schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of The City of Daytona Beach, Florida. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole. The statistical section has not been subject to the auditing procedures applied in the audit of the general purpose financial statements, and, accordingly, we express no opinion on it.

Holly Hill, Florida
December 11, 1998

James Moore & Co.

COMBINED STATEMENTS - OVERVIEW

THE CITY OF DAYTONA BEACH, FLORIDA
 COMBINED BALANCE SHEET
 ALL FUND TYPES, ACCOUNT GROUPS AND
 DISCRETELY PRESENTED COMPONENT UNIT
 SEPTEMBER 30, 1998

	PRIMARY GOVERNMENT				
	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPES
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	ENTERPRISE
ASSETS					
Equity in pooled cash and investments	\$ 8,435,857	\$ 4,224,591	\$ 57,280	\$ 3,562,951	\$ 12,968,881
Accounts receivable - net	600,446	1,528	0	0	4,314,536
Accrued interest receivable	42,144	176	0	0	0
Employee accounts receivable	20,307	4,718	0	0	805
Taxes receivable	447,836	0	0	0	0
Due from other governments	718,624	496,034	0	75,927	89,756
Inventory	241,505	3,210	0	0	494,883
Prepaid items	2,170	0	0	0	13,250
RESTRICTED ASSETS					
Cash and Investments:					
Sinking fund	0	0	0	0	3,217,864
Construction funds	0	0	0	0	3,453,530
Landfill postclosure escrow	0	0	0	0	21,295
Renewal and replacement funds	0	0	0	0	6,541,624
Customer deposits	0	0	0	0	2,600,000
Accrued interest receivable	0	0	0	0	11,727
Land	0	0	0	0	5,414,608
Buildings and improvements	0	0	0	0	43,447,383
Improvements other than buildings	0	0	0	0	25,380,716
Equipment	0	0	0	0	122,038,409
Accumulated depreciation	0	0	0	0	(72,296,999)
Construction in progress	0	0	0	0	13,534,958
Notes receivable	0	344,196	0	0	0
Deposits	250	0	0	0	500
Advances to other funds	0	98,287	0	0	2,141,000
Unamortized bond costs	0	0	0	0	719,479
Amount to be provided for retirement of general long term debt	0	0	0	0	0
TOTAL ASSETS	\$ 10,509,139	\$ 5,172,740	\$ 57,280	\$ 3,638,878	\$ 174,108,205

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

PROPRIETARY FUND TYPES	FIDUCIARY FUND TYPES	ACCOUNT GROUPS		1998 TOTALS (MEMORANDUM ONLY)	COMPONENT UNIT	1998 TOTALS (MEMORANDUM ONLY)
		GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT			
INTERNAL SERVICE	TRUST AND AGENCY			PRIMARY GOVERNMENT		
\$ 9,528,757	\$ 81,829,426	\$ 0	\$ 0	\$ 120,607,743	\$ 3,608	\$ 120,611,351
233	4,090	0	0	4,920,833	0	4,920,833
0	347,979	0	0	390,299	0	390,299
1,563	4,848	0	0	32,241	0	32,241
0	0	0	0	447,836	0	447,836
0	475,812	0	0	1,856,153	0	1,856,153
254,061	0	0	0	993,659	0	993,659
259,982	0	0	0	275,402	0	275,402
0	0	0	0	3,217,864	0	3,217,864
0	0	0	0	3,453,530	0	3,453,530
0	0	0	0	21,295	0	21,295
0	0	0	0	6,541,624	0	6,541,624
0	0	0	0	2,600,000	0	2,600,000
0	0	0	0	11,727	0	11,727
0	0	8,581,195	0	13,995,803	0	13,995,803
358,748	0	23,100,839	0	66,906,970	0	66,906,970
11,380	0	11,524,992	0	36,917,088	0	36,917,088
612,536	0	16,020,946	0	138,671,891	0	138,671,891
(641,475)	0	0	0	(72,938,474)	0	(72,938,474)
0	0	599,361	0	14,134,319	0	14,134,319
0	0	0	0	344,196	0	344,196
0	0	0	0	750	0	750
310,000	0	0	0	2,549,287	0	2,549,287
0	0	0	0	719,479	0	719,479
0	0	0	7,899,555	7,899,555	0	7,899,555
<u>\$ 10,695,785</u>	<u>\$ 82,662,155</u>	<u>\$ 59,827,333</u>	<u>\$ 7,899,555</u>	<u>\$ 354,571,070</u>	<u>\$ 3,608</u>	<u>\$ 354,574,678</u>

THE CITY OF DAYTONA BEACH, FLORIDA
 COMBINED BALANCE SHEET
 ALL FUND TYPES, ACCOUNT GROUPS AND
 DISCRETELY PRESENTED COMPONENT UNIT
 SEPTEMBER 30, 1998

	PRIMARY GOVERNMENT				
	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPES
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	ENTERPRISE
LIABILITIES AND FUND EQUITY					
LIABILITIES					
Accounts payable	\$ 416,299	\$ 74,698	\$ 0	\$ 97,865	\$ 520,983
Accrued liabilities	603,609	28,403	0	0	176,808
Notes payable - current	0	0	0	0	298,374
Estimated current portion of insurance claims payable	0	0	0	0	0
Due to other governments	121,335	11,072	0	0	38,685
Contracts payable	0	50,150	0	314,466	426,572
Deferred revenues	1,103,068	344,196	0	0	4,162
LIABILITIES PAYABLE FROM RESTRICTED ASSETS					
Construction Funds:					
Accounts payable	0	0	0	0	55,405
Contracts payable	0	0	0	0	2,881,928
Revenue bonds payable - current	0	0	0	0	1,735,000
Accrued interest payable	0	0	0	0	1,095,239
Customer deposits	0	0	0	0	2,572,465
Revenue bonds payable	0	0	0	0	47,630,000
Less: deferred amount on refunding unamortized bond discount	0	0	0	0	(248,488)
Long-term notes payable	0	0	0	0	(1,601,899)
Estimated long-term portion of insurance claims payable	0	0	0	0	31,047,117
Deposits	102,631	9,396	0	60,000	0
Advances from other funds	98,287	1,326,000	0	0	11,644
Other liabilities	0	0	0	0	1,125,000
Compensated absences	0	0	0	0	1,063,728
TOTAL LIABILITIES	\$ 2,445,229	\$ 1,843,915	\$ 0	\$ 472,331	\$ 89,243,801
EQUITY AND OTHER CREDITS					
Investment in general fixed assets	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions - net	0	0	0	0	35,245,979
Retained earnings:					
Reserved for bond retirement	0	0	0	0	191,474
Reserved for renewal and replacement	0	0	0	0	1,596,175
Reserved for capital projects	0	0	0	0	47,572,599
Unreserved	0	0	0	0	258,177
Fund Balances:					
Reserved for encumbrances	104,289	18,783	0	0	0
Reserved for inventories	241,505	0	0	0	0
Reserved for prepaid items	2,170	0	0	0	0
Reserved for police education	8,317	0	0	0	0
Reserved for employees' pension benefits	0	0	0	0	0
Reserved for law enforcement	0	427,644	0	0	0
Reserved for local housing assistance	0	238,366	0	0	0
Reserved for advances to other funds	0	98,287	0	0	0
Reserved for debt service	0	0	57,280	0	0
Reserved for capital projects	275,060	1,577,723	0	3,166,547	0
Reserved for voluntary incentive program	0	0	0	0	0
Unreserved:					
Designated for recreation purposes	10,183	0	0	0	0
Undesignated	7,422,386	968,022	0	0	0
TOTAL EQUITY AND OTHER CREDITS	\$ 8,063,910	\$ 3,328,825	\$ 57,280	\$ 3,166,547	\$ 84,864,404
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$ 10,509,139	\$ 5,172,740	\$ 57,280	\$ 3,638,878	\$ 174,108,205

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

PROPRIETARY FUND TYPES	FIDUCIARY FUND TYPES	ACCOUNT GROUPS		1998 TOTALS (MEMORANDUM ONLY)	COMPONENT UNIT		1998 TOTALS (MEMORANDUM ONLY)
		GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT		GOVERNMENTAL DOWNTOWN DEVELOPMENT AUTHORITY	REPORTING ENTITY	
INTERNAL SERVICE	TRUST AND AGENCY			PRIMARY GOVERNMENT			
\$ 183,935	\$ 100,618	\$ 0	\$ 0	\$ 1,394,398	\$ 120	\$ 1,394,518	
31,199	12,363	0	0	852,382	0	852,382	
0	0	0	0	298,374	0	298,374	
919,408	0	0	0	919,408	0	919,408	
196,716	0	0	0	367,808	0	367,808	
0	0	0	0	791,188	0	791,188	
0	0	0	0	1,451,426	0	1,451,426	
0	0	0	0	55,405	0	55,405	
0	0	0	0	2,881,928	0	2,881,928	
0	0	0	0	1,735,000	0	1,735,000	
0	0	0	0	1,095,239	0	1,095,239	
0	0	0	0	2,572,465	0	2,572,465	
0	0	0	0	47,630,000	0	47,630,000	
0	0	0	0	(248,488)	0	(248,488)	
0	0	0	0	(1,601,899)	0	(1,601,899)	
0	0	0	3,569,126	34,616,243	0	34,616,243	
4,785,592	0	0	0	4,785,592	0	4,785,592	
0	0	0	0	183,671	0	183,671	
0	0	0	0	2,549,287	0	2,549,287	
374,374	0	0	2,618,245	4,056,347	0	4,056,347	
73,544	0	0	1,712,184	2,196,806	0	2,196,806	
<u>\$ 6,564,768</u>	<u>\$ 112,981</u>	<u>\$ 0</u>	<u>\$ 7,899,555</u>	<u>\$ 108,582,580</u>	<u>\$ 120</u>	<u>\$ 108,582,700</u>	
\$ 0	\$ 0	\$ 59,827,333	\$ 0	\$ 59,827,333	\$ 0	\$ 59,827,333	
220,244	0	0	0	35,466,223	0	35,466,223	
0	0	0	0	191,474	0	191,474	
0	0	0	0	1,596,175	0	1,596,175	
0	0	0	0	47,572,599	0	47,572,599	
3,910,773	0	0	0	4,168,950	0	4,168,950	
0	0	0	0	123,072	0	123,072	
0	0	0	0	241,505	0	241,505	
0	0	0	0	2,170	0	2,170	
0	0	0	0	8,317	0	8,317	
0	82,309,462	0	0	82,309,462	0	82,309,462	
0	0	0	0	427,644	0	427,644	
0	0	0	0	238,366	0	238,366	
0	0	0	0	98,287	0	98,287	
0	0	0	0	57,280	0	57,280	
0	0	0	0	5,019,330	0	5,019,330	
0	239,712	0	0	239,712	0	239,712	
0	0	0	0	10,183	0	10,183	
0	0	0	0	8,390,408	3,488	8,393,896	
<u>\$ 4,131,017</u>	<u>\$ 82,549,174</u>	<u>\$ 59,827,333</u>	<u>\$ 0</u>	<u>\$ 245,988,490</u>	<u>\$ 3,488</u>	<u>\$ 245,991,978</u>	
<u>\$ 10,695,785</u>	<u>\$ 82,662,155</u>	<u>\$ 59,827,333</u>	<u>\$ 7,899,555</u>	<u>\$ 354,571,070</u>	<u>\$ 3,608</u>	<u>\$ 354,574,678</u>	

THE CITY OF DAYTONA BEACH, FLORIDA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES, EXPENDABLE TRUST FUNDS
 AND DISCRETELY PRESENTED COMPONENT UNITS
 FOR THE YEAR ENDED SEPTEMBER 30, 1998

	PRIMARY GOVERNMENT		
	GOVERNMENTAL FUND TYPES		
	GENERAL	SPECIAL REVENUE	DEBT SERVICE
REVENUES			
Taxes	\$ 26,221,602	\$ 0	\$ 0
Licenses and permits	1,671,579	12,042	0
Intergovernmental revenues	5,904,741	3,412,261	0
Charges for services	5,397,754	0	0
Fines and forfeitures	931,169	167,382	0
Income on investments	956,843	224,674	0
Voluntary incentive program contributions	0	0	0
Miscellaneous revenues	3,870,056	4,800	0
TOTAL REVENUES	\$ 44,953,744	\$ 3,821,159	\$ 0
EXPENDITURES			
Current:			
General Government	\$ 5,587,416	\$ 0	\$ 0
Public Safety	23,220,274	248,566	0
Transportation	4,942,715	0	0
Economic Environment	432,415	2,832,654	0
Human Services	0	96,171	0
Culture/Recreation	2,456,123	4,993	0
Capital Outlay	1,503,583	593,311	0
Voluntary incentive program administration	0	0	0
Debt Service:			
Principal retirement	0	0	120,190
Interest and fiscal charges	0	0	166,515
TOTAL EXPENDITURES	\$ 38,142,526	\$ 3,775,695	\$ 286,705
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 6,811,218	\$ 45,464	\$ (286,705)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	\$ 768,201	\$ 1,830,328	\$ 265,141
Operating transfers (out)	(4,541,668)	(459,805)	0
Loan proceeds	1,000,000	0	0
Proceeds of loan refunding	0	0	2,619,126
Payment to refunded loan escrow agent	0	0	(2,540,282)
TOTAL OTHER FINANCING SOURCES (USES)	\$ (2,773,467)	\$ 1,370,523	\$ 343,985
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ 4,037,751	\$ 1,415,987	\$ 57,280
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED	\$ 3,976,166	\$ 1,912,838	\$ 0
Increase in reserve for inventory	49,993	0	0
FUND BALANCES AT END OF YEAR	\$ 8,063,910	\$ 3,328,825	\$ 57,280

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

CAPITAL PROJECTS	FIDUCIARY FUND TYPE EXPENDABLE TRUST	1998 TOTALS (MEMORANDUM ONLY)		COMPONENT UNIT	1998 TOTALS (MEMORANDUM ONLY) REPORTING ENTITY
		PRIMARY GOVERNMENT	GOVERNMENTAL DOWNTOWN DEVELOPMENT AUTHORITY		
\$ 0	\$ 0	\$ 26,221,602	\$ 97,224	\$ 26,318,826	
0	0	1,683,621	0	1,683,621	
166,641	0	9,483,643	0	9,483,643	
0	0	5,397,754	0	5,397,754	
0	0	1,098,551	0	1,098,551	
10,743	0	1,192,260	383	1,192,643	
0	244,912	244,912	0	244,912	
0	0	3,874,856	0	3,874,856	
<u>\$ 177,384</u>	<u>\$ 244,912</u>	<u>\$ 49,197,199</u>	<u>\$ 97,607</u>	<u>\$ 49,294,806</u>	
\$ 0	\$ 0	\$ 5,587,416	\$ 0	\$ 5,587,416	
0	0	23,468,840	0	23,468,840	
0	0	4,942,715	0	4,942,715	
0	0	3,265,069	71,632	3,336,701	
0	0	96,171	0	96,171	
0	0	2,461,116	0	2,461,116	
2,174,470	0	4,271,364	0	4,271,364	
0	5,200	5,200	0	5,200	
0	0	120,190	0	120,190	
0	0	166,515	0	166,515	
<u>\$ 2,174,470</u>	<u>\$ 5,200</u>	<u>\$ 44,384,596</u>	<u>\$ 71,632</u>	<u>\$ 44,456,228</u>	
<u>\$ (1,997,086)</u>	<u>\$ 239,712</u>	<u>\$ 4,812,603</u>	<u>\$ 25,975</u>	<u>\$ 4,838,578</u>	
\$ 2,679,120	\$ 0	\$ 5,542,790	\$ 0	\$ 5,542,790	
0	0	(5,001,473)	(23,940)	(5,025,413)	
0	0	1,000,000	0	1,000,000	
0	0	2,619,126	0	2,619,126	
0	0	(2,540,282)	0	(2,540,282)	
<u>\$ 2,679,120</u>	<u>\$ 0</u>	<u>\$ 1,620,161</u>	<u>\$ (23,940)</u>	<u>\$ 1,596,221</u>	
\$ 682,034	\$ 239,712	\$ 6,432,764	\$ 2,035	\$ 6,434,799	
\$ 2,484,513	\$ 0	\$ 8,373,517	\$ 1,453	\$ 8,374,970	
0	0	49,993	0	49,993	
<u>\$ 3,166,547</u>	<u>\$ 239,712</u>	<u>\$ 14,856,274</u>	<u>\$ 3,488</u>	<u>\$ 14,859,762</u>	

ENTERPRISE FUNDS

THE CITY OF DAYTONA BEACH, FLORIDA

ENTERPRISE FUNDS

COMBINING BALANCE SHEET

SEPTEMBER 30, 1998

	WATER AND SEWER SYSTEM	SOLID WASTE MANAGEMENT	HALIFAX HARBOR	MUNICIPAL GOLF COURSE	STORMWATER IMPROVEMENT	1998 TOTALS	1997 TOTALS
ASSETS							
CURRENT ASSETS							
Equity in pooled cash and investments	\$ 4,955,809	\$ 2,005,448	\$ 1,425,767	\$ 410,020	\$ 4,171,837	\$ 12,968,881	\$ 9,263,948
Accounts receivable - net	4,175,556	113,133	15,940	9,907	0	4,314,536	4,197,876
Employee accounts receivable	805	0	0	0	0	805	530
Due from other governments	26,888	61,524	0	0	1,344	89,756	116,230
Inventory	411,509	0	14,616	68,758	0	494,883	439,608
Prepaid items	0	0	6,750	6,500	0	13,250	30,379
TOTAL CURRENT ASSETS	\$ 9,570,567	\$ 2,180,105	\$ 1,463,073	\$ 495,185	\$ 4,173,181	\$ 17,882,111	\$ 14,048,571
RESTRICTED ASSETS							
Cash and investments:							
Sinking fund	\$ 2,914,662	\$ 0	\$ 240,588	\$ 45,518	\$ 17,096	\$ 3,217,864	\$ 3,215,295
Construction funds	2,867,187	0	0	333,692	252,651	3,453,530	5,958,506
Landfill postcloser escrow	0	21,295	0	0	0	21,295	0
Renewal and replacement	6,541,624	0	0	0	0	6,541,624	8,228,291
Customer deposits	2,600,000	0	0	0	0	2,600,000	2,470,000
Accrued interest receivable	8,367	0	741	1,570	1,049	11,727	569
TOTAL RESTRICTED ASSETS	\$ 14,931,840	\$ 21,295	\$ 241,329	\$ 380,780	\$ 270,796	\$ 15,846,040	\$ 19,872,661
FIXED ASSETS							
Land	\$ 3,256,131	\$ 25,021	\$ 38,603	\$ 1,512,832	\$ 582,021	\$ 5,414,608	\$ 3,863,212
Buildings and improvements	36,650,173	157,051	5,394,401	1,053,176	192,582	43,447,383	43,078,572
Improvements other than buildings	11,006,229	184,129	12,707,605	975,616	507,137	25,380,716	24,971,619
Equipment	108,704,979	368,120	1,551,327	992,991	10,420,992	122,038,409	118,172,552
	\$ 159,617,512	\$ 734,321	\$ 19,691,936	\$ 4,534,615	\$ 11,702,732	\$ 196,281,116	\$ 190,085,955
less: accumulated depreciation	(60,739,487)	(349,955)	(6,908,456)	(1,843,468)	(2,455,633)	(72,296,999)	(65,304,843)
	\$ 98,878,025	\$ 384,366	\$ 12,783,480	\$ 2,691,147	\$ 9,247,099	\$ 123,984,117	\$ 124,781,112
Construction in progress	13,284,272	0	0	0	250,686	13,534,958	5,747,425
TOTAL NET FIXED ASSETS	\$ 112,162,297	\$ 384,366	\$ 12,783,480	\$ 2,691,147	\$ 9,497,785	\$ 137,519,075	\$ 130,528,537
OTHER ASSETS							
Deposits	\$ 500	\$ 0	\$ 0	\$ 0	\$ 0	\$ 500	\$ 500
Advance to other funds	1,725,000	0	0	0	416,000	2,141,000	1,825,000
Unamortized bond costs	470,180	0	219,131	24,299	5,869	719,479	716,438
TOTAL OTHER ASSETS	\$ 2,195,680	\$ 0	\$ 219,131	\$ 24,299	\$ 421,869	\$ 2,860,979	\$ 2,541,938
TOTAL ASSETS	\$ 138,860,384	\$ 2,585,766	\$ 14,707,013	\$ 3,591,411	\$ 14,363,631	\$ 174,108,205	\$ 166,991,707

LIABILITIES AND FUND EQUITY

CURRENT LIABILITIES (PAYABLE FROM CURRENT ASSETS)

Accounts payable	\$ 303,716	\$ 44,932	\$ 93,239	\$ 44,317	\$ 34,779	\$ 520,983	\$ 467,220
Accrued liabilities	133,449	8,898	0	16,796	17,665	176,808	170,985
Notes payable - current	0	0	198,374	100,000	0	298,374	481,267
Due to other governments	2,133	1,009	10,361	5,182	20,000	38,685	68,308
Contracts payable	0	354,943	11,791	0	59,838	426,572	167,437
Deferred revenues	0	0	1,525	2,637	0	4,162	9,628

TOTAL CURRENT LIABILITIES (PAYABLE FROM CURRENT ASSETS)

\$ 439,298	\$ 409,782	\$ 315,290	\$ 168,932	\$ 132,282	\$ 1,465,584	\$ 1,364,845
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CURRENT LIABILITIES (PAYABLE FROM RESTRICTED ASSETS)

Construction Funds:							
Accounts payable	\$ 55,405	\$ 0	\$ 0	\$ 0	\$ 0	\$ 55,405	\$ 162,973
Contracts payable	2,881,928	0	0	0	0	2,881,928	325,972
Revenue bonds payable - current	1,735,000	0	0	0	0	1,735,000	1,955,000
Accrued interest payable	1,050,802	0	35,533	6,321	2,583	1,095,239	1,078,667
Customer deposits	2,572,465	0	0	0	0	2,572,465	2,465,835

TOTAL CURRENT LIABILITIES (PAYABLE FROM RESTRICTED ASSETS)

\$ 8,295,600	\$ 0	\$ 35,533	\$ 6,321	\$ 2,583	\$ 8,340,037	\$ 5,988,447
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OTHER LIABILITIES

Revenue bonds payable-	\$ 47,630,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 47,630,000	\$ 49,365,000
less: deferred amount on refunding	(248,488)	0	0	0	0	(248,488)	(277,745)
unamortized bond discount	(1,601,899)	0	0	0	0	(1,601,899)	(1,644,847)
	\$ 45,779,613	\$ 0	\$ 0	\$ 0	\$ 0	\$ 45,779,613	\$ 47,442,408
Long-term notes payable	12,425,305	0	15,871,812	1,950,000	800,000	31,047,117	24,619,029
Deposits	0	720	10,924	0	0	11,644	47,764
Advance from other funds	0	0	0	1,125,000	0	1,125,000	1,125,000
Other liabilities	789,292	2,800	0	209,335	62,301	1,063,728	0
Compensated absences	332,979	11,767	0	35,708	30,624	411,078	501,091

TOTAL OTHER LIABILITIES

\$ 59,327,189	\$ 15,287	\$ 15,882,736	\$ 3,320,043	\$ 892,925	\$ 79,438,180	\$ 73,735,292
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TOTAL LIABILITIES

\$ 68,062,087	\$ 425,069	\$ 16,233,559	\$ 3,495,296	\$ 1,027,790	\$ 89,243,801	\$ 81,088,584
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FUND EQUITY

Contributions - (net of accumulated depreciation)	\$ 27,639,072	\$ 49,112	\$ 378,404	\$ 646,627	\$ 6,532,764	\$ 35,245,979	\$ 34,980,953
Retained earnings:							
Reserved for bond retirement	\$ 128,860	\$ 0	\$ 0	\$ 45,518	\$ 17,096	\$ 191,474	\$ 145,956
Reserved for renewal and replacement	1,596,175	0	0	0	0	1,596,175	1,565,425
Reserved for capital projects	40,720,765	65,853	0	0	6,785,981	47,572,599	49,112,364
Unreserved (deficit)	713,425	2,045,732	(1,904,950)	(596,030)	0	258,177	98,425
	\$ 43,159,225	\$ 2,111,585	\$ (1,904,950)	\$ (550,512)	\$ 6,803,077	\$ 49,618,425	\$ 50,922,170

TOTAL FUND EQUITY (DEFICIT)

\$ 70,798,297	\$ 2,160,697	\$ (1,526,546)	\$ 96,115	\$ 13,335,841	\$ 84,864,404	\$ 85,903,123
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TOTAL LIABILITIES AND FUND EQUITY

\$ 138,860,384	\$ 2,585,766	\$ 14,707,013	\$ 3,591,411	\$ 14,363,631	\$ 174,108,205	\$ 166,991,707
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THE CITY OF DAYTONA BEACH, FLORIDA

ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

FOR THE YEAR ENDED SEPTEMBER 30, 1998

	SOLID					1998	1997
	WATER AND SEWER SYSTEM	WASTE MANAGEMENT	HALIFAX HARBOR	MUNICIPAL GOLF COURSE	STORMWATER IMPROVEMENT	TOTALS	TOTALS
OPERATING REVENUES							
Charges for services	\$ 22,641,686	\$ 5,252,277	\$ 2,328,786	\$ 1,734,980	\$ 2,230,541	\$ 34,188,270	\$ 35,184,600
TOTAL OPERATING REVENUES	\$ 22,641,686	\$ 5,252,277	\$ 2,328,786	\$ 1,734,980	\$ 2,230,541	\$ 34,188,270	\$ 35,184,600
OPERATING EXPENSES							
Personal services	\$ 7,176,448	\$ 378,411	\$ 0	\$ 1,108,273	\$ 835,935	\$ 9,499,067	\$ 8,163,865
Contractual services	4,537,662	4,662,853	984,190	405,144	314,598	10,904,447	11,500,356
Materials and supplies	2,314,794	106,675	365,032	394,470	269,981	3,450,952	4,166,036
Depreciation	6,135,171	48,328	799,277	192,676	442,663	7,618,115	7,808,419
TOTAL OPERATING EXPENSES	\$ 20,164,075	\$ 5,196,267	\$ 2,148,499	\$ 2,100,563	\$ 1,863,177	\$ 31,472,581	\$ 31,638,676
OPERATING INCOME (LOSS)	\$ 2,477,611	\$ 56,010	\$ 180,287	\$ (365,583)	\$ 367,364	\$ 2,715,689	\$ 3,545,924

NONOPERATING INCOME (EXPENSES)

Intergovernmental revenues	\$ 51,823	\$ 90,740	\$ 639	\$ 0	\$ 1,811	\$ 145,013	\$ 169,270
Income on investments	916,242	96,044	154,700	45,183	247,657	1,459,826	981,277
Miscellaneous revenues	627,221	86,323	29,112	7,024	0	749,680	543,936
Interest expense	(2,853,772)	0	(749,554)	(123,203)	(32,183)	(3,758,712)	(3,847,501)
Amortization of bond costs	(27,692)	0	(47,094)	(1,811)	(306)	(76,903)	(37,363)
Payment in lieu of taxes	(1,485,011)	(334,865)	(149,634)	(125,161)	(159,251)	(2,253,922)	(2,191,431)
Gain (loss) on disposal of fixed assets	(11,390)	97	(1,221)	(3,203)	17,471	1,754	(568,790)
TOTAL NONOPERATING INCOME (EXPENSES)	\$ (2,782,579)	\$ (61,661)	\$ (763,052)	\$ (201,171)	\$ 75,199	\$ (3,733,264)	\$ (4,950,602)
INCOME (LOSS) BEFORE OPERATING TRANSFERS	\$ (304,968)	\$ (5,651)	\$ (582,765)	\$ (566,754)	\$ 442,563	\$ (1,017,575)	\$ (1,404,678)
OPERATING TRANSFERS							
Operating transfers in	\$ 0	\$ 0	\$ 182,623	\$ 201,671	\$ 0	\$ 384,294	\$ 0
Operating transfers (out)	(1,176,046)	(100,000)	0	0	0	(1,276,046)	(700,000)
NET INCOME (LOSS)	\$ (1,481,014)	\$ (105,651)	\$ (400,142)	\$ (365,083)	\$ 442,563	\$ (1,909,327)	\$ (2,104,678)
OTHER CHANGES							
Credit arising from depreciation of fixed contributed assets	556,021	9,704	39,857	0	0	605,582	635,495
NET INCREASE (DECREASE) IN RETAINED EARNINGS DURING YEAR	\$ (924,993)	\$ (95,947)	\$ (360,285)	\$ (365,083)	\$ 442,563	\$ (1,303,745)	\$ (1,469,183)
RETAINED EARNINGS AT BEGINNING OF YEAR AS RESTATED (DEFICIT)	\$ 44,084,218	\$ 2,207,532	\$ (1,544,665)	\$ (185,429)	\$ 6,360,514	\$ 50,922,170	\$ 52,391,353
RETAINED EARNINGS AT END OF YEAR (DEFICIT)	\$ 43,159,225	\$ 2,111,585	\$ (1,904,950)	\$ (550,512)	\$ 6,803,077	\$ 49,618,425	\$ 50,922,170

THE CITY OF DAYTONA BEACH, FLORIDA
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 1998

	WATER AND SEWER SYSTEM	SOLID WASTE MANAGEMENT	HALIFAX HARBOR	MUNICIPAL GOLF COURSE	STORMWATER IMPROVEMENT	1998 TOTALS	1997 TOTALS
OPERATING INCOME (LOSS)	\$ 2,477,611	\$ 56,010	\$ 180,287	\$ (365,583)	\$ 367,364	\$ 2,715,689	\$ 3,545,924
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES							
Depreciation and amortization	\$ 6,135,171	\$ 48,328	\$ 799,277	\$ 192,676	\$ 442,663	\$ 7,618,115	\$ 7,809,174
Miscellaneous revenue	627,221	86,323	29,112	7,024	0	749,680	402,091
(Increase) decrease in:							
Accounts receivable	(126,375)	(9,222)	(10,215)	19,970	9,182	(116,660)	(86,022)
Employee accounts receivable	(805)	480	0	50	0	(275)	1,841
Accrued interest receivable	(7,933)	0	(741)	0	(1,049)	(9,723)	(434)
Due from other governments	(26,888)	0	12,786	0	(1,344)	(15,446)	(12,786)
Inventories	(45,423)	0	3,861	(13,713)	0	(55,275)	79,012
Prepaid items	0	0	14,486	2,643	0	17,129	15,225
Notes receivable	0	0	0	0	0	0	421,485
Increase (decrease) in:							
Accounts payable	(141,993)	12,671	47,957	1,166	26,394	(53,805)	2,079
Accrued liabilities	2,356	1,723	0	(1,837)	3,477	5,719	26,216
Accrued interest payable	0	0	35,533	(838)	0	34,695	0
Due to other governments	(41,382)	(1,820)	(6,584)	183	19,980	(29,623)	5,737
Deferred revenues	0	0	(5,047)	(419)	0	(5,466)	(414,382)
Customer deposits	106,630	0	0	0	0	106,630	116,118
Deposits	0	(39,985)	3,866	0	0	(36,119)	(2,112)
Other liabilities	789,292	2,800	0	209,335	62,301	1,063,728	0
Compensated absences	(63,887)	(86)	0	(21,105)	(4,935)	(90,013)	15,507
TOTAL ADJUSTMENTS	\$ 7,205,984	\$ 101,212	\$ 924,291	\$ 395,135	\$ 556,669	\$ 9,183,291	\$ 8,378,749
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 9,683,595	\$ 157,222	\$ 1,104,578	\$ 29,552	\$ 924,033	\$ 11,898,980	\$ 11,924,673
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Payment in lieu of taxes	\$ (1,485,011)	\$ (334,865)	\$ (149,634)	\$ (125,161)	\$ (159,251)	\$ (2,253,922)	\$ (2,191,431)
Intergovernmental revenues	51,823	90,740	639	0	1,811	145,013	169,270
Principal received on advance to other funds	100,000	0	0	0	0	100,000	252,712
Advance to other funds	0	0	0	0	(416,000)	(416,000)	0
Transfers from other funds	0	0	182,623	201,671	0	384,294	0
Transfers to other funds	(1,176,046)	(100,000)	0	0	0	(1,276,046)	(700,000)
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	\$ (2,509,234)	\$ (344,125)	\$ 33,628	\$ 76,510	\$ (573,440)	\$ (3,316,661)	\$ (2,469,449)

CASH FLOWS FROM CAPITAL
AND RELATED FINANCING ACTIVITIES

Acquisition and construction of capital assets	\$ (10,441,791)	\$ (118,631)	\$ (31,783)	\$ (351,326)	\$ (770,246)	\$ (11,713,777)	\$ (6,302,573)
Proceeds from long term notes	6,395,305	0	0	0	0	6,395,305	8,960,000
Issue costs from long term notes	0	0	(79,945)	0	0	(79,945)	(80,673)
Principal payments on bonds and notes	(1,955,000)	0	(70,110)	(80,000)	0	(2,105,110)	(2,316,434)
Interest payments on bonds and notes	(2,799,586)	0	(749,554)	(123,203)	(32,183)	(3,704,526)	(3,782,020)
Property and equipment contract payments	(325,972)	354,943	0	(18,332)	(149,105)	(138,466)	(297,411)
Proceeds from sale of fixed assets	37,750	375	225	85	22,000	60,435	59,242
Capital contributions	870,288	42,240	0	0	0	912,528	711,536

NET CASH (USED FOR) CAPITAL AND
RELATED FINANCING ACTIVITIES

	\$ (8,219,006)	\$ 278,927	\$ (931,167)	\$ (572,776)	\$ (929,534)	\$ (10,373,556)	\$ (3,048,333)
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CASH FLOWS FROM INVESTING ACTIVITIES

Interest received	\$ 916,242	\$ 96,044	\$ 154,700	\$ 43,748	\$ 247,657	\$ 1,458,391	\$ 981,142
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NET CASH PROVIDED BY
INVESTING ACTIVITIES

	\$ 916,242	\$ 96,044	\$ 154,700	\$ 43,748	\$ 247,657	\$ 1,458,391	\$ 981,142
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NET INCREASE (DECREASE)
IN CASH AND CASH EQUIVALENTS

	\$ (128,403)	\$ 188,068	\$ 361,739	\$ (422,966)	\$ (331,284)	\$ (332,846)	\$ 7,388,033
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CASH AND CASH EQUIVALENTS
AT BEGINNING OF YEAR

	20,007,685	1,838,675	1,304,616	1,212,196	4,772,868	29,136,040	21,748,007
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CASH AND CASH
EQUIVALENTS AT END OF YEAR

	\$ 19,879,282	\$ 2,026,743	\$ 1,666,355	\$ 789,230	\$ 4,441,584	\$ 28,803,194	\$ 29,136,040
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NONCASH FINANCING ACTIVITIES

Refinancing of notes payable	\$ 0	\$ 0	\$ 10,669,718	\$ 0	\$ 0	\$ 10,669,718	\$ 0
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THE CITY OF DAYTONA BEACH, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 1998

	FLEET MAINTENANCE	CENTRAL STORES	EMPLOYEE SERVICES	CENTRAL PROPERTY MAINTENANCE	CONSOLIDATED INSURANCE	1998 TOTALS	1997 TOTALS
ASSETS							
CURRENT ASSETS							
Equity in pooled cash and investments	\$ 231,820	\$ 354,748	\$ 175,479	\$ 96,054	\$ 8,670,656	\$ 9,528,757	\$ 9,044,863
Accounts receivable	0	0	0	0	233	233	25,521
Employee accounts receivable	0	0	939	0	624	1,563	0
Inventory	0	254,061	0	0	0	254,061	246,158
Prepaid items	0	0	0	0	259,982	259,982	382,423
TOTAL CURRENT ASSETS	\$ 231,820	\$ 608,809	\$ 176,418	\$ 96,054	\$ 8,931,495	\$ 10,044,596	\$ 9,698,965
FIXED ASSETS							
Buildings and improvements	\$ 102,338	\$ 87,637	\$ 0	\$ 131,020	\$ 37,753	\$ 358,748	\$ 358,747
Improvements other than buildings	8,700	181	0	2,499	0	11,380	4,480
Equipment	261,881	15,694	14,686	229,785	90,490	612,536	604,985
	\$ 372,919	\$ 103,512	\$ 14,686	\$ 363,304	\$ 128,243	\$ 982,664	\$ 968,212
less: accumulated depreciation	(220,442)	(72,983)	(14,366)	(248,842)	(84,842)	(641,475)	(584,289)
	\$ 152,477	\$ 30,529	\$ 320	\$ 114,462	\$ 43,401	\$ 341,189	\$ 383,923
Construction in progress	0	0	0	0	0	0	6,900
TOTAL NET FIXED ASSETS	\$ 152,477	\$ 30,529	\$ 320	\$ 114,462	\$ 43,401	\$ 341,189	\$ 390,823
OTHER ASSETS							
Advance to other funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 310,000	\$ 310,000	\$ 360,000
TOTAL OTHER ASSETS	\$ 0	\$ 0	\$ 0	\$ 0	\$ 310,000	\$ 310,000	\$ 360,000
TOTAL ASSETS	\$ 384,297	\$ 639,338	\$ 176,738	\$ 210,516	\$ 9,284,896	\$ 10,695,785	\$ 10,449,788
LIABILITIES AND FUND EQUITY							
CURRENT LIABILITIES							
Accounts payable	\$ 37,643	\$ 55,042	\$ 2,053	\$ 9,648	\$ 79,549	\$ 183,935	\$ 167,620
Accrued liabilities	12,184	2,035	4,050	5,707	7,223	31,199	30,268
Estimated current portion of insurance claims payable	0	0	0	0	919,408	919,408	898,884
Due to other governments	73	7	33	2	196,601	196,716	210,269
TOTAL CURRENT LIABILITIES	\$ 49,900	\$ 57,084	\$ 6,136	\$ 15,357	\$ 1,202,781	\$ 1,331,258	\$ 1,307,041
OTHER LIABILITIES							
Estimated long-term portion of insurance claims payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,785,592	\$ 4,785,592	\$ 4,244,116
Other liabilities	116,967	76,329	125,454	55,624	0	374,374	0
Compensated absences	34,760	6,664	2,868	8,941	20,311	73,544	102,707
TOTAL OTHER LIABILITIES	\$ 151,727	\$ 82,993	\$ 128,322	\$ 64,565	\$ 4,805,903	\$ 5,233,510	\$ 4,346,823
TOTAL LIABILITIES	\$ 201,627	\$ 140,077	\$ 134,458	\$ 79,922	\$ 6,008,684	\$ 6,564,768	\$ 5,653,864
FUND EQUITY							
Contributions - (net of accumulated depreciation)	\$ 66,023	\$ 0	\$ 0	\$ 130,594	\$ 23,627	\$ 220,244	\$ 222,356
Retained earnings: Unreserved	116,647	499,261	42,280	0	3,252,585	3,910,773	4,573,568
TOTAL FUND EQUITY	\$ 182,670	\$ 499,261	\$ 42,280	\$ 130,594	\$ 3,276,212	\$ 4,131,017	\$ 4,795,924
TOTAL LIABILITIES AND FUND EQUITY	\$ 384,297	\$ 639,338	\$ 176,738	\$ 210,516	\$ 9,284,896	\$ 10,695,785	\$ 10,449,788

THE CITY OF DAYTONA BEACH, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
FOR THE YEAR ENDED SEPTEMBER 30, 1998

	FLEET MAINTENANCE	CENTRAL STORES	EMPLOYEE SERVICES	CENTRAL PROPERTY MAINTENANCE	CONSOLIDATED INSURANCE	1998 TOTALS	1997 TOTALS
OPERATING REVENUES							
Charges for services	\$ 1,090,619	\$ 1,066,077	\$ 330,584	\$ 678,582	\$ 6,961,350	\$ 10,127,212	\$ 10,311,224
TOTAL OPERATING REVENUES	\$ 1,090,619	\$ 1,066,077	\$ 330,584	\$ 678,582	\$ 6,961,350	\$ 10,127,212	\$ 10,311,224
OPERATING EXPENSES							
Personal services	\$ 629,319	\$ 186,390	\$ 342,871	\$ 328,046	\$ 324,077	\$ 1,810,703	\$ 1,454,845
Contractual services	178,473	16,129	61,861	333,230	225,841	815,534	749,081
Materials and supplies	375,218	888,451	9,437	43,199	14,049	1,330,354	1,357,787
Insurance	0	0	0	0	1,987,517	1,987,517	160,976
Employee benefits	0	0	0	0	5,683,241	5,683,241	5,484,605
Depreciation	29,843	4,079	616	28,253	6,540	69,331	62,753
TOTAL OPERATING EXPENSES	\$ 1,212,853	\$ 1,095,049	\$ 414,785	\$ 732,728	\$ 8,241,265	\$ 11,696,680	\$ 9,270,047
OPERATING INCOME (LOSS)	\$ (122,234)	\$ (28,972)	\$ (84,201)	\$ (54,146)	\$ (1,279,915)	\$ (1,569,468)	\$ 1,041,177
NONOPERATING INCOME (EXPENSES)							
Intergovernmental revenues	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,950	\$ 4,950	\$ 0
Income on investments	1,191	832	508	1,247	521,353	525,131	346,608
Miscellaneous revenues	0	0	0	0	105	105	0
(Loss) on disposal of fixed assets	0	0	0	0	0	0	(41)
TOTAL NONOPERATING INCOME (EXPENSES)	\$ 1,191	\$ 832	\$ 508	\$ 1,247	\$ 526,408	\$ 530,186	\$ 346,567
OPERATING TRANSFERS							
Operating transfers in	\$ 116,968	\$ 76,329	\$ 125,454	\$ 55,624	\$ 0	\$ 374,375	\$ 0
NET INCOME (LOSS)	\$ (4,075)	\$ 48,189	\$ 41,761	\$ 2,725	\$ (753,507)	\$ (664,907)	\$ 1,387,744
OTHER CHANGES							
Credit arising from depreciation/ disposal of contributed assets	0	0	0	0	2,112	2,112	2,107
NET INCREASE (DECREASE) IN RETAINED EARNINGS DURING THE YEAR	\$ (4,075)	\$ 48,189	\$ 41,761	\$ 2,725	\$ (751,395)	\$ (662,795)	\$ 1,389,851
RETAINED EARNINGS AT BEGINNING OF YEAR AS RESTATED (DEFICIT)	\$ 120,722	\$ 451,072	\$ 519	\$ (2,725)	\$ 4,003,980	\$ 4,573,568	\$ 3,183,717
RETAINED EARNINGS AT END OF YEAR	\$ 116,647	\$ 499,261	\$ 42,280	\$ 0	\$ 3,252,585	\$ 3,910,773	\$ 4,573,568

THE CITY OF DAYTONA BEACH, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 1998

	FLEET MAINTENANCE	CENTRAL STORES	EMPLOYEE SERVICES	CENTRAL PROPERTY MAINTENANCE	CONSOLIDATED INSURANCE	1998 TOTALS	1997 TOTALS
OPERATING INCOME (LOSS)	\$ (122,234)	\$ (28,972)	\$ (84,201)	\$ (54,146)	\$ (1,279,915)	\$ (1,569,468)	\$ 1,041,177
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES							
Depreciation	\$ 29,843	\$ 4,079	\$ 616	\$ 28,253	\$ 6,540	\$ 69,331	\$ 62,753
Miscellaneous revenues	0	0	0	0	105	105	0
(Increase) decrease in accounts receivable	0	0	0	0	25,288	25,288	(25,521)
(Increase) decrease in employee accounts receivable	0	0	(939)	0	(624)	(1,563)	2,167
(Increase) decrease in inventories	0	(7,903)	0	0	0	(7,903)	5,411
(Increase) decrease in prepaid items	0	0	0	0	122,441	122,441	(2,917)
Increase (decrease) in accounts payable	17,212	12,186	(2,276)	(3,617)	(7,190)	16,315	(99,434)
Increase (decrease) in accrued liabilities	1,453	14	(1,078)	219	323	931	4,058
Increase (decrease) in current portion of insurance claims payable	0	0	0	0	20,524	20,524	(13,301)
Increase (decrease) in due to other governments	30	(88)	(1)	0	(13,494)	(13,553)	12,373
Increase (decrease) in long-term portion of insurance claims payable	0	0	0	0	541,476	541,476	(1,002,793)
Increase in other liabilities	116,967	76,329	125,454	55,624	0	374,374	0
Increase (decrease) in compensated absences	(1,580)	(4,666)	(19,695)	(1,334)	(1,888)	(29,163)	(2,005)
TOTAL ADJUSTMENTS	\$ 163,925	\$ 79,951	\$ 102,081	\$ 79,145	\$ 693,501	\$ 1,118,603	\$ (1,059,209)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	\$ 41,691	\$ 50,979	\$ 17,880	\$ 24,999	\$ (586,414)	\$ (450,865)	\$ (18,032)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Intergovernmental revenues	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,950	\$ 4,950	\$ 0
Principal received on advance to other funds	0	0	0	0	50,000	50,000	4,986
Advance to other funds	0	0	0	0	0	0	(360,000)
Transfers from other funds	116,968	76,329	125,454	55,624	0	374,375	0
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	\$ 116,968	\$ 76,329	\$ 125,454	\$ 55,624	\$ 54,950	\$ 429,325	\$ (355,014)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES							
Acquisition and construction of capital assets	\$ (11,646)	\$ 0	\$ 0	\$ (2,251)	\$ (5,800)	\$ (19,697)	\$ (64,335)
NET CASH (USED FOR) CAPITAL FINANCING ACTIVITIES	\$ (11,646)	\$ 0	\$ 0	\$ (2,251)	\$ (5,800)	\$ (19,697)	\$ (64,335)
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest received	\$ 1,191	\$ 832	\$ 508	\$ 1,247	\$ 521,353	\$ 525,131	\$ 346,608
NET CASH PROVIDED BY INVESTING ACTIVITIES	\$ 1,191	\$ 832	\$ 508	\$ 1,247	\$ 521,353	\$ 525,131	\$ 346,608
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 148,204	\$ 128,140	\$ 143,842	\$ 79,619	\$ (15,911)	\$ 483,894	\$ (90,773)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	83,616	226,608	31,637	16,435	8,686,567	9,044,863	9,135,636
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 231,820	\$ 354,748	\$ 175,479	\$ 96,054	\$ 8,670,656	\$ 9,528,757	\$ 9,044,863

JAMES MOORE & CO., P.L.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor, City Commissioners, and City Manager
of The City of Daytona Beach, Florida:

We have audited the accompanying general purpose financial statements of The City of Daytona Beach, Florida as of and for the year ended September 30, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of The City of Daytona Beach, Florida's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of The City of Daytona Beach, Florida, as of September 30, 1999, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 1999, on our consideration of The City of Daytona Beach, Florida's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund financial statements, required supplementary information, and the supporting schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of The City of Daytona Beach, Florida. Except for the Year 2000 disclosure on page 75 such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole. The Year 2000 disclosure on page 75 is not a required part of the general purpose financial statements but is supplementary information required by the Governmental Accounting Standards Board, and we did not audit and do not express an opinion on such information. Further, we were unable to apply to the information certain procedures prescribed by professional standards because of the unprecedented nature of the Year 2000 issue and its effects, and the fact that authoritative measurement criteria regarding the status of remediation efforts have not been established. In addition, we do not provide assurance that the City of Daytona Beach Florida is or will be Year 2000 compliant, the

Year 2000 efforts are or will be successful in whole or in part, or that parties with which the City of Daytona Beach, Florida does business are or will be Year 2000 compliant. The statistical section has not been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and, accordingly, we express no opinion on it.

James Moore & Co.

Daytona Beach, Florida
December 17, 1999

THE CITY OF DAYTONA BEACH, FLORIDA
 COMBINED BALANCE SHEET
 ALL FUND TYPES, ACCOUNT GROUPS AND
 DISCRETELY PRESENTED COMPONENT UNIT
 SEPTEMBER 30, 1999

	PRIMARY GOVERNMENT				PROPRIETARY FUND TYPES
	GOVERNMENTAL FUND TYPES				
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	
ASSETS AND OTHER DEBITS					
Equity in pooled cash and investments	\$ 10,087,588	\$ 12,243,970	\$ 1,037,090	\$ 4,399,263	\$ 16,680,996
Accounts receivable - net	633,208	1,569	0	0	4,536,833
Accrued interest receivable	384	94,906	9,207	0	0
Employee accounts receivable	20,490	4,202	0	0	2,377
Taxes receivable	537,348	0	0	0	0
Due from other governments	558,739	335,398	0	194,227	30,029
Inventory	216,274	3,210	0	0	659,343
Prepaid items	10,539	0	0	0	12,600
RESTRICTED ASSETS					
Cash and Investments:					
Sinking fund	0	0	0	0	2,966,887
Construction funds	0	0	0	0	1,053,182
Landfill postclosure escrow	0	0	0	0	28,840
Renewal and replacement funds	0	0	0	0	4,524,944
Customer deposits	0	0	0	0	2,800,000
Accrued interest receivable	0	0	0	0	1,164
Land	0	0	0	0	5,617,680
Buildings and improvements	0	0	0	0	45,290,069
Improvements other than buildings	0	0	0	0	25,310,658
Equipment	0	0	0	0	128,925,401
Accumulated depreciation	0	0	0	0	(79,256,692)
Construction in progress	0	0	0	0	19,916,000
Notes receivable	0	331,561	0	0	0
Deposits	150	0	0	0	500
Advances to other funds	62,547	11,238	0	0	2,022,000
Unamortized bond costs	0	0	0	0	1,247,572
Amount available in debt service funds	0	0	0	0	0
Amount to be provided for retirement of general long term debt	0	0	0	0	0
TOTAL ASSETS AND OTHER DEBITS	\$ 12,127,267	\$ 13,026,054	\$ 1,046,297	\$ 4,593,490	\$ 182,370,383

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

PROPRIETARY FUND TYPES	FIDUCIARY FUND TYPES	ACCOUNT GROUPS		1999 TOTALS (MEMORANDUM ONLY)	COMPONENT UNIT	1999 TOTALS (MEMORANDUM ONLY)
		GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT		GOVERNMENTAL DOWNTOWN DEVELOPMENT AUTHORITY	
INTERNAL SERVICE	TRUST			PRIMARY GOVERNMENT		
\$ 8,236,317	\$ 94,405,948	\$ 0	\$ 0	\$ 147,091,172	\$ 9,814	\$ 147,100,986
0	0	0	0	5,171,610	0	5,171,610
0	343,177	0	0	447,674	0	447,674
2,273	2,711	0	0	32,053	550	32,603
0	0	0	0	537,348	0	537,348
0	0	0	0	1,118,393	0	1,118,393
268,824	0	0	0	1,147,651	0	1,147,651
307,581	0	0	0	330,720	0	330,720
0	0	0	0	2,966,887	0	2,966,887
0	0	0	0	1,053,182	0	1,053,182
0	0	0	0	28,840	0	28,840
0	0	0	0	4,524,944	0	4,524,944
0	0	0	0	2,800,000	0	2,800,000
0	0	0	0	1,164	0	1,164
0	0	8,761,075	0	14,378,755	0	14,378,755
373,829	0	24,506,179	0	70,170,077	0	70,170,077
13,140	0	11,818,510	0	37,142,308	0	37,142,308
676,690	0	19,768,086	0	149,370,177	0	149,370,177
(714,155)	0	0	0	(79,970,847)	0	(79,970,847)
0	0	295,739	0	20,211,739	0	20,211,739
0	0	0	0	331,561	0	331,561
0	0	0	0	650	0	650
260,000	0	0	0	2,355,785	0	2,355,785
0	0	0	0	1,247,572	0	1,247,572
0	0	0	1,037,090	1,037,090	0	1,037,090
0	0	0	20,454,012	20,454,012	0	20,454,012
<u>\$ 9,424,499</u>	<u>\$ 94,751,836</u>	<u>\$ 65,149,589</u>	<u>\$ 21,491,102</u>	<u>\$ 403,980,517</u>	<u>\$ 10,364</u>	<u>\$ 403,990,881</u>

THE CITY OF DAYTONA BEACH, FLORIDA
 COMBINED BALANCE SHEET
 ALL FUND TYPES, ACCOUNT GROUPS AND
 DISCRETELY PRESENTED COMPONENT UNIT
 SEPTEMBER 30, 1999

	PRIMARY GOVERNMENT				
	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPES
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	ENTERPRISE
LIABILITIES, FUND EQUITY (DEFICIT) AND OTHER CREDITS					
LIABILITIES					
Accounts payable	\$ 710,204	\$ 459,833	\$ 0	\$ 58,357	\$ 346,599
Accrued liabilities	546,448	8,111	0	0	82,082
Notes payable - current	0	0	0	0	325,689
Estimated current portion of insurance claims payable	0	0	0	0	0
Due to other governments	88,994	515	0	0	18,794
Contracts payable	0	4,989	0	82,000	568,801
Deferred revenues	1,209,411	331,561	0	0	165
LIABILITIES PAYABLE FROM RESTRICTED ASSETS					
Construction Funds:					
Accounts payable	0	0	0	0	121,771
Contracts payable	0	0	0	0	1,978,36
Revenue bonds payable - current	0	0	0	0	1,515,00
Accrued interest payable	0	0	0	0	1,061,81
Customer deposits	0	0	0	0	2,708,74
Revenue bonds payable	0	0	0	0	46,115,000
Less: deferred amount on refunding unamortized bond discount	0	0	0	0	(219,661)
	0	0	0	0	(1,556,651)
Bond anticipation notes	0	0	0	0	0
Long-term notes payable	0	0	0	0	41,188,448
Estimated long-term portion of insurance claims payable	0	0	0	0	0
Deposits	98,457	6,501	0	0	5,257
Advances from other funds	11,238	1,157,000	0	0	1,125,000
Other liabilities	0	0	0	0	733,524
Compensated absences	0	0	0	0	386,888
TOTAL LIABILITIES	\$ 2,664,752	\$ 1,968,510	\$ 0	\$ 140,357	\$ 96,505,628
EQUITY (DEFICIT) AND OTHER CREDITS					
Investment in general fixed assets	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions - net	0	0	0	0	35,701,864
Retained earnings:					
Reserved for bond retirement	0	0	0	0	191,474
Reserved for renewal and replacement	0	0	0	0	1,674,582
Reserved for capital projects	0	0	0	0	41,266,937
Unreserved	0	0	0	0	7,029,896
Fund Balances:					
Reserved for encumbrances	152,883	10,932	0	0	0
Reserved for inventories	216,274	0	0	0	0
Reserved for prepaid items	10,539	0	0	0	0
Reserved for police education	2,978	0	0	0	0
Reserved for employees' pension benefits	0	0	0	0	0
Reserved for law enforcement	0	413,220	0	0	0
Reserved for local housing assistance	0	313,426	0	0	0
Reserved for advances to other funds	62,547	11,238	0	0	0
Reserved for debt service	0	0	1,046,297	0	0
Reserved for capital projects	172,858	1,649,404	0	4,453,133	0
Reserved for voluntary incentive program	0	0	0	0	0
Unreserved:					
Designated for recreation purposes	23,387	0	0	0	0
Undesignated (deficit)	8,821,049	8,659,324	0	0	0
TOTAL EQUITY (DEFICIT) AND OTHER CREDITS	\$ 9,462,515	\$ 11,057,544	\$ 1,046,297	\$ 4,453,133	\$ 85,864,712
TOTAL LIABILITIES, EQUITY (DEFICIT) AND OTHER CREDITS	\$ 12,127,267	\$ 13,026,054	\$ 1,046,297	\$ 4,593,490	\$ 182,370,340

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

PROPRIETARY FUND TYPES	FIDUCIARY FUND TYPES	ACCOUNT GROUPS		1999 TOTALS (MEMORANDUM ONLY)	COMPONENT UNIT	1999 TOTALS (MEMORANDUM ONLY)
		INTERNAL SERVICE	TRUST			
\$ 280,493	\$ 393,687	\$ 0	\$ 0	\$ 2,249,173	\$ 0	\$ 2,249,173
15,125	0	0	0	651,766	0	651,766
0	0	0	0	325,689	0	325,689
1,082,488	0	0	0	1,082,488	0	1,082,488
31,122	0	0	0	139,425	0	139,425
0	0	0	0	655,790	0	655,790
0	0	0	0	1,541,137	0	1,541,137
0	0	0	0	121,770	0	121,770
0	0	0	0	1,978,365	0	1,978,365
0	0	0	0	1,515,000	0	1,515,000
0	0	0	0	1,061,816	0	1,061,816
0	0	0	0	2,708,742	0	2,708,742
0	0	0	0	46,115,000	0	46,115,000
0	0	0	0	(219,661)	0	(219,661)
0	0	0	0	(1,556,651)	0	(1,556,651)
0	0	0	9,967,812	9,967,812	0	9,967,812
0	0	0	8,159,896	49,348,344	0	49,348,344
5,805,512	0	0	0	5,805,512	0	5,805,512
0	0	0	0	110,215	0	110,215
0	0	0	0	2,293,238	62,547	2,355,785
277,246	0	0	1,598,711	2,609,481	0	2,609,481
81,072	0	0	1,764,683	2,232,643	0	2,232,643
<u>\$ 7,573,058</u>	<u>\$ 393,687</u>	<u>\$ 0</u>	<u>\$ 21,491,102</u>	<u>\$ 130,737,094</u>	<u>\$ 62,547</u>	<u>\$ 130,799,641</u>
\$ 0	\$ 0	\$ 65,149,589	\$ 0	\$ 65,149,589	\$ 0	\$ 65,149,589
218,132	0	0	0	35,919,996	0	35,919,996
0	0	0	0	191,474	0	191,474
0	0	0	0	1,674,582	0	1,674,582
0	0	0	0	41,266,937	0	41,266,937
1,633,309	0	0	0	8,663,207	0	8,663,207
0	0	0	0	163,815	0	163,815
0	0	0	0	216,274	0	216,274
0	0	0	0	10,539	0	10,539
0	0	0	0	2,978	0	2,978
0	93,660,705	0	0	93,660,705	0	93,660,705
0	0	0	0	413,220	0	413,220
0	0	0	0	313,426	0	313,426
0	0	0	0	73,785	0	73,785
0	0	0	0	1,046,297	0	1,046,297
0	0	0	0	6,275,395	0	6,275,395
0	697,444	0	0	697,444	0	697,444
0	0	0	0	23,387	0	23,387
0	0	0	0	17,480,373	(52,183)	17,428,190
<u>\$ 1,851,441</u>	<u>\$ 94,358,149</u>	<u>\$ 65,149,589</u>	<u>\$ 0</u>	<u>\$ 273,243,423</u>	<u>\$ (52,183)</u>	<u>\$ 273,191,240</u>
<u>\$ 9,424,499</u>	<u>\$ 94,751,836</u>	<u>\$ 65,149,589</u>	<u>\$ 21,491,102</u>	<u>\$ 403,980,517</u>	<u>\$ 10,364</u>	<u>\$ 403,990,881</u>

THE CITY OF DAYTONA BEACH, FLORIDA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES, EXPENDABLE TRUST FUNDS
 AND DISCRETELY PRESENTED COMPONENT UNIT
 FOR THE YEAR ENDED SEPTEMBER 30, 1999

	PRIMARY GOVERNMENT		
	GOVERNMENTAL FUND TYPES		
	GENERAL	SPECIAL REVENUE	DEBT SERVICE
REVENUES			
Taxes	\$ 26,573,184	\$ 0	\$ 0
Licenses and permits	1,698,178	10,481	0
Intergovernmental revenues	5,737,521	3,659,770	0
Charges for services	5,365,590	0	0
Fines and forfeitures	1,026,228	166,631	0
Income on investments	847,359	416,942	19,763
Voluntary incentive program contributions	0	0	0
Miscellaneous revenues	344,503	14,251	0
TOTAL REVENUES	\$ 41,592,563	\$ 4,268,075	\$ 19,763
EXPENDITURES			
Current:			
General Government	\$ 6,099,812	\$ 0	\$ 0
Public Safety	23,004,721	443,531	0
Transportation	5,333,617	0	0
Economic Environment	473,893	2,787,083	0
Human Services	0	134,176	0
Culture and Recreation	2,898,077	13,674	0
Capital Outlay	1,900,201	1,783,071	0
Voluntary incentive program administration	0	0	0
Voluntary incentive program benefit payments	0	0	0
Debt Service:			
Principal retirement	0	0	119,230
Interest and fiscal charges	0	0	986,344
TOTAL EXPENDITURES	\$ 39,710,321	\$ 5,161,535	\$ 1,105,574
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 1,882,242	\$ (893,460)	\$ (1,085,811)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	\$ 700,000	\$ 644,597	\$ 359,030
Operating transfers from component unit	0	22,089	0
Operating transfers (out)	(2,614,605)	(449,632)	0
Operating transfers to primary government	0	0	0
Loan proceeds	1,456,200	8,405,125	1,715,798
TOTAL OTHER FINANCING SOURCES (USES)	\$ (458,405)	\$ 8,622,179	\$ 2,074,828
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ 1,423,837	\$ 7,728,719	\$ 989,017
FUND BALANCES AT BEGINNING OF YEAR	\$ 8,063,910	\$ 3,328,825	\$ 57,280
(Decrease) in reserve for inventory	(25,232)	0	0
FUND BALANCES (DEFICIT) AT END OF YEAR	\$ 9,462,515	\$ 11,057,544	\$ 1,046,297

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

CAPITAL PROJECTS	FIDUCIARY FUND TYPE EXPENDABLE TRUST	1999 TOTALS	COMPONENT UNIT	1999 TOTALS
		(MEMORANDUM ONLY) PRIMARY GOVERNMENT	GOVERNMENTAL DOWNTOWN DEVELOPMENT AUTHORITY	(MEMORANDUM ONLY) REPORTING ENTITY
\$ 0	\$ 0	\$ 26,573,184	\$ 98,299	\$ 26,671,483
0	0	1,708,659	0	1,708,659
859,438	0	10,256,729	0	10,256,729
0	0	5,365,590	0	5,365,590
0	0	1,192,859	0	1,192,859
16,537	0	1,300,601	922	1,301,523
0	693,432	693,432	0	693,432
0	0	358,754	0	358,754
<u>\$ 875,975</u>	<u>\$ 693,432</u>	<u>\$ 47,449,808</u>	<u>\$ 99,221</u>	<u>\$ 47,549,029</u>
\$ 0	\$ 0	\$ 6,099,812	\$ 0	\$ 6,099,812
0	0	23,448,252	0	23,448,252
0	0	5,333,617	0	5,333,617
0	0	3,260,976	70,256	3,331,232
0	0	134,176	0	134,176
0	0	2,911,751	0	2,911,751
4,626,153	0	8,309,425	62,547	8,371,972
0	15,800	15,800	0	15,800
0	219,900	219,900	0	219,900
0	0	119,230	0	119,230
0	0	986,344	0	986,344
<u>\$ 4,626,153</u>	<u>\$ 235,700</u>	<u>\$ 50,839,283</u>	<u>\$ 132,803</u>	<u>\$ 50,972,086</u>
<u>\$ (3,750,178)</u>	<u>\$ 457,732</u>	<u>\$ (3,389,475)</u>	<u>\$ (33,582)</u>	<u>\$ (3,423,057)</u>
\$ 1,936,075	\$ 0	\$ 3,639,702	\$ 0	\$ 3,639,702
0	0	22,089	0	22,089
0	0	(3,064,237)	0	(3,064,237)
0	0	0	(22,089)	(22,089)
<u>3,100,689</u>	<u>0</u>	<u>14,677,812</u>	<u>0</u>	<u>14,677,812</u>
<u>\$ 5,036,764</u>	<u>\$ 0</u>	<u>\$ 15,275,366</u>	<u>\$ (22,089)</u>	<u>\$ 15,253,277</u>
\$ 1,286,586	\$ 457,732	\$ 11,885,891	\$ (55,671)	\$ 11,830,220
\$ 3,166,547	\$ 239,712	\$ 8,373,517	\$ 3,488	\$ 8,377,005
0	0	(25,232)	0	(25,232)
<u>\$ 4,453,133</u>	<u>\$ 697,444</u>	<u>\$ 20,234,176</u>	<u>\$ (52,183)</u>	<u>\$ 20,181,993</u>

THE CITY OF DAYTONA BEACH, FLORIDA

ENTERPRISE FUNDS

COMBINING BALANCE SHEET

SEPTEMBER 30, 1999

	WATER AND SEWER SYSTEM	SOLID WASTE MANAGEMENT	HALIFAX HARBOR	MUNICIPAL GOLF COURSE	STORMWATER IMPROVEMENT	1999 TOTALS	1998 TOTALS
ASSETS							
CURRENT ASSETS							
Equity in pooled cash and investments	\$ 8,238,068	\$ 1,811,643	\$ 1,912,995	\$ 129,443	\$ 4,588,847	\$ 16,680,996	\$ 12,968,881
Accounts receivable - net	4,379,657	148,994	5,289	2,893	0	4,536,833	4,314,536
Employee accounts receivable	1,217	1,160	0	0	0	2,377	805
Due from other governments	0	30,029	0	0	0	30,029	89,756
Inventory	578,646	0	14,776	65,921	0	659,343	494,883
Prepaid items	0	0	6,100	6,500	0	12,600	13,250
TOTAL CURRENT ASSETS	\$ 13,197,588	\$ 1,991,826	\$ 1,939,160	\$ 204,757	\$ 4,588,847	\$ 21,922,178	\$ 17,882,111
RESTRICTED ASSETS							
Cash and investments:							
Sinking fund	\$ 2,663,685	\$ 0	\$ 240,588	\$ 45,518	\$ 17,096	\$ 2,966,887	\$ 3,217,864
Construction funds	644,293	0	0	255,025	153,864	1,053,182	3,453,530
Landfill postclosure escrow	0	28,840	0	0	0	28,840	21,295
Renewal and replacement	4,524,944	0	0	0	0	4,524,944	6,541,624
Customer deposits	2,800,000	0	0	0	0	2,800,000	2,600,000
Accrued interest receivable	404	0	645	115	0	1,164	11,727
TOTAL RESTRICTED ASSETS	\$ 10,633,326	\$ 28,840	\$ 241,233	\$ 300,658	\$ 170,960	\$ 11,375,017	\$ 15,846,040
FIXED ASSETS							
Land	\$ 3,251,131	\$ 25,021	\$ 38,603	\$ 1,512,832	\$ 790,093	\$ 5,617,680	\$ 5,414,608
Buildings and improvements	38,446,700	157,051	5,394,401	1,053,176	238,741	45,290,069	43,447,383
Improvements other than buildings	10,897,436	187,903	12,742,566	975,616	507,137	25,310,658	25,380,716
Equipment	114,862,975	369,498	1,463,482	1,051,908	11,177,538	128,925,401	122,038,409
	\$ 167,458,242	\$ 739,473	\$ 19,639,052	\$ 4,593,532	\$ 12,713,509	\$ 205,143,808	\$ 196,281,116
less: accumulated depreciation	(66,171,333)	(411,561)	(7,661,458)	(2,031,678)	(2,980,662)	(79,256,692)	(72,296,999)
	\$ 101,286,909	\$ 327,912	\$ 11,977,594	\$ 2,561,854	\$ 9,732,847	\$ 125,887,116	\$ 123,984,117
Construction in progress	19,916,000	0	0	0	0	19,916,000	13,534,958
TOTAL NET FIXED ASSETS	\$ 121,202,909	\$ 327,912	\$ 11,977,594	\$ 2,561,854	\$ 9,732,847	\$ 145,803,116	\$ 137,519,075
OTHER ASSETS							
Deposits	\$ 500	\$ 0	\$ 0	\$ 0	\$ 0	\$ 500	\$ 500
Advance to other funds	1,625,000	0	0	0	397,000	2,022,000	2,141,000
Unamortized bond costs	1,010,267	0	209,254	22,488	5,563	1,247,572	719,479
TOTAL OTHER ASSETS	\$ 2,635,767	\$ 0	\$ 209,254	\$ 22,488	\$ 402,563	\$ 3,270,072	\$ 2,860,979
TOTAL ASSETS	\$ 147,669,590	\$ 2,348,578	\$ 14,367,241	\$ 3,089,757	\$ 14,895,217	\$ 182,370,383	\$ 174,108,205

LIABILITIES AND FUND EQUITY (DEFICIT)

CURRENT LIABILITIES (PAYABLE FROM CURRENT ASSETS)

Accounts payable	\$ 210,640	\$ 2,954	\$ 84,591	\$ 40,738	\$ 7,676	\$ 346,599	\$ 520,983
Accrued liabilities	61,031	4,191	0	8,429	8,431	82,082	176,808
Notes payable - current	0	0	210,689	115,000	0	325,689	298,374
Due to other governments	2,653	727	10,760	3,442	1,212	18,794	38,685
Contracts payable	0	519,580	0	0	49,221	568,801	426,572
Deferred revenues	0	0	55	110	0	165	4,162

TOTAL CURRENT LIABILITIES (PAYABLE FROM CURRENT ASSETS)

\$ 274,324	\$ 527,452	\$ 306,095	\$ 167,719	\$ 66,540	\$ 1,342,130	\$ 1,465,584
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CURRENT LIABILITIES (PAYABLE FROM RESTRICTED ASSETS)

Construction Funds:							
Accounts payable	\$ 121,770	\$ 0	\$ 0	\$ 0	\$ 0	\$ 121,770	\$ 55,405
Contracts payable	1,978,365	0	0	0	0	1,978,365	2,881,928
Revenue bonds payable - current	1,515,000	0	0	0	0	1,515,000	1,735,000
Accrued interest payable	1,019,825	0	33,544	5,990	2,457	1,061,816	1,095,239
Customer deposits	2,708,742	0	0	0	0	2,708,742	2,572,465

TOTAL CURRENT LIABILITIES (PAYABLE FROM RESTRICTED ASSETS)

\$ 7,343,702	\$ 0	\$ 33,544	\$ 5,990	\$ 2,457	\$ 7,385,693	\$ 8,340,037
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OTHER LIABILITIES

Revenue bonds payable	\$ 46,115,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 46,115,000	\$ 47,630,000
less: deferred amount on refunding	(219,661)	0	0	0	0	(219,661)	(248,488)
unamortized bond discount	(1,556,651)	0	0	0	0	(1,556,651)	(1,601,899)
	<u>\$ 44,338,688</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 44,338,688</u>	<u>\$ 45,779,613</u>
Long-term notes payable	22,892,326	0	15,661,122	1,835,000	800,000	41,188,448	31,047,117
Deposits	0	2,183	3,074	0	0	5,257	11,644
Advance from other funds	0	0	0	1,125,000	0	1,125,000	1,125,000
Other liabilities	528,379	22,351	0	145,446	37,348	733,524	1,063,728
Compensated absences	309,665	11,869	0	35,182	30,172	386,888	411,078

TOTAL OTHER LIABILITIES

\$ 68,069,058	\$ 36,403	\$ 15,664,196	\$ 3,140,628	\$ 867,520	\$ 87,777,805	\$ 79,438,180
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TOTAL LIABILITIES

\$ 75,687,084	\$ 563,855	\$ 16,003,835	\$ 3,314,337	\$ 936,517	\$ 96,505,628	\$ 89,243,801
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FUND EQUITY (DEFICIT)

Contributions - (net of accumulated depreciation)	\$ 28,134,751	\$ 40,362	\$ 347,360	\$ 646,627	\$ 6,532,764	\$ 35,701,864	\$ 35,245,979
Retained earnings:							
Reserved for bond retirement	\$ 128,860	\$ 0	\$ 0	\$ 45,518	\$ 17,096	\$ 191,474	\$ 191,474
Reserved for renewal and replacement	1,674,582	0	0	0	0	1,674,582	1,596,175
Reserved for capital projects	33,803,585	54,512	0	0	7,408,840	41,266,937	47,572,599
Unreserved (deficit)	8,240,728	1,689,849	(1,983,954)	(916,725)	0	7,029,898	258,177
	<u>\$ 43,847,755</u>	<u>\$ 1,744,361</u>	<u>\$ (1,983,954)</u>	<u>\$ (871,207)</u>	<u>\$ 7,425,936</u>	<u>\$ 50,162,891</u>	<u>\$ 49,618,425</u>

TOTAL FUND EQUITY (DEFICIT)

\$ 71,982,506	\$ 1,784,723	\$ (1,636,594)	\$ (224,580)	\$ 13,958,700	\$ 85,864,755	\$ 84,864,404
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TOTAL LIABILITIES AND FUND EQUITY (DEFICIT)

\$ 147,669,590	\$ 2,348,578	\$ 14,367,241	\$ 3,089,757	\$ 14,895,217	\$ 182,370,383	\$ 174,108,205
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THE CITY OF DAYTONA BEACH, FLORIDA
 ENTERPRISE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
 FOR THE YEAR ENDED SEPTEMBER 30, 1999

	SOLID					1999 TOTALS	1998 TOTALS
	WATER AND SEWER SYSTEM	WASTE MANAGEMENT	HALIFAX HARBOR	MUNICIPAL GOLF COURSE	STORMWATER IMPROVEMENT		
OPERATING REVENUES							
Charges for services	\$ 23,182,350	\$ 5,532,727	\$ 2,483,860	\$ 1,707,133	\$ 2,310,445	\$ 35,216,515	\$ 34,188,270
TOTAL OPERATING REVENUES	\$ 23,182,350	\$ 5,532,727	\$ 2,483,860	\$ 1,707,133	\$ 2,310,445	\$ 35,216,515	\$ 34,188,270
OPERATING EXPENSES							
Personal services	\$ 6,014,227	\$ 412,066	\$ 0	\$ 818,376	\$ 828,382	\$ 8,073,051	\$ 9,499,067
Contractual services	4,522,617	5,033,325	1,009,759	357,456	328,041	11,251,198	10,904,447
Materials and supplies	2,441,320	98,033	348,021	390,363	211,224	3,488,961	3,450,952
Depreciation	6,351,949	68,182	793,004	189,987	525,029	7,928,151	7,618,115
TOTAL OPERATING EXPENSES	\$ 19,330,113	\$ 5,611,606	\$ 2,150,784	\$ 1,756,182	\$ 1,892,676	\$ 30,741,361	\$ 31,472,581
OPERATING INCOME (LOSS)	\$ 3,852,237	\$ (78,879)	\$ 333,076	\$ (49,049)	\$ 417,769	\$ 4,475,154	\$ 2,715,689

NONOPERATING INCOME (EXPENSES)

Intergovernmental revenues	\$ 861	\$ 60,092	\$ 0	\$ 0	\$ 163,959	\$ 224,912	\$ 145,013
Income on investments	969,410	75,495	114,027	31,829	231,792	1,422,553	1,459,826
Miscellaneous revenues	170,111	40,161	39,886	8,405	0	258,563	749,680
Interest expense	(2,759,741)	0	(605,375)	(126,272)	(27,983)	(3,519,371)	(3,758,712)
Amortization of bond costs	(48,127)	0	(9,877)	(1,811)	(306)	(60,121)	(76,903)
Payment in lieu of taxes	(1,462,662)	(340,707)	(143,867)	(104,866)	(162,372)	(2,214,474)	(2,253,922)
Gain (loss) on disposal of fixed assets	(128,912)	(1,636)	(23,454)	319	0	(153,683)	1,754

TOTAL NONOPERATING INCOME (EXPENSES)

	\$ (3,259,060)	\$ (166,595)	\$ (628,660)	\$ (192,396)	\$ 205,090	\$ (4,041,621)	\$ (3,733,264)
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INCOME (LOSS) BEFORE OPERATING TRANSFERS

	\$ 593,177	\$ (245,474)	\$ (295,584)	\$ (241,445)	\$ 622,859	\$ 433,533	\$ (1,017,575)
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OPERATING TRANSFERS

Operating transfers in	\$ 189,950	\$ 0	\$ 185,535	\$ 0	\$ 0	\$ 375,485	\$ 384,294
Operating transfers (out)	(630,500)	(130,500)	0	(79,250)	0	(840,250)	(1,276,046)

TOTAL OPERATING TRANSFERS

	\$ (440,550)	\$ (130,500)	\$ 185,535	\$ (79,250)	\$ 0	\$ (464,765)	\$ (891,752)
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NET INCOME (LOSS)

	\$ 152,627	\$ (375,974)	\$ (110,049)	\$ (320,695)	\$ 622,859	\$ (31,232)	\$ (1,909,327)
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OTHER CHANGES

Credit arising from depreciation of fixed contributed assets	535,903	8,750	31,045	0	0	575,698	605,582
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NET INCREASE (DECREASE) IN RETAINED EARNINGS (DEFICIT) DURING YEAR

	\$ 688,530	\$ (367,224)	\$ (79,004)	\$ (320,695)	\$ 622,859	\$ 544,466	\$ (1,303,745)
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RETAINED EARNINGS (DEFICIT) AT BEGINNING OF YEAR

	\$ 43,159,225	\$ 2,111,585	\$ (1,904,950)	\$ (550,512)	\$ 6,803,077	\$ 49,618,425	\$ 50,922,170
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RETAINED EARNINGS (DEFICIT) AT END OF YEAR

	\$ 43,847,755	\$ 1,744,361	\$ (1,983,954)	\$ (871,207)	\$ 7,425,936	\$ 50,162,891	\$ 49,618,425
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93

THE CITY OF DAYTONA BEACH, FLORIDA
 ENTERPRISE FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED SEPTEMBER 30, 1999

	WATER AND SEWER SYSTEM	SOLID WASTE MANAGEMENT	HALIFAX HARBOR	MUNICIPAL GOLF COURSE	STORMWATER IMPROVEMENT	1999 TOTALS	1998 TOTALS
OPERATING INCOME (LOSS)	\$ 3,852,237	\$ (78,879)	\$ 333,075	\$ (49,049)	\$ 417,769	\$ 4,475,153	\$ 2,715,689
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES							
Depreciation and amortization	\$ 6,351,949	\$ 68,182	\$ 793,004	\$ 189,987	\$ 525,029	\$ 7,928,151	\$ 7,618,115
Miscellaneous revenue	170,111	40,161	39,886	8,405	0	258,563	749,680
(Increase) decrease in:							
Accounts receivable	(204,101)	(35,861)	10,651	7,014	0	(222,297)	(116,660)
Employee accounts receivable	(412)	(1,160)	0	0	0	(1,572)	(275)
Accrued interest receivable	7,963	0	96	0	1,049	9,108	(9,723)
Due from other governments	26,888	0	0	0	1,344	28,232	(15,446)
Inventories	(167,137)	0	(160)	2,837	0	(164,460)	(55,275)
Prepaid items	0	0	650	0	0	650	17,129
Notes receivable	0	0	0	0	0	0	0
Increase (decrease) in:							
Accounts payable	(26,711)	122,659	(8,648)	(3,579)	(27,103)	56,618	301,138
Accrued liabilities	(72,418)	(4,707)	0	(8,367)	0	(85,492)	5,719
Accrued interest payable	0	0	(1,989)	(331)	(9,360)	(11,680)	34,695
Due to other governments	520	(282)	399	(1,740)	(18,788)	(19,891)	(29,623)
Deferred revenues	0	0	(1,470)	(2,527)	0	(3,997)	(5,466)
Customer deposits	136,277	0	0	0	0	136,277	106,630
Deposits	0	1,463	(7,850)	0	0	(6,387)	(36,119)
Other liabilities	(260,913)	19,551	0	(63,889)	(24,953)	(330,204)	1,063,728
Compensated absences	(23,314)	102	0	(526)	(452)	(24,190)	(90,013)
TOTAL ADJUSTMENTS	\$ 5,938,702	\$ 210,108	\$ 824,569	\$ 127,284	\$ 446,766	\$ 7,547,429	\$ 9,538,234
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 9,790,939	\$ 131,229	\$ 1,157,644	\$ 78,235	\$ 864,535	\$ 12,022,582	\$ 12,253,923
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Payment in lieu of taxes	\$ (1,462,662)	\$ (340,707)	\$ (143,867)	\$ (104,866)	\$ (162,372)	\$ (2,214,474)	\$ (2,253,922)
Intergovernmental revenues	861	60,092	0	0	163,959	224,912	145,013
Principal received on advance to other funds	100,000	0	0	0	19,000	119,000	100,000
Advance to other funds	0	0	0	0	0	0	(416,000)
Transfers from other funds	189,950	0	185,535	0	0	375,485	384,294
Transfers to other funds	(630,500)	(130,500)	0	(79,250)	0	(840,250)	(1,276,046)
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	\$ (1,802,351)	\$ (411,115)	\$ 41,668	\$ (184,116)	\$ 20,587	\$ (2,335,327)	\$ (3,316,661)

CASH FLOWS FROM CAPITAL
AND RELATED FINANCING ACTIVITIES

Acquisition and construction of capital assets	\$ (15,488,487)	\$ (13,364)	\$ (41,024)	\$ (60,777)	\$ (710,870)	\$ (16,314,522)	\$ (11,713,777)
Proceeds from long term notes	10,467,021	0	0	0	0	10,467,021	6,395,305
Issue costs from long term notes	(588,213)	0	0	0	0	(588,213)	(79,945)
Principal payments on bonds and notes	(1,735,000)	0	(198,375)	(100,000)	0	(2,033,375)	(2,105,110)
Interest payments on bonds and notes	(2,716,643)	0	(605,375)	(126,272)	(27,983)	(3,476,273)	(3,704,526)
Property and equipment contract payments	(940,352)	0	(11,791)	0	(59,838)	(1,011,981)	(493,409)
Proceeds from sale of fixed assets	3,803	0	30,454	402	0	34,659	60,435
Capital contributions	1,031,581	31,495	0	0	0	1,063,076	912,528

NET CASH PROVIDED BY (USED FOR) CAPITAL
AND RELATED FINANCING ACTIVITIES

	\$ (9,966,290)	\$ 18,131	\$ (826,111)	\$ (286,647)	\$ (798,691)	\$ (11,859,608)	\$ (10,728,499)
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CASH FLOWS FROM INVESTING ACTIVITIES

Interest received	\$ 969,410	\$ 75,495	\$ 114,027	\$ 33,284	\$ 231,792	\$ 1,424,008	\$ 1,458,391
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NET CASH PROVIDED BY
INVESTING ACTIVITIES

	\$ 969,410	\$ 75,495	\$ 114,027	\$ 33,284	\$ 231,792	\$ 1,424,008	\$ 1,458,391
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NET INCREASE (DECREASE)
IN CASH AND CASH EQUIVALENTS

	\$ (1,008,292)	\$ (186,260)	\$ 487,228	\$ (359,244)	\$ 318,223	\$ (748,345)	\$ (332,846)
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CASH AND CASH EQUIVALENTS
AT BEGINNING OF YEAR

	19,879,282	2,026,743	1,666,355	789,230	4,441,584	28,803,194	29,136,040
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CASH AND CASH
EQUIVALENTS AT END OF YEAR

	\$ 18,870,990	\$ 1,840,483	\$ 2,153,583	\$ 429,986	\$ 4,759,807	\$ 28,054,849	\$ 28,803,194
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THE CITY OF DAYTONA BEACH, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 1999

	FLEET MAINTENANCE	CENTRAL STORES	EMPLOYMENT SERVICES	CENTRAL PROPERTY MAINTENANCE	CONSOLIDATED INSURANCE	1999 TOTALS	1998 TOTALS
ASSETS							
CURRENT ASSETS							
Equity in pooled cash and investments	\$ 153,417	\$ 276,795	\$ 151,354	\$ 127,828	\$ 7,526,923	\$ 8,236,317	\$ 9,528,757
Accounts receivable	0	0	0	0	0	0	233
Employee accounts receivable	0	0	2,138	0	135	2,273	1,563
Inventory	0	268,824	0	0	0	268,824	254,061
Prepaid items	0	0	0	0	307,581	307,581	259,982
TOTAL CURRENT ASSETS	\$ 153,417	\$ 545,619	\$ 153,492	\$ 127,828	\$ 7,834,639	\$ 8,814,995	\$ 10,044,598
FIXED ASSETS							
Buildings and improvements	\$ 102,338	\$ 100,862	\$ 0	\$ 131,020	\$ 39,609	\$ 373,829	\$ 358,748
Improvements other than buildings	8,700	181	0	2,499	1,760	13,140	11,380
Equipment	269,955	33,776	30,308	234,695	107,956	676,690	612,536
	\$ 380,993	\$ 134,819	\$ 30,308	\$ 368,214	\$ 149,325	\$ 1,063,659	\$ 982,664
less: accumulated depreciation	(252,118)	(78,252)	(14,687)	(277,418)	(91,680)	(714,155)	(641,475)
	\$ 128,875	\$ 56,567	\$ 15,621	\$ 90,796	\$ 57,645	\$ 349,504	\$ 341,189
TOTAL NET FIXED ASSETS	\$ 128,875	\$ 56,567	\$ 15,621	\$ 90,796	\$ 57,645	\$ 349,504	\$ 341,189
OTHER ASSETS							
Advance to other funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 260,000	\$ 260,000	\$ 310,000
TOTAL OTHER ASSETS	\$ 0	\$ 0	\$ 0	\$ 0	\$ 260,000	\$ 260,000	\$ 310,000
TOTAL ASSETS	\$ 282,292	\$ 602,186	\$ 169,113	\$ 218,624	\$ 8,152,284	\$ 9,424,499	\$ 10,695,785
LIABILITIES AND FUND EQUITY							
CURRENT LIABILITIES							
Accounts payable	\$ 14,389	\$ 17,342	\$ 18,646	\$ 7,978	\$ 222,138	\$ 280,493	\$ 183,935
Accrued liabilities	5,760	883	2,009	3,175	3,298	15,125	31,199
Estimated current portion of insurance claims payable	0	0	0	0	1,082,488	1,082,488	919,408
Due to other governments	356	4	21	1	30,740	31,122	196,716
TOTAL CURRENT LIABILITIES	\$ 20,505	\$ 18,229	\$ 20,676	\$ 11,154	\$ 1,338,664	\$ 1,409,228	\$ 1,331,258
OTHER LIABILITIES							
Estimated long-term portion of insurance claims payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,805,512	\$ 5,805,512	\$ 4,785,592
Other liabilities	72,730	51,792	119,323	33,401	0	277,246	374,374
Compensated absences	43,474	6,799	3,683	8,954	18,162	81,072	73,544
TOTAL OTHER LIABILITIES	\$ 116,204	\$ 58,591	\$ 123,006	\$ 42,355	\$ 5,823,674	\$ 6,163,830	\$ 5,233,510
TOTAL LIABILITIES	\$ 136,709	\$ 76,820	\$ 143,682	\$ 53,509	\$ 7,162,338	\$ 7,573,058	\$ 6,564,768
FUND EQUITY							
Contributions - (net of accumulated depreciation)	\$ 66,023	\$ 0	\$ 0	\$ 130,594	\$ 21,515	\$ 218,132	\$ 220,244
Retained earnings: Unreserved	79,560	525,366	25,431	34,521	968,431	1,633,309	3,910,773
TOTAL FUND EQUITY	\$ 145,583	\$ 525,366	\$ 25,431	\$ 165,115	\$ 989,946	\$ 1,851,441	\$ 4,131,017
TOTAL LIABILITIES AND FUND EQUITY	\$ 282,292	\$ 602,186	\$ 169,113	\$ 218,624	\$ 8,152,284	\$ 9,424,499	\$ 10,695,785

THE CITY OF DAYTONA BEACH, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
FOR THE YEAR ENDED SEPTEMBER 30, 1999

	FLEET MAINTENANCE	CENTRAL STORES	EMPLOYMENT SERVICES	CENTRAL PROPERTY MAINTENANCE	CONSOLIDATED INSURANCE	1999 TOTALS	1998 TOTALS
OPERATING REVENUES							
Charges for services	\$ 1,243,843	\$ 1,066,792	\$ 244,598	\$ 743,173	\$ 6,656,409	\$ 9,954,815	\$ 10,127,212
TOTAL OPERATING REVENUES	\$ 1,243,843	\$ 1,066,792	\$ 244,598	\$ 743,173	\$ 6,656,409	\$ 9,954,815	\$ 10,127,212
OPERATING EXPENSES							
Personal services	\$ 566,344	\$ 89,090	\$ 181,103	\$ 272,737	\$ 323,123	\$ 1,432,397	\$ 1,810,703
Contractual services	222,941	14,648	55,228	327,106	355,871	975,794	815,534
Materials and supplies	409,577	902,398	16,970	56,827	38,152	1,423,924	1,330,354
Insurance	0	0	0	0	3,057,064	3,057,064	1,987,517
Employee benefits	0	0	0	0	5,691,592	5,691,592	5,683,241
Depreciation	31,676	5,269	321	28,781	7,298	73,345	69,331
TOTAL OPERATING EXPENSES	\$ 1,230,538	\$ 1,011,405	\$ 253,622	\$ 685,451	\$ 9,473,100	\$ 12,654,116	\$ 11,696,680
OPERATING INCOME (LOSS)	\$ 13,305	\$ 55,387	\$ (9,024)	\$ 57,722	\$ (2,816,691)	\$ (2,699,301)	\$ (1,569,468)
NONOPERATING INCOME (EXPENSES)							
Intergovernmental revenues	\$ 0	\$ 0	\$ 0	\$ 0	\$ 104,587	\$ 104,587	\$ 4,950
Income on investments	0	0	0	0	425,798	425,798	525,131
Miscellaneous revenues	0	0	0	0	40	40	105
TOTAL NONOPERATING INCOME (EXPENSES)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 530,425	\$ 530,425	\$ 530,186
OPERATING TRANSFERS							
Operating transfers in	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 374,375
Operating transfers (out)	(50,392)	(29,282)	(7,825)	(23,201)	0	(110,700)	0
TOTAL OPERATING TRANSFERS	\$ (50,392)	\$ (29,282)	\$ (7,825)	\$ (23,201)	\$ 0	\$ (110,700)	\$ 374,375
NET INCOME (LOSS)	\$ (37,087)	\$ 26,105	\$ (16,849)	\$ 34,521	\$ (2,286,266)	\$ (2,279,576)	\$ (664,907)
OTHER CHANGES							
Credit arising from depreciation/ disposal of contributed assets	0	0	0	0	2,112	2,112	2,112
NET INCREASE (DECREASE) IN RETAINED EARNINGS DURING THE YEAR	\$ (37,087)	\$ 26,105	\$ (16,849)	\$ 34,521	\$ (2,284,154)	\$ (2,277,464)	\$ (662,795)
RETAINED EARNINGS AT BEGINNING OF YEAR	\$ 116,647	\$ 499,261	\$ 42,280	\$ 0	\$ 3,252,585	\$ 3,910,773	\$ 4,573,568
RETAINED EARNINGS AT END OF YEAR	\$ 79,560	\$ 525,366	\$ 25,431	\$ 34,521	\$ 968,431	\$ 1,633,309	\$ 3,910,773

CITY OF DAYTONA BEACH, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 1999

	FLEET MAINTENANCE	CENTRAL STORES	EMPLOYMENT SERVICES	CENTRAL PROPERTY MAINTENANCE	CONSOLIDATED INSURANCE	1999 TOTALS	1998 TOTALS
OPERATING INCOME (LOSS)	\$ 13,305	\$ 55,387	\$ (9,024)	\$ 57,722	\$ (2,816,691)	\$ (2,699,301)	\$ (1,569,468)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES							
Depreciation	\$ 31,676	\$ 5,269	\$ 321	\$ 28,781	\$ 7,298	\$ 73,345	\$ 69,331
Miscellaneous revenues	0	0	0	0	40	40	105
Decrease in accounts receivable	0	0	0	0	233	233	25,288
(Increase) decrease in employee accounts receivable	0	0	(1,199)	0	489	(710)	(1,563)
(Increase) in inventories	0	(14,763)	0	0	0	(14,763)	(7,903)
(Increase) decrease in prepaid items	0	0	0	0	(47,599)	(47,599)	122,441
Increase (decrease) in accounts payable	(23,254)	(37,700)	16,593	(1,670)	142,589	96,558	16,315
Increase (decrease) in accrued liabilities	(6,424)	(1,152)	(2,041)	(2,532)	(3,925)	(16,074)	931
Increase in current portion of insurance claims payable	0	0	0	0	163,080	163,080	20,524
Increase (decrease) in due to other governments	283	(3)	(12)	0	(165,861)	(165,593)	(13,553)
Increase in long-term portion of insurance claims payable	0	0	0	0	1,019,920	1,019,920	541,476
Increase (decrease) in other liabilities	(44,237)	(24,537)	(6,131)	(22,223)	0	(97,128)	374,374
Increase (decrease) in compensated absences	8,714	135	815	13	(2,149)	7,528	(29,163)
TOTAL ADJUSTMENTS	\$ (33,242)	\$ (72,751)	\$ 8,346	\$ 2,369	\$ 1,114,115	\$ 1,018,837	\$ 1,118,603
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	\$ (19,937)	\$ (17,364)	\$ (678)	\$ 60,091	\$ (1,702,576)	\$ (1,680,464)	\$ (450,865)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Intergovernmental revenues	\$ 0	\$ 0	\$ 0	\$ 0	\$ 104,587	\$ 104,587	\$ 4,950
Principal received on advance to other funds	0	0	0	0	50,000	50,000	50,000
Transfers from other funds	0	0	0	0	0	0	374,375
Transfers to other funds	(50,392)	(29,282)	(7,825)	(23,201)	0	(110,700)	0
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	\$ (50,392)	\$ (29,282)	\$ (7,825)	\$ (23,201)	\$ 154,587	\$ 43,887	\$ 429,325
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES							
Acquisition and construction of capital assets	\$ (8,074)	\$ (31,307)	\$ (15,622)	\$ (5,116)	\$ (21,542)	\$ (81,661)	\$ (19,697)
NET CASH (USED FOR) CAPITAL FINANCING ACTIVITIES	\$ (8,074)	\$ (31,307)	\$ (15,622)	\$ (5,116)	\$ (21,542)	\$ (81,661)	\$ (19,697)
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest received	\$ 0	\$ 0	\$ 0	\$ 0	\$ 425,798	\$ 425,798	\$ 525,131
NET CASH PROVIDED BY INVESTING ACTIVITIES	\$ 0	\$ 0	\$ 0	\$ 0	\$ 425,798	\$ 425,798	\$ 525,131
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (78,403)	\$ (77,953)	\$ (24,125)	\$ 31,774	\$ (1,143,733)	\$ (1,292,440)	\$ 483,894
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	231,820	354,748	175,479	96,054	8,670,656	9,528,757	9,044,863
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 153,417	\$ 276,795	\$ 151,354	\$ 127,828	\$ 7,526,923	\$ 8,236,317	\$ 9,528,757

66

JAMES MOORE & CO., P.L.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor, City Commissioners, and City Manager
of The City of Daytona Beach, Florida:

We have audited the accompanying general purpose financial statements of The City of Daytona Beach, Florida as of and for the year ended September 30, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of The City of Daytona Beach, Florida's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of The City of Daytona Beach, Florida, as of September 30, 2000, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 5, 2001, on our consideration of The City of Daytona Beach, Florida's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund financial statements, required supplementary information, and the supporting schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of The City of Daytona Beach, Florida. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole. The statistical section has not been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and, accordingly, we express no opinion on it.

James Moore & Co.

Daytona Beach, Florida
January 5, 2001

COMBINED STATEMENTS - OVERVIEW

THE CITY OF DAYTONA BEACH, FLORIDA

COMBINED BALANCE SHEET

ALL FUND TYPES, ACCOUNT GROUPS AND

DISCRETELY PRESENTED COMPONENT UNIT

SEPTEMBER 30, 2000

	PRIMARY GOVERNMENT				
	GOVERNMENTAL FUND TYPES				PROPRIETARY
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	ENTERPRISE
ASSETS AND OTHER DEBITS					
Equity in pooled cash and investments	\$ 6,091,145	\$ 8,428,978	\$ 637,935	\$ 4,556,094	\$ 21,236,942
Accounts receivable - net	938,176	366,200	0	284,724	4,949,984
Accrued interest receivable	1,403	177	3,831	0	0
Employee contributions receivable	0	0	0	0	0
Employee accounts receivable	15,935	2,111	0	0	1,005
Taxes receivable	619,993	0	0	0	0
Due from other governments	931,214	365,502	0	0	461,284
Inventory	182,469	3,210	0	0	649,822
Prepaid items	37,568	0	0	0	12,951
RESTRICTED ASSETS					
Cash and Investments:					
Sinking fund	0	0	0	0	3,321,678
Construction funds	0	0	0	0	23,637,493
Landfill postclosure escrow	0	0	0	0	55,927
Renewal and replacement funds	0	0	0	0	6,329,302
Customer deposits	0	0	0	0	3,000,000
Accrued interest receivable	0	0	0	0	126,136
Land	0	0	0	0	5,617,680
Buildings and improvements	0	0	0	0	41,678,755
Improvements other than buildings	0	0	0	0	25,129,326
Equipment	0	0	0	0	122,177,696
Accumulated depreciation	0	0	0	0	(79,844,880)
Construction in progress	0	0	0	0	31,946,062
Notes receivable	0	280,845	0	0	0
Deposits	150	0	0	0	500
Advances to other funds	0	0	0	0	2,303,000
Advances to component unit	62,547	0	0	0	0
Unamortized bond and loan costs	0	0	0	0	1,333,504
OTHER DEBITS					
Amount available in debt service funds	0	0	0	0	0
Amount to be provided for retirement of general long term debt	0	0	0	0	0
TOTAL ASSETS AND OTHER DEBITS	\$ 8,880,600	\$ 9,447,023	\$ 641,766	\$ 4,840,818	\$ 214,124,167

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

PROPRIETARY FUND TYPES	FIDUCIARY FUND TYPES	ACCOUNT GROUPS		2000 TOTALS (MEMORANDUM ONLY)	COMPONENT UNIT	2000 TOTALS (MEMORANDUM ONLY)
		INTERNAL SERVICE	TRUST		GENERAL FIXED ASSETS	
\$ 6,992,899	\$ 102,798,335	\$ 0	\$ 0	\$ 150,742,328	\$ 9,257	\$ 150,751,585
3,604	0	0	0	6,542,688	0	6,542,688
0	470,230	0	0	475,641	0	475,641
0	19,513	0	0	19,513	0	19,513
0	2,711	0	0	21,762	0	21,762
0	0	0	0	619,993	0	619,993
0	0	0	0	1,758,000	0	1,758,000
242,976	0	0	0	1,078,477	0	1,078,477
458,336	0	0	0	508,855	0	508,855
0	0	0	0	3,321,678	0	3,321,678
0	0	0	0	23,637,493	0	23,637,493
0	0	0	0	55,927	0	55,927
0	0	0	0	6,329,302	0	6,329,302
0	0	0	0	3,000,000	0	3,000,000
0	0	0	0	126,136	0	126,136
0	0	8,761,075	0	14,378,755	0	14,378,755
370,564	0	24,466,251	0	66,515,570	0	66,515,570
13,140	0	11,719,633	0	36,862,099	0	36,862,099
711,144	0	18,310,932	0	141,199,772	0	141,199,772
(748,177)	0	0	0	(80,593,057)	0	(80,593,057)
7,646	0	5,392,848	0	37,346,556	0	37,346,556
0	0	0	0	280,845	0	280,845
0	0	0	0	650	0	650
210,000	0	0	0	2,513,000	0	2,513,000
0	0	0	0	62,547	0	62,547
0	0	0	0	1,333,504	0	1,333,504
0	0	0	637,935	637,935	0	637,935
0	0	0	19,874,934	19,874,934	0	19,874,934
<u>\$ 8,262,132</u>	<u>\$ 103,290,789</u>	<u>\$ 68,650,739</u>	<u>\$ 20,512,869</u>	<u>\$ 438,650,903</u>	<u>\$ 9,257</u>	<u>\$ 438,660,160</u>

THE CITY OF DAYTONA BEACH, FLORIDA
 COMBINED BALANCE SHEET
 ALL FUND TYPES, ACCOUNT GROUPS AND
 DISCRETELY PRESENTED COMPONENT UNIT
 SEPTEMBER 30, 2000

	PRIMARY GOVERNMENT				
	GOVERNMENTAL FUND TYPES				PROPRIETARY
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	ENTERPRISE
LIABILITIES, EQUITY (DEFICIT) AND OTHER CREDITS					
LIABILITIES					
Accounts payable	\$ 393,308	\$ 69,595	\$ 0	\$ 6,055	\$ 2,329,791
Accrued liabilities	526,085	12,121	0	0	133,376
Notes payable - current	0	0	0	0	1,070,110
Estimated current portion of insurance claims payable	0	0	0	0	0
Due to other governments	27,106	156	0	0	19,245
Contracts payable	0	17,596	0	2,750	380,685
Deferred revenues	1,331,544	280,845	0	0	71,277
LIABILITIES PAYABLE FROM RESTRICTED ASSETS					
Construction Funds:					
Contracts payable	0	0	0	0	1,561,684
Revenue bonds payable - current	0	0	0	0	1,605,000
Accrued interest payable	0	0	0	0	1,407,891
Customer deposits	0	0	0	0	2,808,663
Other liabilities	0	0	0	0	142,392
Revenue bonds payable	0	0	0	0	44,510,000
Less: deferred amount on refunding unamortized bond discount	0	0	0	0	(191,144)
Bond anticipation notes	0	0	0	0	0
Long-term notes payable	0	0	0	0	72,602,857
Estimated long-term portion of insurance claims payable	0	0	0	0	0
Deposits	113,799	6,857	0	0	3,764
Advances from other funds	0	988,000	0	0	1,525,000
Advances from primary government	0	0	0	0	0
Other liabilities	0	0	0	0	589,763
Compensated absences	0	0	0	0	454,580
TOTAL LIABILITIES	\$ 2,391,842	\$ 1,375,170	\$ 0	\$ 8,805	\$ 129,515,996
EQUITY (DEFICIT) AND OTHER CREDITS					
Investment in general fixed assets	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions - net	0	0	0	0	36,563,533
Retained earnings:					
Reserved for bond retirement	0	0	0	0	114,799
Reserved for renewal and replacement	0	0	0	0	1,572,725
Reserved for capital projects	0	0	0	0	23,299,920
Unreserved	0	0	0	0	23,057,194
Fund Balances:					
Reserved for encumbrances	745,457	58,145	0	0	0
Reserved for inventories	182,469	0	0	0	0
Reserved for prepaid items	37,568	0	0	0	0
Reserved for police education	464	0	0	0	0
Reserved for employees' pension benefits	0	0	0	0	0
Reserved for law enforcement	0	242,346	0	0	0
Reserved for local housing assistance	0	603,814	0	0	0
Reserved for advances to other funds	62,547	0	0	0	0
Reserved for debt service	0	0	641,766	0	0
Reserved for capital projects	85,226	2,332,414	0	4,832,013	0
Reserved for voluntary incentive program	0	0	0	0	0
Unreserved:					
Designated for recreation purposes	49,028	0	0	0	0
Undesignated (deficit)	5,325,999	4,835,134	0	0	0
TOTAL EQUITY (DEFICIT) AND OTHER CREDITS	\$ 6,488,758	\$ 8,071,853	\$ 641,766	\$ 4,832,013	\$ 84,608,171
TOTAL LIABILITIES, EQUITY (DEFICIT) AND OTHER CREDITS	\$ 8,880,600	\$ 9,447,023	\$ 641,766	\$ 4,840,818	\$ 214,124,167

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

PROPRIETARY FUND TYPES	FIDUCIARY FUND TYPES	ACCOUNT GROUPS		2000 TOTALS (MEMORANDUM ONLY)	COMPONENT UNIT	2000 TOTALS (MEMORANDUM ONLY)
		GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT		GOVERNMENTAL DOWNTOWN DEVELOPMENT AUTHORITY	
INTERNAL SERVICE	TRUST			PRIMARY GOVERNMENT		
\$ 354,028	\$ 246,671	\$ 0	\$ 0	\$ 3,399,448	\$ 329	\$ 3,399,777
29,120	0	0	0	700,702	0	700,702
0	0	0	0	1,070,110	0	1,070,110
1,081,969	0	0	0	1,081,969	0	1,081,969
43,412	0	0	0	89,919	0	89,919
0	0	0	0	401,031	0	401,031
0	0	0	0	1,683,666	0	1,683,666
0	0	0	0	1,561,684	0	1,561,684
0	0	0	0	1,605,000	0	1,605,000
0	0	0	0	1,407,891	0	1,407,891
0	0	0	0	2,808,663	0	2,808,663
0	0	0	0	142,392	0	142,392
0	0	0	0	44,510,000	0	44,510,000
0	0	0	0	(191,144)	0	(191,144)
0	0	0	0	(1,508,938)	0	(1,508,938)
0	0	0	9,967,812	9,967,812	0	9,967,812
0	0	0	7,490,666	80,093,523	0	80,093,523
5,512,031	0	0	0	5,512,031	0	5,512,031
0	0	0	0	124,420	0	124,420
0	0	0	0	2,513,000	0	2,513,000
0	0	0	0	0	62,547	62,547
188,137	0	0	1,058,148	1,836,048	0	1,836,048
97,870	0	0	1,996,243	2,548,693	0	2,548,693
<u>\$ 7,306,567</u>	<u>\$ 246,671</u>	<u>\$ 0</u>	<u>\$ 20,512,869</u>	<u>\$ 161,357,920</u>	<u>\$ 62,876</u>	<u>\$ 161,420,796</u>
\$ 0	\$ 0	\$ 68,650,739	\$ 0	\$ 68,650,739	\$ 0	\$ 68,650,739
218,132	0	0	0	36,781,665	0	36,781,665
0	0	0	0	114,799	0	114,799
0	0	0	0	1,572,725	0	1,572,725
0	0	0	0	23,299,920	0	23,299,920
737,433	0	0	0	23,794,627	0	23,794,627
0	0	0	0	803,602	0	803,602
0	0	0	0	182,469	0	182,469
0	0	0	0	37,568	0	37,568
0	0	0	0	464	0	464
0	102,032,000	0	0	102,032,000	0	102,032,000
0	0	0	0	242,346	0	242,346
0	0	0	0	603,814	0	603,814
0	0	0	0	62,547	0	62,547
0	0	0	0	641,766	0	641,766
0	0	0	0	7,249,653	0	7,249,653
0	1,012,118	0	0	1,012,118	0	1,012,118
0	0	0	0	49,028	0	49,028
0	0	0	0	10,161,133	(53,619)	10,107,514
<u>\$ 955,565</u>	<u>\$ 103,044,118</u>	<u>\$ 68,650,739</u>	<u>\$ 0</u>	<u>\$ 277,292,983</u>	<u>\$ (53,619)</u>	<u>\$ 277,239,364</u>
<u>\$ 8,262,132</u>	<u>\$ 103,290,789</u>	<u>\$ 68,650,739</u>	<u>\$ 20,512,869</u>	<u>\$ 438,650,903</u>	<u>\$ 9,257</u>	<u>\$ 438,660,160</u>

ENTERPRISE FUNDS

THE CITY OF DAYTONA BEACH, FLORIDA

ENTERPRISE FUNDS

COMBINING BALANCE SHEET

SEPTEMBER 30, 2000

	SOLID					2000	1999
	WATER AND SEWER SYSTEM	WASTE MANAGEMENT	HALIFAX HARBOR	MUNICIPAL GOLF COURSE	STORMWATER IMPROVEMENT	TOTALS	TOTALS
ASSETS							
CURRENT ASSETS							
Equity in pooled cash and investments	\$ 12,986,944	\$ 620,857	\$ 2,556,073	\$ 14,149	\$ 5,058,919	\$ 21,236,942	\$ 16,680,996
Accounts receivable - net	3,753,621	863,181	19,303	7,823	306,056	4,949,984	4,536,833
Employee accounts receivable	1,005	0	0	0	0	1,005	2,377
Due from other governments	0	359,516	59,166	0	42,602	461,284	30,029
Inventory	562,573	0	16,055	71,194	0	649,822	659,343
Prepaid items	0	0	6,451	6,500	0	12,951	12,600
TOTAL CURRENT ASSETS	\$ 17,304,143	\$ 1,843,554	\$ 2,657,048	\$ 99,666	\$ 5,407,577	\$ 27,311,988	\$ 21,922,178
RESTRICTED ASSETS							
Cash and investments:							
Sinking fund	\$ 3,018,476	\$ 0	\$ 240,588	\$ 45,518	\$ 17,096	\$ 3,321,678	\$ 2,966,887
Construction funds	23,460,012	0	0	65,617	111,864	23,637,493	1,053,182
Landfill postclosure escrow	0	55,927	0	0	0	55,927	28,840
Renewal and replacement	6,329,302	0	0	0	0	6,329,302	4,524,944
Customer deposits	3,000,000	0	0	0	0	3,000,000	2,800,000
Accrued interest receivable	125,211	0	746	126	53	126,136	1,164
TOTAL RESTRICTED ASSETS	\$ 35,933,001	\$ 55,927	\$ 241,334	\$ 111,261	\$ 129,013	\$ 36,470,536	\$ 11,375,017
FIXED ASSETS							
Land	\$ 3,251,131	\$ 25,021	\$ 38,603	\$ 1,512,832	\$ 790,093	\$ 5,617,680	\$ 5,617,680
Buildings and improvements	34,886,718	157,051	5,394,402	1,001,843	238,741	41,678,755	45,290,069
Improvements other than buildings	10,807,962	187,904	12,653,318	973,005	507,137	25,129,326	25,310,658
Equipment	108,326,706	339,486	1,465,478	951,442	11,094,584	122,177,696	128,925,401
	\$ 157,272,517	\$ 709,462	\$ 19,551,801	\$ 4,439,122	\$ 12,630,555	\$ 194,603,457	\$ 205,143,808
less: accumulated depreciation	(65,620,640)	(435,693)	(8,294,731)	(2,032,012)	(3,461,804)	(79,844,880)	(79,256,692)
	\$ 91,651,877	\$ 273,769	\$ 11,257,070	\$ 2,407,110	\$ 9,168,751	\$ 114,758,577	\$ 125,887,116
Construction in progress	31,185,455	18,073	250,570	197,261	294,703	31,946,062	19,916,000
TOTAL NET FIXED ASSETS	\$ 122,837,332	\$ 291,842	\$ 11,507,640	\$ 2,604,371	\$ 9,463,454	\$ 146,704,639	\$ 145,803,116
OTHER ASSETS							
Deposits	\$ 500	\$ 0	\$ 0	\$ 0	\$ 0	\$ 500	\$ 500
Advances to other funds	1,925,000	0	0	0	378,000	2,303,000	2,022,000
Unamortized bond costs	1,108,193	0	199,379	20,676	5,256	1,333,504	1,247,572
TOTAL OTHER ASSETS	\$ 3,033,693	\$ 0	\$ 199,379	\$ 20,676	\$ 383,256	\$ 3,637,004	\$ 3,270,072
TOTAL ASSETS	\$ 179,108,169	\$ 2,191,323	\$ 14,605,401	\$ 2,835,974	\$ 15,383,300	\$ 214,124,167	\$ 182,370,383

LIABILITIES AND EQUITY (DEFICIT)

CURRENT LIABILITIES (PAYABLE FROM CURRENT ASSETS)

Accounts payable	\$ 2,182,917	\$ 575	\$ 103,355	\$ 34,081	\$ 8,863	\$ 2,329,791	\$ 346,599
Accrued liabilities	101,797	6,177	0	12,810	12,592	133,376	82,082
Notes payable - current	704,739	0	224,293	120,000	21,078	1,070,110	325,689
Due to other governments	2,119	7	12,696	4,423	0	19,245	18,794
Contracts payable	0	380,685	0	0	0	380,685	568,801
Deferred revenues	70,668	0	609	0	0	71,277	165

TOTAL CURRENT LIABILITIES (PAYABLE FROM CURRENT ASSETS)

	\$ 3,062,240	\$ 387,444	\$ 340,953	\$ 171,314	\$ 42,533	\$ 4,004,484	\$ 1,342,130
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CURRENT LIABILITIES (PAYABLE FROM RESTRICTED ASSETS)

Construction Funds:							
Accounts payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 121,770
Contracts payable	1,561,684	0	0	0	0	1,561,684	1,978,365
Revenue bonds payable - current	1,605,000	0	0	0	0	1,605,000	1,515,000
Accrued interest payable	1,358,834	0	39,529	6,692	2,836	1,407,891	1,061,816
Customer deposits	2,808,663	0	0	0	0	2,808,663	2,708,742
Other Liabilities	125,718	0	0	0	16,674	142,392	0

TOTAL CURRENT LIABILITIES (PAYABLE FROM RESTRICTED ASSETS)

	\$ 7,459,899	\$ 0	\$ 39,529	\$ 6,692	\$ 19,510	\$ 7,525,630	\$ 7,385,693
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OTHER LIABILITIES

Revenue bonds payable	\$ 44,510,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 44,510,000	\$ 46,115,000
less: deferred amount on refunding unamortized bond discount	(191,144)	0	0	0	0	(191,144)	(219,661)
	(1,508,938)	0	0	0	0	(1,508,938)	(1,556,651)
	\$ 42,809,918	\$ 0	\$ 0	\$ 0	\$ 0	\$ 42,809,918	\$ 44,338,688
Long-term notes payable	54,694,355	0	15,436,829	1,715,000	756,673	72,602,857	41,188,448
Deposits	0	690	3,074	0	0	3,764	5,257
Advances from other funds	0	0	0	1,525,000	0	1,525,000	1,125,000
Other liabilities	383,544	74,277	0	103,931	28,011	589,763	733,524
Compensated absences	364,559	14,846	0	39,270	35,905	454,580	386,888

TOTAL OTHER LIABILITIES

	\$ 98,252,376	\$ 89,813	\$ 15,439,903	\$ 3,383,201	\$ 820,589	\$ 117,985,882	\$ 87,777,805
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TOTAL LIABILITIES

	\$ 108,774,515	\$ 477,257	\$ 15,820,385	\$ 3,561,207	\$ 882,632	\$ 129,515,996	\$ 96,505,628
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EQUITY (DEFICIT)

Contributions - (net of accumulated depreciation)	\$ 28,864,247	\$ 32,480	\$ 487,415	\$ 646,627	\$ 6,532,764	\$ 36,563,533	\$ 35,701,864
Retained earnings:							
Reserved for bond retirement	\$ 54,642	\$ 0	\$ 0	\$ 45,518	\$ 14,639	\$ 114,799	\$ 191,474
Reserved for renewal and replacement	1,572,725	0	0	0	0	1,572,725	1,674,582
Reserved for capital projects	15,267,822	78,833	0	0	7,953,265	23,299,920	41,266,937
Unreserved (deficit)	24,574,218	1,602,753	(1,702,399)	(1,417,378)	0	23,057,194	7,029,898
	\$ 41,469,407	\$ 1,681,586	\$ (1,702,399)	\$ (1,371,860)	\$ 7,967,904	\$ 48,044,638	\$ 50,162,891

TOTAL EQUITY (DEFICIT)

	\$ 70,333,654	\$ 1,714,066	\$ (1,214,984)	\$ (725,233)	\$ 14,500,668	\$ 84,608,171	\$ 85,864,755
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TOTAL LIABILITIES AND EQUITY (DEFICIT)

	\$ 179,108,169	\$ 2,191,323	\$ 14,605,401	\$ 2,835,974	\$ 15,383,300	\$ 214,124,167	\$ 182,370,383
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THE CITY OF DAYTONA BEACH, FLORIDA
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2000

	SOLID						
	WATER AND SEWER SYSTEM	WASTE MANAGEMENT	HALIFAX HARBOR	MUNICIPAL GOLF COURSE	STORMWATER IMPROVEMENT	2000 TOTALS	1999 TOTALS
OPERATING REVENUES							
Charges for services	\$ 23,455,720	\$ 5,870,501	\$ 3,017,620	\$ 1,580,338	\$ 2,342,648	\$ 36,266,827	\$ 35,216,515
TOTAL OPERATING REVENUES	\$ 23,455,720	\$ 5,870,501	\$ 3,017,620	\$ 1,580,338	\$ 2,342,648	\$ 36,266,827	\$ 35,216,515
OPERATING EXPENSES							
Personal services	\$ 5,913,183	\$ 416,357	\$ 0	\$ 837,549	\$ 768,663	\$ 7,935,752	\$ 8,073,051
Contractual services	4,718,706	5,404,988	1,048,197	405,082	387,620	11,964,593	11,251,198
Materials and supplies	2,272,152	49,076	486,042	408,478	70,717	3,286,465	3,488,961
Depreciation	6,232,895	63,343	699,757	159,552	547,658	7,703,205	7,928,151
TOTAL OPERATING EXPENSES	\$ 19,136,936	\$ 5,933,764	\$ 2,233,996	\$ 1,810,661	\$ 1,774,658	\$ 30,890,015	\$ 30,741,361
OPERATING INCOME (LOSS)	\$ 4,318,784	\$ (63,263)	\$ 783,624	\$ (230,323)	\$ 567,990	\$ 5,376,812	\$ 4,475,154

NONOPERATING INCOME (EXPENSES)

Intergovernmental revenues	\$ 0	\$ 399,812	\$ 5,775	\$ 0	\$ 42,602	\$ 448,189	\$ 224,912
Income on investments	1,313,785	52,684	162,160	6,479	304,919	1,840,027	1,422,553
Miscellaneous revenues	203,249	16,660	55,931	12,598	0	288,438	258,563
Interest expense	(3,141,504)	0	(728,395)	(148,500)	(33,086)	(4,051,485)	(3,519,371)
Amortization of bond costs	(57,117)	0	(9,875)	(1,811)	(306)	(69,109)	(60,121)
Payment in lieu of taxes	(1,520,923)	(364,710)	(174,626)	(96,534)	(162,210)	(2,319,003)	(2,214,474)
(Loss) on disposal of fixed assets	(3,466,242)	0	(67,819)	(1,047)	(177,941)	(3,713,049)	(153,683)
TOTAL NONOPERATING INCOME (EXPENSES)	\$ (6,668,752)	\$ 104,446	\$ (756,849)	\$ (228,815)	\$ (26,022)	\$ (7,575,992)	\$ (4,041,621)
INCOME (LOSS) BEFORE OPERATING TRANSFERS	\$ (2,349,968)	\$ 41,183	\$ 26,775	\$ (459,138)	\$ 541,968	\$ (2,199,180)	\$ 433,533
OPERATING TRANSFERS							
Operating transfers in	\$ 130,625	\$ 0	\$ 241,445	\$ 0	\$ 0	\$ 372,070	\$ 375,485
Operating transfers (out)	(671,040)	(111,840)	0	(41,515)	0	(824,395)	(840,250)
NET INCOME (LOSS)	\$ (2,890,383)	\$ (70,657)	\$ 268,220	\$ (500,653)	\$ 541,968	\$ (2,651,505)	\$ (31,232)
OTHER CHANGES							
Credit arising from depreciation of fixed contributed assets	512,035	7,882	13,335	0	0	533,252	575,698
NET INCREASE (DECREASE) IN RETAINED EARNINGS DURING YEAR	\$ (2,378,348)	\$ (62,775)	\$ 281,555	\$ (500,653)	\$ 541,968	\$ (2,118,253)	\$ 544,466
RETAINED EARNINGS AT BEGINNING OF YEAR (DEFICIT)	\$ 43,847,755	\$ 1,744,361	\$ (1,983,954)	\$ (871,207)	\$ 7,425,936	\$ 50,162,891	\$ 49,618,425
RETAINED EARNINGS AT END OF YEAR (DEFICIT)	\$ 41,469,407	\$ 1,681,586	\$ (1,702,399)	\$ (1,371,860)	\$ 7,967,904	\$ 48,044,638	\$ 50,162,891

THE CITY OF DAYTONA BEACH, FLORIDA

ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2000

	WATER AND SEWER SYSTEM	SOLID WASTE MANAGEMENT	HALIFAX HARBOR	MUNICIPAL GOLF COURSE	STORMWATER IMPROVEMENT	2000 TOTALS	1999 TOTALS
OPERATING INCOME (LOSS)	\$ 4,318,784	\$ (63,263)	\$ 783,624	\$ (230,323)	\$ 567,990	\$ 5,376,812	\$ 4,475,153
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES							
Depreciation and amortization	\$ 6,232,895	\$ 63,343	\$ 699,757	\$ 159,552	\$ 547,658	\$ 7,703,205	\$ 7,928,151
Miscellaneous revenue	203,249	16,660	55,931	12,598	0	288,438	258,563
(Increase) decrease in:							
Accounts receivable	626,036	(714,188)	(14,014)	(4,930)	(306,056)	(413,152)	(222,297)
Employee accounts receivable	212	1,160	0	0	0	1,372	(1,572)
Due from other governments	0	(329,486)	(59,166)	0	(42,602)	(431,254)	28,232
Inventories	16,073	0	(1,279)	(5,273)	0	9,521	(164,460)
Prepaid items	0	0	(351)	0	0	(351)	650
Increase (decrease) in:							
Accounts payable	1,851,964	(141,274)	18,765	(6,657)	1,187	1,723,985	56,618
Accrued liabilities	40,766	1,986	0	4,381	4,161	51,294	(85,492)
Due to other governments	(534)	(720)	1,936	981	(1,212)	451	(19,891)
Deferred revenues	70,668	0	554	(110)	0	71,112	(3,997)
Customer deposits	99,921	0	0	0	0	99,921	136,277
Deposits	0	(1,493)	0	0	0	(1,493)	(6,387)
Other liabilities	(19,117)	51,926	0	(41,515)	7,337	(1,369)	(330,204)
Compensated absences	54,894	2,977	0	4,091	5,733	67,695	(24,190)
TOTAL ADJUSTMENTS	\$ 9,177,027	\$ (1,049,109)	\$ 702,133	\$ 123,118	\$ 216,206	\$ 9,169,375	\$ 7,550,001
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	\$ 13,495,811	\$ (1,112,372)	\$ 1,485,757	\$ (107,205)	\$ 784,196	\$ 14,546,187	\$ 12,025,154
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Payment in lieu of taxes	\$ (1,520,923)	\$ (364,710)	\$ (174,626)	\$ (96,534)	\$ (162,210)	\$ (2,319,003)	\$ (2,214,474)
Intergovernmental revenues	0	399,812	5,775	0	42,602	448,189	224,912
Principal received on advance to other funds	100,000	0	0	0	19,000	119,000	119,000
Advance from other funds	0	0	0	400,000	0	400,000	0
Advance to other funds	(400,000)	0	0	0	0	(400,000)	0
Transfers from other funds	130,625	0	241,445	0	0	372,070	185,535
Transfers to other funds	(671,040)	(111,840)	0	(41,515)	0	(824,395)	(650,300)
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	\$ (2,361,338)	\$ (76,738)	\$ 72,594	\$ 261,951	\$ (100,608)	\$ (2,204,139)	\$ (2,335,327)

CASH FLOWS FROM CAPITAL
AND RELATED FINANCING ACTIVITIES

Acquisition and construction of capital assets	\$ (9,773,333)	\$ (27,273)	\$ (297,623)	\$ (203,118)	\$ (456,207)	\$ (10,757,554)	\$ (14,372,946)
Proceeds from long term notes	32,674,519	0	0	0	0	32,674,519	10,467,021
Issue costs from long term notes	(155,043)	0	0	0	0	(155,043)	(588,213)
Principal payments on bonds and notes	(1,682,751)	0	(210,689)	(115,000)	(22,249)	(2,030,689)	(2,033,375)
Interest payments on bonds and notes	(2,726,265)	0	(722,410)	(147,798)	(32,707)	(3,629,180)	(3,487,953)
Property and equipment contract payments	(1,978,365)	0	0	0	(49,219)	(2,027,584)	(2,953,557)
Proceeds from sale of fixed assets	0	0	0	0	0	0	34,659
Capital contributions	1,241,531	0	153,390	0	0	1,394,921	1,063,076

NET CASH PROVIDED BY (USED FOR)
CAPITAL AND RELATED FINANCING ACTIVITIES

	\$ 17,600,293	\$ (27,273)	\$ (1,077,332)	\$ (465,916)	\$ (560,382)	\$ 15,469,390	\$ (11,871,288)
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CASH FLOWS FROM INVESTING ACTIVITIES

Interest received	\$ 1,188,978	\$ 52,684	\$ 162,059	\$ 6,468	\$ 304,866	\$ 1,715,055	\$ 1,433,116
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NET CASH PROVIDED BY
INVESTING ACTIVITIES

	\$ 1,188,978	\$ 52,684	\$ 162,059	\$ 6,468	\$ 304,866	\$ 1,715,055	\$ 1,433,116
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NET INCREASE (DECREASE)
IN CASH AND CASH EQUIVALENTS

	\$ 29,923,744	\$ (1,163,699)	\$ 643,078	\$ (304,702)	\$ 428,072	\$ 29,526,493	\$ (748,345)
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CASH AND CASH EQUIVALENTS
AT BEGINNING OF YEAR

	18,870,990	1,840,483	2,153,583	429,986	4,759,807	28,054,849	28,803,194
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CASH AND CASH EQUIVALENTS (INCLUDING
\$36,344,400 REPORTED AS RESTRICTED
ASSETS) AT END OF YEAR

	\$ 48,794,734	\$ 676,784	\$ 2,796,661	\$ 125,284	\$ 5,187,879	\$ 57,581,342	\$ 28,054,849
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THE CITY OF DAYTONA BEACH, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2000

	FLEET MAINTENANCE	CENTRAL STORES	EMPLOYMENT SERVICES	CENTRAL PROPERTY MAINTENANCE	CONSOLIDATED INSURANCE	2000 TOTALS	1999 TOTALS
ASSETS							
CURRENT ASSETS							
Equity in pooled cash and investments	\$ 291,754	\$ 233,530	\$ 75,112	\$ 51,310	\$ 6,341,193	\$ 6,992,899	\$ 8,236,317
Accounts receivable	0	0	0	0	3,604	3,604	0
Employee accounts receivable	0	0	0	0	0	0	2,273
Inventory	72,021	170,955	0	0	0	242,976	268,824
Prepaid items	0	0	0	0	458,336	458,336	307,581
TOTAL CURRENT ASSETS	\$ 363,775	\$ 404,485	\$ 75,112	\$ 51,310	\$ 6,803,133	\$ 7,697,815	\$ 8,814,995
FIXED ASSETS							
Buildings and improvements	\$ 102,338	\$ 97,597	\$ 0	\$ 131,020	\$ 39,609	\$ 370,564	\$ 373,829
Improvements other than buildings	8,700	181	0	2,499	1,760	13,140	13,140
Equipment	288,945	26,191	29,905	269,398	96,705	711,144	676,690
	<u>\$ 399,983</u>	<u>\$ 123,969</u>	<u>\$ 29,905</u>	<u>\$ 402,917</u>	<u>\$ 138,074</u>	<u>\$ 1,094,848</u>	<u>\$ 1,063,659</u>
less: accumulated depreciation	(276,312)	(74,134)	(17,146)	(289,878)	(90,707)	(748,177)	(714,155)
	<u>\$ 123,671</u>	<u>\$ 49,835</u>	<u>\$ 12,759</u>	<u>\$ 113,039</u>	<u>\$ 47,367</u>	<u>\$ 346,671</u>	<u>\$ 349,504</u>
Construction in progress	6,623	0	0	0	1,023	7,646	0
TOTAL NET FIXED ASSETS	\$ 130,294	\$ 49,835	\$ 12,759	\$ 113,039	\$ 48,390	\$ 354,317	\$ 349,504
OTHER ASSETS							
Advance to other funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 210,000	\$ 210,000	\$ 260,000
TOTAL OTHER ASSETS	\$ 0	\$ 0	\$ 0	\$ 0	\$ 210,000	\$ 210,000	\$ 260,000
TOTAL ASSETS	\$ 494,069	\$ 454,320	\$ 87,871	\$ 164,349	\$ 7,061,523	\$ 8,262,132	\$ 9,424,499
LIABILITIES AND EQUITY							
CURRENT LIABILITIES							
Accounts payable	\$ 60,514	\$ 8,083	\$ 192	\$ 385	\$ 284,854	\$ 354,028	\$ 280,493
Accrued liabilities	9,259	1,530	4,148	6,816	7,367	29,120	15,125
Estimated current portion of							
Insurance claims payable	0	0	0	0	1,081,969	1,081,969	1,082,488
Due to other governments	31	4	21	1	43,355	43,412	31,122
TOTAL CURRENT LIABILITIES	\$ 69,804	\$ 9,617	\$ 4,361	\$ 7,202	\$ 1,417,545	\$ 1,508,529	\$ 1,409,228
OTHER LIABILITIES							
Estimated long-term portion of							
Insurance claims payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,512,031	\$ 5,512,031	\$ 5,805,512
Other liabilities	54,548	37,252	71,286	25,051	0	188,137	277,246
Compensated absences	55,465	5,115	10,327	10,142	16,821	97,870	81,072
TOTAL OTHER LIABILITIES	\$ 110,013	\$ 42,367	\$ 81,613	\$ 35,193	\$ 5,528,852	\$ 5,798,038	\$ 6,163,830
TOTAL LIABILITIES	\$ 179,817	\$ 51,984	\$ 85,974	\$ 42,395	\$ 6,946,397	\$ 7,306,567	\$ 7,573,058
EQUITY							
Contributions - (net of accumulated depreciation)	\$ 66,023	\$ 0	\$ 0	\$ 130,594	\$ 21,515	\$ 218,132	\$ 218,132
Retained earnings:							
Unreserved (deficit)	248,229	402,336	1,897	(8,640)	93,611	737,433	1,633,309
TOTAL EQUITY	\$ 314,252	\$ 402,336	\$ 1,897	\$ 121,954	\$ 115,126	\$ 955,565	\$ 1,851,441
TOTAL LIABILITIES AND EQUITY	\$ 494,069	\$ 454,320	\$ 87,871	\$ 164,349	\$ 7,061,523	\$ 8,262,132	\$ 9,424,499

THE CITY OF DAYTONA BEACH, FLORIDA

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

FOR THE YEAR ENDED SEPTEMBER 30, 2000

	FLEET MAINTENANCE	CENTRAL STORES	EMPLOYMENT SERVICES	CENTRAL PROPERTY MAINTENANCE	CONSOLIDATED INSURANCE	2000 TOTALS	1999 TOTALS
OPERATING REVENUES							
Charges for services	\$ 1,879,781	\$ 167,864	\$ 279,652	\$ 394,125	\$ 6,461,439	\$ 9,182,861	\$ 9,954,815
TOTAL OPERATING REVENUES	\$ 1,879,781	\$ 167,864	\$ 279,652	\$ 394,125	\$ 6,461,439	\$ 9,182,861	\$ 9,954,815
OPERATING EXPENSES							
Personal services	\$ 583,495	\$ 93,986	\$ 190,613	\$ 329,180	\$ 325,267	\$ 1,522,541	\$ 1,432,398
Contractual services	251,516	1,265	50,091	37,695	386,886	726,873	975,794
Materials and supplies	1,004,888	0	11,533	23,347	14,552	1,054,370	1,423,924
Insurance	0	0	0	0	1,671,956	1,671,956	3,057,064
Employee benefits	0	0	0	0	5,387,409	5,387,409	5,691,592
Depreciation	27,361	6,732	2,862	38,796	11,276	87,641	73,345
TOTAL OPERATING EXPENSES	\$ 1,867,260	\$ 102,003	\$ 255,149	\$ 428,412	\$ 7,797,346	\$ 10,450,190	\$ 12,654,117
OPERATING INCOME (LOSS)	\$ 12,591	\$ 65,861	\$ 24,503	\$ (34,287)	\$ (1,335,907)	\$ (1,267,329)	\$ (2,699,302)
NONOPERATING INCOME (EXPENSES)							
Intergovernmental revenues	\$ 0	\$ 0	\$ 0	\$ 0	\$ 19,282	\$ 19,282	\$ 104,587
Income on investments	0	0	0	0	441,895	441,805	425,798
Miscellaneous revenues	0	0	0	0	0	0	40
(Loss) on disposal of fixed assets	0	0	0	(524)	0	(524)	0
TOTAL NONOPERATING INCOME (EXPENSES)	\$ 0	\$ 0	\$ 0	\$ (524)	\$ 461,687	\$ 466,563	\$ 539,425
OPERATING TRANSFERS							
Operating transfers (out)	\$ (18,182)	\$ (14,541)	\$ (48,037)	\$ (8,350)	\$ 0	\$ (89,110)	\$ (110,699)
NET INCOME (LOSS)	\$ (5,681)	\$ 51,320	\$ (23,534)	\$ (43,161)	\$ (874,820)	\$ (895,876)	\$ (2,279,576)
OTHER CHANGES							
Credit arising from depreciation/ disposal of contributed assets	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,112
NET INCREASE (DECREASE) IN RETAINED EARNINGS DURING THE YEAR	\$ (5,681)	\$ 51,320	\$ (23,534)	\$ (43,161)	\$ (874,820)	\$ (895,876)	\$ (2,277,464)
RETAINED EARNINGS AT BEGINNING OF YEAR	\$ 79,560	\$ 525,369	\$ 25,431	\$ 34,521	\$ 968,431	\$ 1,633,309	\$ 3,910,773
Residual equity transfer in (out)	174,350	(174,350)	0	0	0	0	0
RETAINED EARNINGS AT END OF YEAR (DEFICIT)	\$ 248,229	\$ 402,336	\$ 1,897	\$ (8,640)	\$ 93,611	\$ 737,433	\$ 1,633,309

THE CITY OF DAYTONA BEACH, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2000

	FLEET MAINTENANCE	CENTRAL STORES	EMPLOYMENT SERVICES	CENTRAL PROPERTY MAINTENANCE	CONSOLIDATED INSURANCE	2000 TOTALS	1999 TOTALS
OPERATING INCOME (LOSS)	\$ 12,501	\$ 65,861	\$ 24,503	\$ (34,287)	\$ (1,335,907)	\$ (1,267,329)	\$ (2,699,302)
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES							
Depreciation	\$ 27,381	\$ 6,732	\$ 2,862	\$ 38,790	\$ 11,276	\$ 87,041	\$ 73,345
Miscellaneous revenues	0	0	0	0	0	0	40
(Increase) decrease in accounts receivable	0	0	2,138	0	(3,604)	(1,466)	233
(Increase) decrease in employee accounts receivable	0	0	0	0	135	135	(710)
(Increase) decrease in inventories	102,329	(76,481)	0	0	0	25,848	(14,763)
(Increase) in prepaid items	0	0	0	0	(150,755)	(150,755)	(47,599)
Increase (decrease) in accounts payable	46,125	(9,259)	(18,454)	(7,593)	62,717	73,536	96,558
Increase (decrease) in accrued liabilities	3,499	647	2,139	3,641	4,069	13,995	(16,074)
Increase (decrease) in current portion of insurance claims payable	0	0	0	0	(519)	(519)	163,080
Increase (decrease) in due to other governments	(325)	0	0	0	12,615	12,290	(165,593)
Increase (decrease) in long-term portion of insurance claims payable	0	0	0	0	(293,481)	(293,481)	1,019,920
(Decrease) in other liabilities	(18,182)	(14,540)	(48,037)	(8,350)	0	(89,109)	(97,128)
Increase (decrease) in compensated absences	11,991	(1,684)	6,644	1,188	(1,341)	16,798	7,528
TOTAL ADJUSTMENTS	\$ 172,818	\$ (94,585)	\$ (52,708)	\$ 27,676	\$ (358,888)	\$ (305,687)	\$ 1,018,837
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	\$ 185,319	\$ (28,724)	\$ (28,205)	\$ (6,611)	\$ (1,694,795)	\$ (1,573,016)	\$ (1,680,465)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Intergovernmental revenues	\$ 0	\$ 0	\$ 0	\$ 0	\$ 19,282	\$ 19,282	\$ 104,587
Principal received on advance to other funds	0	0	0	0	50,000	50,000	50,000
Transfers to other funds	(18,182)	(14,541)	(48,037)	(8,350)	0	(89,110)	(110,669)
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	\$ (18,182)	\$ (14,541)	\$ (48,037)	\$ (8,350)	\$ 69,282	\$ (19,828)	\$ 43,888
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES							
Acquisition and construction of capital assets	\$ (28,800)	\$ 0	\$ 0	\$ (61,557)	\$ (2,022)	\$ (92,379)	\$ (81,661)
NET CASH (USED FOR) CAPITAL FINANCING ACTIVITIES	\$ (28,800)	\$ 0	\$ 0	\$ (61,557)	\$ (2,022)	\$ (92,379)	\$ (81,661)
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest received	\$ 0	\$ 0	\$ 0	\$ 0	\$ 441,805	\$ 441,805	\$ 425,798
NET CASH PROVIDED BY INVESTING ACTIVITIES	\$ 0	\$ 0	\$ 0	\$ 0	\$ 441,805	\$ 441,805	\$ 425,798
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 138,337	\$ (43,265)	\$ (76,242)	\$ (76,518)	\$ (1,185,730)	\$ (1,243,418)	\$ (1,292,440)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	153,417	276,795	151,354	127,828	7,526,923	8,236,317	9,528,757
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 291,754	\$ 233,530	\$ 75,112	\$ 51,310	\$ 6,341,193	\$ 6,992,899	\$ 8,236,317
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES							
Contributions (to) from other funds	\$ 174,350	\$ (174,350)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

JAMES MOORE & CO., P.L.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor, City Commissioners, and City Manager
of The City of Daytona Beach, Florida:

We have audited the accompanying general purpose financial statements of The City of Daytona Beach, Florida as of and for the year ended September 30, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of The City of Daytona Beach, Florida's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of The City of Daytona Beach, Florida, as of September 30, 2000, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 5, 2001, on our consideration of The City of Daytona Beach, Florida's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund financial statements, required supplementary information, and the supporting schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of The City of Daytona Beach, Florida. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole. The statistical section has not been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and, accordingly, we express no opinion on it.

James Moore & Co.

Daytona Beach, Florida
January 5, 2001

COMBINED STATEMENTS - OVERVIEW

THE CITY OF DAYTONA BEACH, FLORIDA

COMBINED BALANCE SHEET

ALL FUND TYPES, ACCOUNT GROUPS AND

DISCRETELY PRESENTED COMPONENT UNIT

SEPTEMBER 30, 2000

	PRIMARY GOVERNMENT				
	GOVERNMENTAL FUND TYPES				PROPRIETARY
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	ENTERPRISE
ASSETS AND OTHER DEBITS					
Equity in pooled cash and investments	\$ 6,091,145	\$ 8,428,978	\$ 637,935	\$ 4,556,094	\$ 21,236,942
Accounts receivable - net	938,176	366,200	0	284,724	4,949,984
Accrued interest receivable	1,403	177	3,831	0	0
Employee contributions receivable	0	0	0	0	0
Employee accounts receivable	15,935	2,111	0	0	1,005
Taxes receivable	619,993	0	0	0	0
Due from other governments	931,214	365,502	0	0	461,284
Inventory	182,469	3,210	0	0	649,822
Prepaid items	37,568	0	0	0	12,951
RESTRICTED ASSETS					
Cash and Investments:					
Sinking fund	0	0	0	0	3,321,678
Construction funds	0	0	0	0	23,637,493
Landfill postclosure escrow	0	0	0	0	55,927
Renewal and replacement funds	0	0	0	0	6,329,302
Customer deposits	0	0	0	0	3,000,000
Accrued interest receivable	0	0	0	0	126,136
Land	0	0	0	0	5,617,680
Buildings and improvements	0	0	0	0	41,678,755
Improvements other than buildings	0	0	0	0	25,129,326
Equipment	0	0	0	0	122,177,696
Accumulated depreciation	0	0	0	0	(79,844,880)
Construction in progress	0	0	0	0	31,946,062
Notes receivable	0	280,845	0	0	0
Deposits	150	0	0	0	500
Advances to other funds	0	0	0	0	2,303,000
Advances to component unit	62,547	0	0	0	0
Unamortized bond and loan costs	0	0	0	0	1,333,504
OTHER DEBITS					
Amount available in debt service funds	0	0	0	0	0
Amount to be provided for retirement of general long term debt	0	0	0	0	0
TOTAL ASSETS AND OTHER DEBITS	\$ 8,880,600	\$ 9,447,023	\$ 641,766	\$ 4,840,818	\$ 214,124,167

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

PROPRIETARY FUND TYPES	FIDUCIARY FUND TYPES	ACCOUNT GROUPS		2000 TOTALS (MEMORANDUM ONLY)	COMPONENT UNIT	2000 TOTALS (MEMORANDUM ONLY)
		INTERNAL SERVICE	TRUST			
\$ 6,992,899	\$ 102,798,335	\$ 0	\$ 0	\$ 150,742,328	\$ 9,257	\$ 150,751,585
3,604	0	0	0	6,542,688	0	6,542,688
0	470,230	0	0	475,641	0	475,641
0	19,513	0	0	19,513	0	19,513
0	2,711	0	0	21,762	0	21,762
0	0	0	0	619,993	0	619,993
0	0	0	0	1,758,000	0	1,758,000
242,976	0	0	0	1,078,477	0	1,078,477
458,336	0	0	0	508,855	0	508,855
0	0	0	0	3,321,678	0	3,321,678
0	0	0	0	23,637,493	0	23,637,493
0	0	0	0	55,927	0	55,927
0	0	0	0	6,329,302	0	6,329,302
0	0	0	0	3,000,000	0	3,000,000
0	0	0	0	126,136	0	126,136
0	0	8,761,075	0	14,378,755	0	14,378,755
370,564	0	24,466,251	0	66,515,570	0	66,515,570
13,140	0	11,719,633	0	36,862,099	0	36,862,099
711,144	0	18,310,932	0	141,199,772	0	141,199,772
(748,177)	0	0	0	(80,593,057)	0	(80,593,057)
7,646	0	5,392,848	0	37,346,556	0	37,346,556
0	0	0	0	280,845	0	280,845
0	0	0	0	650	0	650
210,000	0	0	0	2,513,000	0	2,513,000
0	0	0	0	62,547	0	62,547
0	0	0	0	1,333,504	0	1,333,504
0	0	0	637,935	637,935	0	637,935
0	0	0	19,874,934	19,874,934	0	19,874,934
<u>\$ 8,262,132</u>	<u>\$ 103,290,789</u>	<u>\$ 68,650,739</u>	<u>\$ 20,512,869</u>	<u>\$ 438,650,903</u>	<u>\$ 9,257</u>	<u>\$ 438,660,160</u>

THE CITY OF DAYTONA BEACH, FLORIDA
 COMBINED BALANCE SHEET
 ALL FUND TYPES, ACCOUNT GROUPS AND
 DISCRETELY PRESENTED COMPONENT UNIT
 SEPTEMBER 30, 2000

LIABILITIES, EQUITY (DEFICIT) AND OTHER CREDITS	PRIMARY GOVERNMENT				PROPRIETARY FUND TYPES
	GOVERNMENTAL FUND TYPES				
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	
LIABILITIES					
Accounts payable	\$ 393,308	\$ 69,595	\$ 0	\$ 6,055	\$ 2,329,791
Accrued liabilities	526,085	12,121	0	0	133,376
Notes payable - current	0	0	0	0	1,070,110
Estimated current portion of insurance claims payable	0	0	0	0	0
Due to other governments	27,106	156	0	0	19,245
Contracts payable	0	17,596	0	2,750	380,685
Deferred revenues	1,331,544	280,845	0	0	71,277
LIABILITIES PAYABLE FROM RESTRICTED ASSETS					
Construction Funds:					
Contracts payable	0	0	0	0	1,561,684
Revenue bonds payable - current	0	0	0	0	1,605,000
Accrued interest payable	0	0	0	0	1,407,891
Customer deposits	0	0	0	0	2,808,663
Other liabilities	0	0	0	0	142,392
Revenue bonds payable	0	0	0	0	44,510,000
Less: deferred amount on refunding unamortized bond discount	0	0	0	0	(191,144)
	0	0	0	0	(1,508,938)
Bond anticipation notes	0	0	0	0	0
Long-term notes payable	0	0	0	0	72,602,857
Estimated long-term portion of insurance claims payable	0	0	0	0	0
Deposits	113,799	6,857	0	0	3,764
Advances from other funds	0	988,000	0	0	1,525,000
Advances from primary government	0	0	0	0	0
Other liabilities	0	0	0	0	589,763
Compensated absences	0	0	0	0	454,580
TOTAL LIABILITIES	\$ 2,391,842	\$ 1,375,170	\$ 0	\$ 8,805	\$ 129,515,996
EQUITY (DEFICIT) AND OTHER CREDITS					
Investment in general fixed assets	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions - net	0	0	0	0	36,563,533
Retained earnings:					
Reserved for bond retirement	0	0	0	0	114,799
Reserved for renewal and replacement	0	0	0	0	1,572,725
Reserved for capital projects	0	0	0	0	23,299,920
Unreserved	0	0	0	0	23,057,194
Fund Balances:					
Reserved for encumbrances	745,457	58,145	0	0	0
Reserved for inventories	182,469	0	0	0	0
Reserved for prepaid items	37,568	0	0	0	0
Reserved for police education	464	0	0	0	0
Reserved for employees' pension benefits	0	0	0	0	0
Reserved for law enforcement	0	242,346	0	0	0
Reserved for local housing assistance	0	603,814	0	0	0
Reserved for advances to other funds	62,547	0	0	0	0
Reserved for debt service	0	0	641,766	0	0
Reserved for capital projects	85,226	2,332,414	0	4,832,013	0
Reserved for voluntary incentive program	0	0	0	0	0
Unreserved:					
Designated for recreation purposes	49,028	0	0	0	0
Undesignated (deficit)	5,325,999	4,835,134	0	0	0
TOTAL EQUITY (DEFICIT) AND OTHER CREDITS	\$ 6,488,758	\$ 8,071,853	\$ 641,766	\$ 4,832,013	\$ 84,608,171
TOTAL LIABILITIES, EQUITY (DEFICIT) AND OTHER CREDITS	\$ 8,880,600	\$ 9,447,023	\$ 641,766	\$ 4,840,818	\$ 214,124,167

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

PROPRIETARY FUND TYPES	FIDUCIARY FUND TYPES	ACCOUNT GROUPS		2000 TOTALS (MEMORANDUM ONLY)	COMPONENT UNIT	2000 TOTALS (MEMORANDUM ONLY)
		GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT		GOVERNMENTAL DOWNTOWN DEVELOPMENT AUTHORITY	
INTERNAL SERVICE	TRUST			PRIMARY GOVERNMENT		
\$ 354,028	\$ 246,671	\$ 0	\$ 0	\$ 3,399,448	\$ 329	\$ 3,399,777
29,120	0	0	0	700,702	0	700,702
0	0	0	0	1,070,110	0	1,070,110
1,081,969	0	0	0	1,081,969	0	1,081,969
43,412	0	0	0	89,919	0	89,919
0	0	0	0	401,031	0	401,031
0	0	0	0	1,683,666	0	1,683,666
0	0	0	0	1,561,684	0	1,561,684
0	0	0	0	1,605,000	0	1,605,000
0	0	0	0	1,407,891	0	1,407,891
0	0	0	0	2,808,663	0	2,808,663
0	0	0	0	142,392	0	142,392
0	0	0	0	44,510,000	0	44,510,000
0	0	0	0	(191,144)	0	(191,144)
0	0	0	0	(1,508,938)	0	(1,508,938)
0	0	0	9,967,812	9,967,812	0	9,967,812
0	0	0	7,490,666	80,093,523	0	80,093,523
5,512,031	0	0	0	5,512,031	0	5,512,031
0	0	0	0	124,420	0	124,420
0	0	0	0	2,513,000	0	2,513,000
0	0	0	0	0	62,547	62,547
188,137	0	0	1,058,148	1,836,048	0	1,836,048
97,870	0	0	1,996,243	2,548,693	0	2,548,693
<u>\$ 7,306,567</u>	<u>\$ 246,671</u>	<u>\$ 0</u>	<u>\$ 20,512,869</u>	<u>\$ 161,357,920</u>	<u>\$ 62,876</u>	<u>\$ 161,420,796</u>
\$ 0	\$ 0	\$ 68,650,739	\$ 0	\$ 68,650,739	\$ 0	\$ 68,650,739
218,132	0	0	0	36,781,665	0	36,781,665
0	0	0	0	114,799	0	114,799
0	0	0	0	1,572,725	0	1,572,725
0	0	0	0	23,299,920	0	23,299,920
737,433	0	0	0	23,794,627	0	23,794,627
0	0	0	0	803,602	0	803,602
0	0	0	0	182,469	0	182,469
0	0	0	0	37,568	0	37,568
0	0	0	0	464	0	464
0	102,032,000	0	0	102,032,000	0	102,032,000
0	0	0	0	242,346	0	242,346
0	0	0	0	603,814	0	603,814
0	0	0	0	62,547	0	62,547
0	0	0	0	641,766	0	641,766
0	0	0	0	7,249,653	0	7,249,653
0	1,012,118	0	0	1,012,118	0	1,012,118
0	0	0	0	49,028	0	49,028
0	0	0	0	10,161,133	(53,619)	10,107,514
<u>\$ 955,565</u>	<u>\$ 103,044,118</u>	<u>\$ 68,650,739</u>	<u>\$ 0</u>	<u>\$ 277,292,983</u>	<u>\$ (53,619)</u>	<u>\$ 277,239,364</u>
<u>\$ 8,262,132</u>	<u>\$ 103,290,789</u>	<u>\$ 68,650,739</u>	<u>\$ 20,512,869</u>	<u>\$ 438,650,903</u>	<u>\$ 9,257</u>	<u>\$ 438,660,160</u>

ENTERPRISE FUNDS

THE CITY OF DAYTONA BEACH, FLORIDA

ENTERPRISE FUNDS

COMBINING BALANCE SHEET

SEPTEMBER 30, 2000

	WATER AND SEWER SYSTEM	SOLID WASTE MANAGEMENT	HALIFAX HARBOR	MUNICIPAL GOLF COURSE	STORMWATER IMPROVEMENT	2000 TOTALS	1999 TOTALS
ASSETS							
CURRENT ASSETS							
Equity in pooled cash and investments	\$ 12,986,944	\$ 620,857	\$ 2,556,073	\$ 14,149	\$ 5,058,919	\$ 21,236,942	\$ 16,680,996
Accounts receivable - net	3,753,621	863,181	19,303	7,823	306,056	4,949,984	4,536,833
Employee accounts receivable	1,005	0	0	0	0	1,005	2,377
Due from other governments	0	359,516	59,166	0	42,602	461,284	30,029
Inventory	562,573	0	16,055	71,194	0	649,822	659,343
Prepaid items	0	0	6,451	6,500	0	12,951	12,600
TOTAL CURRENT ASSETS	\$ 17,304,143	\$ 1,843,554	\$ 2,657,048	\$ 99,666	\$ 5,407,577	\$ 27,311,988	\$ 21,922,178
RESTRICTED ASSETS							
Cash and investments:							
Sinking fund	\$ 3,018,476	\$ 0	\$ 240,588	\$ 45,518	\$ 17,096	\$ 3,321,678	\$ 2,966,887
Construction funds	23,460,012	0	0	65,617	111,864	23,637,493	1,053,182
Landfill postclosure escrow	0	55,927	0	0	0	55,927	28,840
Renewal and replacement	6,329,302	0	0	0	0	6,329,302	4,524,944
Customer deposits	3,000,000	0	0	0	0	3,000,000	2,800,000
Accrued interest receivable	125,211	0	746	126	53	126,136	1,164
TOTAL RESTRICTED ASSETS	\$ 35,933,001	\$ 55,927	\$ 241,334	\$ 111,261	\$ 129,013	\$ 36,470,536	\$ 11,375,017
FIXED ASSETS							
Land	\$ 3,251,131	\$ 25,021	\$ 38,603	\$ 1,512,832	\$ 790,093	\$ 5,617,680	\$ 5,617,680
Buildings and improvements	34,886,718	157,051	5,394,402	1,001,843	238,741	41,678,755	45,290,069
Improvements other than buildings	10,807,962	187,904	12,653,318	973,005	507,137	25,129,326	25,310,658
Equipment	108,326,706	339,486	1,465,478	951,442	11,094,584	122,177,696	128,925,401
	\$ 157,272,517	\$ 709,462	\$ 19,551,801	\$ 4,439,122	\$ 12,630,555	\$ 194,603,457	\$ 205,143,808
less: accumulated depreciation	(65,620,640)	(435,693)	(8,294,731)	(2,032,012)	(3,461,804)	(79,844,880)	(79,256,692)
	\$ 91,651,877	\$ 273,769	\$ 11,257,070	\$ 2,407,110	\$ 9,168,751	\$ 114,758,577	\$ 125,887,116
Construction in progress	31,185,455	18,073	250,570	197,261	294,703	31,946,062	19,916,000
TOTAL NET FIXED ASSETS	\$ 122,837,332	\$ 291,842	\$ 11,507,640	\$ 2,604,371	\$ 9,463,454	\$ 146,704,639	\$ 145,803,116
OTHER ASSETS							
Deposits	\$ 500	\$ 0	\$ 0	\$ 0	\$ 0	\$ 500	\$ 500
Advances to other funds	1,925,000	0	0	0	378,000	2,303,000	2,022,000
Unamortized bond costs	1,108,193	0	199,379	20,676	5,256	1,333,504	1,247,572
TOTAL OTHER ASSETS	\$ 3,033,693	\$ 0	\$ 199,379	\$ 20,676	\$ 383,256	\$ 3,637,004	\$ 3,270,072
TOTAL ASSETS	\$ 179,108,169	\$ 2,191,323	\$ 14,605,401	\$ 2,835,974	\$ 15,383,300	\$ 214,124,167	\$ 182,370,383

LIABILITIES AND EQUITY (DEFICIT)

CURRENT LIABILITIES (PAYABLE FROM CURRENT ASSETS)

Accounts payable	\$ 2,182,917	\$ 575	\$ 103,355	\$ 34,081	\$ 8,863	\$ 2,329,791	\$ 346,599
Accrued liabilities	101,797	6,177	0	12,810	12,592	133,376	82,082
Notes payable - current	704,739	0	224,293	120,000	21,078	1,070,110	325,689
Due to other governments	2,119	7	12,696	4,423	0	19,245	18,794
Contracts payable	0	380,685	0	0	0	380,685	568,801
Deferred revenues	70,668	0	609	0	0	71,277	165

TOTAL CURRENT LIABILITIES (PAYABLE FROM CURRENT ASSETS)

\$ 3,062,240	\$ 387,444	\$ 340,953	\$ 171,314	\$ 42,533	\$ 4,004,484	\$ 1,342,130
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CURRENT LIABILITIES (PAYABLE FROM RESTRICTED ASSETS)

Construction Funds:							
Accounts payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 121,770
Contracts payable	1,561,684	0	0	0	0	1,561,684	1,978,365
Revenue bonds payable - current	1,605,000	0	0	0	0	1,605,000	1,515,000
Accrued interest payable	1,358,834	0	39,529	6,692	2,836	1,407,891	1,061,816
Customer deposits	2,808,663	0	0	0	0	2,808,663	2,708,742
Other Liabilities	125,718	0	0	0	16,674	142,392	0

TOTAL CURRENT LIABILITIES (PAYABLE FROM RESTRICTED ASSETS)

\$ 7,459,899	\$ 0	\$ 39,529	\$ 6,692	\$ 19,510	\$ 7,525,630	\$ 7,385,693
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OTHER LIABILITIES

Revenue bonds payable	\$ 44,510,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 44,510,000	\$ 46,115,000
less: deferred amount on refunding	(191,144)	0	0	0	0	(191,144)	(219,661)
unamortized bond discount	(1,508,938)	0	0	0	0	(1,508,938)	(1,556,651)
	\$ 42,809,918	\$ 0	\$ 0	\$ 0	\$ 0	\$ 42,809,918	\$ 44,338,688
Long-term notes payable	54,694,355	0	15,436,829	1,715,000	756,673	72,602,857	41,188,448
Deposits	0	690	3,074	0	0	3,764	5,257
Advances from other funds	0	0	0	1,525,000	0	1,525,000	1,125,000
Other liabilities	383,544	74,277	0	103,931	28,011	589,763	733,524
Compensated absences	364,559	14,846	0	39,270	35,905	454,580	386,888

TOTAL OTHER LIABILITIES

\$ 98,252,376	\$ 89,813	\$ 15,439,903	\$ 3,383,201	\$ 820,589	\$ 117,985,882	\$ 87,777,805
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TOTAL LIABILITIES

\$ 108,774,515	\$ 477,257	\$ 15,820,385	\$ 3,561,207	\$ 882,632	\$ 129,515,996	\$ 96,505,628
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EQUITY (DEFICIT)

Contributions - (net of accumulated depreciation)	\$ 28,864,247	\$ 32,480	\$ 487,415	\$ 646,627	\$ 6,532,764	\$ 36,563,533	\$ 35,701,864
Retained earnings:							
Reserved for bond retirement	\$ 54,642	\$ 0	\$ 0	\$ 45,518	\$ 14,639	\$ 114,799	\$ 191,474
Reserved for renewal and replacement	1,572,725	0	0	0	0	1,572,725	1,674,582
Reserved for capital projects	15,267,822	78,833	0	0	7,953,265	23,299,920	41,266,937
Unreserved (deficit)	24,574,218	1,602,753	(1,702,399)	(1,417,378)	0	23,057,194	7,029,898
	\$ 41,469,407	\$ 1,681,586	\$ (1,702,399)	\$ (1,371,860)	\$ 7,967,904	\$ 48,044,638	\$ 50,162,891

TOTAL EQUITY (DEFICIT)

\$ 70,333,654	\$ 1,714,066	\$ (1,214,984)	\$ (725,233)	\$ 14,500,668	\$ 84,608,171	\$ 85,864,755
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TOTAL LIABILITIES AND EQUITY (DEFICIT)

\$ 179,108,169	\$ 2,191,323	\$ 14,605,401	\$ 2,835,974	\$ 15,383,300	\$ 214,124,167	\$ 182,370,383
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THE CITY OF DAYTONA BEACH, FLORIDA

ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

FOR THE YEAR ENDED SEPTEMBER 30, 2000

	SOLID					2000	1999
	WATER AND SEWER SYSTEM	WASTE MANAGEMENT	HALIFAX HARBOR	MUNICIPAL GOLF COURSE	STORMWATER IMPROVEMENT	TOTALS	TOTALS
OPERATING REVENUES							
Charges for services	\$ 23,455,720	\$ 5,870,501	\$ 3,017,620	\$ 1,580,338	\$ 2,342,648	\$ 36,266,827	\$ 35,216,515
TOTAL OPERATING REVENUES	\$ 23,455,720	\$ 5,870,501	\$ 3,017,620	\$ 1,580,338	\$ 2,342,648	\$ 36,266,827	\$ 35,216,515
OPERATING EXPENSES							
Personal services	\$ 5,913,183	\$ 416,357	\$ 0	\$ 837,549	\$ 768,663	\$ 7,935,752	\$ 8,073,051
Contractual services	4,718,706	5,404,988	1,048,197	405,082	387,620	11,964,593	11,251,198
Materials and supplies	2,272,152	49,076	486,042	408,478	70,717	3,286,465	3,488,961
Depreciation	6,232,895	63,343	699,757	159,552	547,658	7,703,205	7,928,151
TOTAL OPERATING EXPENSES	\$ 19,136,936	\$ 5,933,764	\$ 2,233,996	\$ 1,810,661	\$ 1,774,658	\$ 30,890,015	\$ 30,741,361
OPERATING INCOME (LOSS)	\$ 4,318,784	\$ (63,263)	\$ 783,624	\$ (230,323)	\$ 567,990	\$ 5,376,812	\$ 4,475,154

NONOPERATING INCOME (EXPENSES)

Intergovernmental revenues	\$ 0	\$ 399,812	\$ 5,775	\$ 0	\$ 42,602	\$ 448,189	\$ 224,912
Income on investments	1,313,785	52,684	162,160	6,479	304,919	1,840,027	1,422,553
Miscellaneous revenues	203,249	16,660	55,931	12,598	0	288,438	258,563
Interest expense	(3,141,504)	0	(728,395)	(148,500)	(33,086)	(4,051,485)	(3,519,371)
Amortization of bond costs	(57,117)	0	(9,875)	(1,811)	(306)	(69,109)	(60,121)
Payment in lieu of taxes	(1,520,923)	(364,710)	(174,626)	(96,534)	(162,210)	(2,319,003)	(2,214,474)
(Loss) on disposal of fixed assets	(3,466,242)	0	(67,819)	(1,047)	(177,941)	(3,713,049)	(153,683)
TOTAL NONOPERATING INCOME (EXPENSES)	\$ (6,668,752)	\$ 104,446	\$ (756,849)	\$ (228,815)	\$ (26,022)	\$ (7,575,992)	\$ (4,041,621)
INCOME (LOSS) BEFORE OPERATING TRANSFERS	\$ (2,349,968)	\$ 41,183	\$ 26,775	\$ (459,138)	\$ 541,968	\$ (2,199,180)	\$ 433,533
OPERATING TRANSFERS							
Operating transfers in	\$ 130,625	\$ 0	\$ 241,445	\$ 0	\$ 0	\$ 372,070	\$ 375,485
Operating transfers (out)	(671,040)	(111,840)	0	(41,515)	0	(824,395)	(840,250)
NET INCOME (LOSS)	\$ (2,890,383)	\$ (70,657)	\$ 268,220	\$ (500,653)	\$ 541,968	\$ (2,651,505)	\$ (31,232)
OTHER CHANGES							
Credit arising from depreciation of fixed contributed assets	512,035	7,882	13,335	0	0	533,252	575,898
NET INCREASE (DECREASE) IN RETAINED EARNINGS DURING YEAR	\$ (2,378,348)	\$ (62,775)	\$ 281,555	\$ (500,653)	\$ 541,968	\$ (2,118,253)	\$ 544,466
RETAINED EARNINGS AT BEGINNING OF YEAR (DEFICIT)	\$ 43,847,755	\$ 1,744,361	\$ (1,983,954)	\$ (871,207)	\$ 7,425,936	\$ 50,162,891	\$ 49,618,425
RETAINED EARNINGS AT END OF YEAR (DEFICIT)	\$ 41,469,407	\$ 1,681,586	\$ (1,702,399)	\$ (1,371,860)	\$ 7,967,904	\$ 48,044,638	\$ 50,162,891

THE CITY OF DAYTONA BEACH, FLORIDA

ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2000

	WATER AND SEWER SYSTEM	SOLID WASTE MANAGEMENT	HALIFAX HARBOR	MUNICIPAL GOLF COURSE	STORMWATER IMPROVEMENT	2000 TOTALS	1999 TOTALS
OPERATING INCOME (LOSS)	\$ 4,318,784	\$ (63,263)	\$ 783,624	\$ (230,323)	\$ 567,990	\$ 5,376,812	\$ 4,475,153
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES							
Depreciation and amortization	\$ 6,232,895	\$ 63,343	\$ 699,757	\$ 159,552	\$ 547,658	\$ 7,703,205	\$ 7,928,151
Miscellaneous revenue	203,249	16,660	55,931	12,598	0	288,438	258,563
(Increase) decrease in:							
Accounts receivable	626,036	(714,188)	(14,014)	(4,930)	(306,056)	(413,152)	(222,297)
Employee accounts receivable	212	1,160	0	0	0	1,372	(1,572)
Due from other governments	0	(329,486)	(59,166)	0	(42,602)	(431,254)	28,232
Inventories	16,073	0	(1,279)	(5,273)	0	9,521	(164,460)
Prepaid items	0	0	(351)	0	0	(351)	650
Increase (decrease) in:							
Accounts payable	1,851,964	(141,274)	18,765	(6,657)	1,187	1,723,985	56,618
Accrued liabilities	40,766	1,986	0	4,381	4,161	51,294	(85,492)
Due to other governments	(534)	(720)	1,936	981	(1,212)	451	(19,891)
Deferred revenues	70,668	0	554	(110)	0	71,112	(3,997)
Customer deposits	99,921	0	0	0	0	99,921	136,277
Deposits	0	(1,493)	0	0	0	(1,493)	(6,387)
Other liabilities	(19,117)	51,926	0	(41,515)	7,337	(1,369)	(330,204)
Compensated absences	54,894	2,977	0	4,091	5,733	67,695	(24,190)
TOTAL ADJUSTMENTS	\$ 9,177,027	\$ (1,049,109)	\$ 702,133	\$ 123,118	\$ 216,206	\$ 9,169,375	\$ 7,550,001
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	\$ 13,495,811	\$ (1,112,372)	\$ 1,485,757	\$ (107,205)	\$ 784,196	\$ 14,546,187	\$ 12,025,154
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Payment in lieu of taxes	\$ (1,520,923)	\$ (364,710)	\$ (174,626)	\$ (96,534)	\$ (162,210)	\$ (2,319,003)	\$ (2,214,474)
Intergovernmental revenues	0	399,812	5,775	0	42,602	448,189	224,912
Principal received on advance to other funds	100,000	0	0	0	19,000	119,000	119,000
Advance from other funds	0	0	0	400,000	0	400,000	0
Advance to other funds	(400,000)	0	0	0	0	(400,000)	0
Transfers from other funds	130,625	0	241,445	0	0	372,070	185,535
Transfers to other funds	(671,040)	(111,840)	0	(41,515)	0	(824,395)	(650,300)
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	\$ (2,361,338)	\$ (76,738)	\$ 72,594	\$ 261,951	\$ (100,608)	\$ (2,204,139)	\$ (2,335,327)

CASH FLOWS FROM CAPITAL
AND RELATED FINANCING ACTIVITIES

Acquisition and construction of capital assets	\$ (9,773,333)	\$ (27,273)	\$ (287,623)	\$ (203,118)	\$ (456,207)	\$ (10,757,554)	\$ (14,372,946)
Proceeds from long term notes	32,674,519	0	0	0	0	32,674,519	10,467,021
Issue costs from long term notes	(155,043)	0	0	0	0	(155,043)	(588,213)
Principal payments on bonds and notes	(1,682,751)	0	(210,689)	(115,000)	(22,249)	(2,030,689)	(2,033,375)
Interest payments on bonds and notes	(2,726,265)	0	(722,410)	(147,798)	(32,707)	(3,629,180)	(3,487,953)
Property and equipment contract payments	(1,978,365)	0	0	0	(49,219)	(2,027,584)	(2,953,557)
Proceeds from sale of fixed assets	0	0	0	0	0	0	34,659
Capital contributions	1,241,531	0	153,390	0	0	1,394,921	1,063,076

NET CASH PROVIDED BY (USED FOR)

CAPITAL AND RELATED FINANCING ACTIVITIES	\$ 17,600,293	\$ (27,273)	\$ (1,077,332)	\$ (465,916)	\$ (560,382)	\$ 15,469,390	\$ (11,871,288)
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CASH FLOWS FROM INVESTING ACTIVITIES

Interest received	\$ 1,188,978	\$ 52,684	\$ 162,059	\$ 6,468	\$ 304,866	\$ 1,715,055	\$ 1,433,116
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NET CASH PROVIDED BY

INVESTING ACTIVITIES	\$ 1,188,978	\$ 52,684	\$ 162,059	\$ 6,468	\$ 304,866	\$ 1,715,055	\$ 1,433,116
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NET INCREASE (DECREASE)

IN CASH AND CASH EQUIVALENTS	\$ 29,923,744	\$ (1,163,699)	\$ 643,078	\$ (304,702)	\$ 428,072	\$ 29,526,493	\$ (748,345)
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CASH AND CASH EQUIVALENTS
AT BEGINNING OF YEAR

	18,870,990	1,840,483	2,153,583	429,986	4,759,807	28,054,849	28,803,194
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CASH AND CASH EQUIVALENTS (INCLUDING
\$36,344,400 REPORTED AS RESTRICTED
ASSETS) AT END OF YEAR

	\$ 48,794,734	\$ 676,784	\$ 2,796,661	\$ 125,284	\$ 5,187,879	\$ 57,581,342	\$ 28,054,849
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THE CITY OF DAYTONA BEACH, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2000

	FLEET MAINTENANCE	CENTRAL STORES	EMPLOYMENT SERVICES	CENTRAL PROPERTY MAINTENANCE	CONSOLIDATED INSURANCE	2000 TOTALS	1999 TOTALS
ASSETS							
CURRENT ASSETS							
Equity in pooled cash and investments	\$ 291,754	\$ 233,530	\$ 75,112	\$ 51,310	\$ 6,341,193	\$ 6,992,899	\$ 8,236,317
Accounts receivable	0	0	0	0	3,604	3,604	0
Employee accounts receivable	0	0	0	0	0	0	2,273
Inventory	72,021	170,955	0	0	0	242,976	268,824
Prepaid items	0	0	0	0	458,336	458,336	307,581
TOTAL CURRENT ASSETS	\$ 363,775	\$ 404,485	\$ 75,112	\$ 51,310	\$ 6,803,133	\$ 7,697,815	\$ 8,814,995
FIXED ASSETS							
Buildings and improvements	\$ 102,338	\$ 97,597	\$ 0	\$ 131,020	\$ 39,609	\$ 370,564	\$ 373,829
Improvements other than buildings	8,700	181	0	2,499	1,760	13,140	13,140
Equipment	288,945	26,191	29,905	269,398	96,705	711,144	676,690
	<u>\$ 399,983</u>	<u>\$ 123,969</u>	<u>\$ 29,905</u>	<u>\$ 402,917</u>	<u>\$ 138,074</u>	<u>\$ 1,094,848</u>	<u>\$ 1,063,659</u>
less: accumulated depreciation	(276,312)	(74,134)	(17,146)	(289,878)	(90,707)	(748,177)	(714,155)
	<u>\$ 123,671</u>	<u>\$ 49,835</u>	<u>\$ 12,759</u>	<u>\$ 113,039</u>	<u>\$ 47,367</u>	<u>\$ 346,671</u>	<u>\$ 349,504</u>
Construction in progress	6,623	0	0	0	1,023	7,646	0
TOTAL NET FIXED ASSETS	\$ 130,294	\$ 49,835	\$ 12,759	\$ 113,039	\$ 48,390	\$ 354,317	\$ 349,504
OTHER ASSETS							
Advance to other funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 210,000	\$ 210,000	\$ 260,000
TOTAL OTHER ASSETS	\$ 0	\$ 0	\$ 0	\$ 0	\$ 210,000	\$ 210,000	\$ 260,000
TOTAL ASSETS	\$ 494,069	\$ 454,320	\$ 87,871	\$ 164,349	\$ 7,061,523	\$ 8,262,132	\$ 9,424,499
LIABILITIES AND EQUITY							
CURRENT LIABILITIES							
Accounts payable	\$ 60,514	\$ 8,083	\$ 192	\$ 385	\$ 284,854	\$ 354,028	\$ 280,493
Accrued liabilities	9,259	1,530	4,148	6,816	7,367	29,120	15,125
Estimated current portion of insurance claims payable	0	0	0	0	1,081,969	1,081,969	1,082,488
Due to other governments	31	4	21	1	43,355	43,412	31,122
TOTAL CURRENT LIABILITIES	\$ 69,804	\$ 9,617	\$ 4,361	\$ 7,202	\$ 1,417,545	\$ 1,508,528	\$ 1,409,228
OTHER LIABILITIES							
Estimated long-term portion of insurance claims payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,512,031	\$ 5,512,031	\$ 5,805,512
Other liabilities	54,548	37,252	71,286	25,051	0	188,137	277,248
Compensated absences	55,465	5,115	10,327	10,142	16,821	97,870	81,072
TOTAL OTHER LIABILITIES	\$ 110,013	\$ 42,367	\$ 81,613	\$ 35,193	\$ 5,528,852	\$ 5,798,038	\$ 6,163,830
TOTAL LIABILITIES	\$ 179,817	\$ 51,984	\$ 85,974	\$ 42,395	\$ 6,946,397	\$ 7,306,567	\$ 7,573,058
EQUITY							
Contributions - (net of accumulated depreciation)	\$ 66,023	\$ 0	\$ 0	\$ 130,594	\$ 21,515	\$ 218,132	\$ 218,132
Retained earnings: Unreserved (deficit)	248,229	402,336	1,897	(8,640)	93,611	737,433	1,633,309
TOTAL EQUITY	\$ 314,252	\$ 402,336	\$ 1,897	\$ 121,954	\$ 115,126	\$ 955,565	\$ 1,851,441
TOTAL LIABILITIES AND EQUITY	\$ 494,069	\$ 454,320	\$ 87,871	\$ 164,349	\$ 7,061,523	\$ 8,262,132	\$ 9,424,499

THE CITY OF DAYTONA BEACH, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2000

	FLEET MAINTENANCE	CENTRAL STORES	EMPLOYMENT SERVICES	CENTRAL PROPERTY MAINTENANCE	CONSOLIDATED INSURANCE	2000 TOTALS	1999 TOTALS
OPERATING REVENUES							
Charges for services	\$ 1,879,781	\$ 167,864	\$ 279,652	\$ 394,125	\$ 6,461,439	\$ 9,182,861	\$ 9,954,815
TOTAL OPERATING REVENUES	\$ 1,879,781	\$ 167,864	\$ 279,652	\$ 394,125	\$ 6,461,439	\$ 9,182,861	\$ 9,954,815
OPERATING EXPENSES							
Personal services	\$ 583,495	\$ 93,988	\$ 190,613	\$ 329,180	\$ 325,267	\$ 1,522,541	\$ 1,432,398
Contractual services	251,516	1,285	50,091	37,095	386,886	726,873	975,794
Materials and supplies	1,004,888	0	11,583	23,347	14,552	1,054,370	1,423,924
Insurance	0	0	0	0	1,671,956	1,671,956	3,057,064
Employee benefits	0	0	0	0	5,387,409	5,387,409	5,691,592
Depreciation	27,381	6,732	2,862	38,790	11,276	87,041	73,345
TOTAL OPERATING EXPENSES	\$ 1,867,280	\$ 102,003	\$ 255,149	\$ 428,412	\$ 7,797,346	\$ 10,450,190	\$ 12,654,117
OPERATING INCOME (LOSS)	\$ 12,501	\$ 65,861	\$ 24,503	\$ (34,287)	\$ (1,335,907)	\$ (1,267,329)	\$ (2,699,302)
NONOPERATING INCOME (EXPENSES)							
Intergovernmental revenues	\$ 0	\$ 0	\$ 0	\$ 0	\$ 19,282	\$ 19,282	\$ 104,587
Income on investments	0	0	0	0	441,805	441,805	425,798
Miscellaneous revenues	0	0	0	0	0	0	40
(Loss) on disposal of fixed assets	0	0	0	(524)	0	(524)	0
TOTAL NONOPERATING INCOME (EXPENSES)	\$ 0	\$ 0	\$ 0	\$ (524)	\$ 461,087	\$ 460,563	\$ 530,425
OPERATING TRANSFERS							
Operating transfers (out)	\$ (18,182)	\$ (14,541)	\$ (48,037)	\$ (8,350)	\$ 0	\$ (89,110)	\$ (110,699)
NET INCOME (LOSS)	\$ (5,681)	\$ 51,320	\$ (23,534)	\$ (43,161)	\$ (874,820)	\$ (895,876)	\$ (2,279,576)
OTHER CHANGES							
Credit arising from depreciation/ disposal of contributed assets	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,112
NET INCREASE (DECREASE) IN RETAINED EARNINGS DURING THE YEAR	\$ (5,681)	\$ 51,320	\$ (23,534)	\$ (43,161)	\$ (874,820)	\$ (895,876)	\$ (2,277,464)
RETAINED EARNINGS AT BEGINNING OF YEAR	\$ 79,560	\$ 525,366	\$ 25,431	\$ 34,521	\$ 968,431	\$ 1,633,309	\$ 3,910,773
Residual equity transfer in (out)	174,350	(174,350)	0	0	0	0	0
RETAINED EARNINGS AT END OF YEAR (DEFICIT)	\$ 248,229	\$ 402,336	\$ 1,897	\$ (8,640)	\$ 93,611	\$ 737,433	\$ 1,633,309

THE CITY OF DAYTONA BEACH, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2000

	FLEET MAINTENANCE	CENTRAL STORES	EMPLOYMENT SERVICES	CENTRAL PROPERTY MAINTENANCE	CONSOLIDATED INSURANCE	2000 TOTALS	1999 TOTALS
OPERATING INCOME (LOSS)	\$ 12,501	\$ 65,861	\$ 24,503	\$ (34,287)	\$ (1,335,907)	\$ (1,267,329)	\$ (2,699,302)
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES							
Depreciation	\$ 27,381	\$ 6,732	\$ 2,862	\$ 38,790	\$ 11,276	\$ 87,041	\$ 73,345
Miscellaneous revenues	0	0	0	0	0	0	40
(Increase) decrease in accounts receivable	0	0	2,138	0	(3,604)	(1,466)	233
(Increase) decrease in employee accounts receivable	0	0	0	0	135	135	(710)
(Increase) decrease in inventories	102,329	(76,481)	0	0	0	25,848	(14,763)
(Increase) in prepaid items	0	0	0	0	(150,755)	(150,755)	(47,599)
Increase (decrease) in accounts payable	46,125	(9,259)	(18,454)	(7,593)	62,717	73,536	96,558
Increase (decrease) in accrued liabilities	3,499	647	2,139	3,641	4,069	13,995	(18,074)
Increase (decrease) in current portion of insurance claims payable	0	0	0	0	(519)	(519)	163,080
Increase (decrease) in due to other governments	(325)	0	0	0	12,615	12,290	(165,593)
Increase (decrease) in long-term portion of insurance claims payable	0	0	0	0	(293,481)	(293,481)	1,019,920
(Decrease) in other liabilities	(18,182)	(14,540)	(48,037)	(8,350)	0	(89,109)	(97,128)
Increase (decrease) in compensated absences	11,991	(1,684)	6,644	1,188	(1,341)	16,798	7,528
TOTAL ADJUSTMENTS	\$ 172,818	\$ (94,585)	\$ (52,708)	\$ 27,676	\$ (358,888)	\$ (305,687)	\$ 1,018,837
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	\$ 185,319	\$ (28,724)	\$ (28,205)	\$ (6,611)	\$ (1,694,795)	\$ (1,573,016)	\$ (1,680,465)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Intergovernmental revenues	\$ 0	\$ 0	\$ 0	\$ 0	\$ 19,282	\$ 19,282	\$ 104,587
Principal received on advance to other funds	0	0	0	0	50,000	50,000	50,000
Transfers to other funds	(18,182)	(14,541)	(48,037)	(8,350)	0	(89,110)	(110,669)
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	\$ (18,182)	\$ (14,541)	\$ (48,037)	\$ (8,350)	\$ 69,282	\$ (19,828)	\$ 43,888
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES							
Acquisition and construction of capital assets	\$ (28,800)	\$ 0	\$ 0	\$ (61,557)	\$ (2,022)	\$ (92,379)	\$ (81,661)
NET CASH (USED FOR) CAPITAL FINANCING ACTIVITIES	\$ (28,800)	\$ 0	\$ 0	\$ (61,557)	\$ (2,022)	\$ (92,379)	\$ (81,661)
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest received	\$ 0	\$ 0	\$ 0	\$ 0	\$ 441,805	\$ 441,805	\$ 425,798
NET CASH PROVIDED BY INVESTING ACTIVITIES	\$ 0	\$ 0	\$ 0	\$ 0	\$ 441,805	\$ 441,805	\$ 425,798
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 138,337	\$ (43,265)	\$ (76,242)	\$ (76,518)	\$ (1,185,730)	\$ (1,243,418)	\$ (1,292,440)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	153,417	276,795	151,354	127,828	7,526,923	8,236,317	9,528,757
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 291,754	\$ 233,530	\$ 75,112	\$ 51,310	\$ 6,341,193	\$ 6,992,899	\$ 8,236,317
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES							
Contributions (to) from other funds	\$ 174,350	\$ (174,350)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

EXHIBIT C

1. The City has sufficient financial capability to provide the limited services which the City currently plans to provide (*i.e.*, service to tenants and other users of City facilities and educational and other public institutions in the community). This capability is evidenced by the financial resources and other assets set forth in its audited financial statements for 1998, 1999, and 2000.

2. The City will maintain the limited services which it currently plans to provide through revenue generated by its own operations and sale of service to the new customers contemplated by its current service plans (*i.e.*, service to tenants and other users of City facilities and educational and other public institutions in the community). This capability is evidenced by the financial resources and other assets set forth in its audited financial statements for 1998, 1999, and 2000.

3. The City has sufficient financial capability to meet the limited lease and ownership obligations which it may assume in connection with the limited expansion of its current facilities and operations which may be needed to provide service to the new customers contemplated by its current service plans (*i.e.*, service to tenants and other users of City facilities and educational and other public institutions in the community). This capability is evidenced by the financial resources and other assets set forth in its audited financial statements for 1998, 1999, and 2000.