

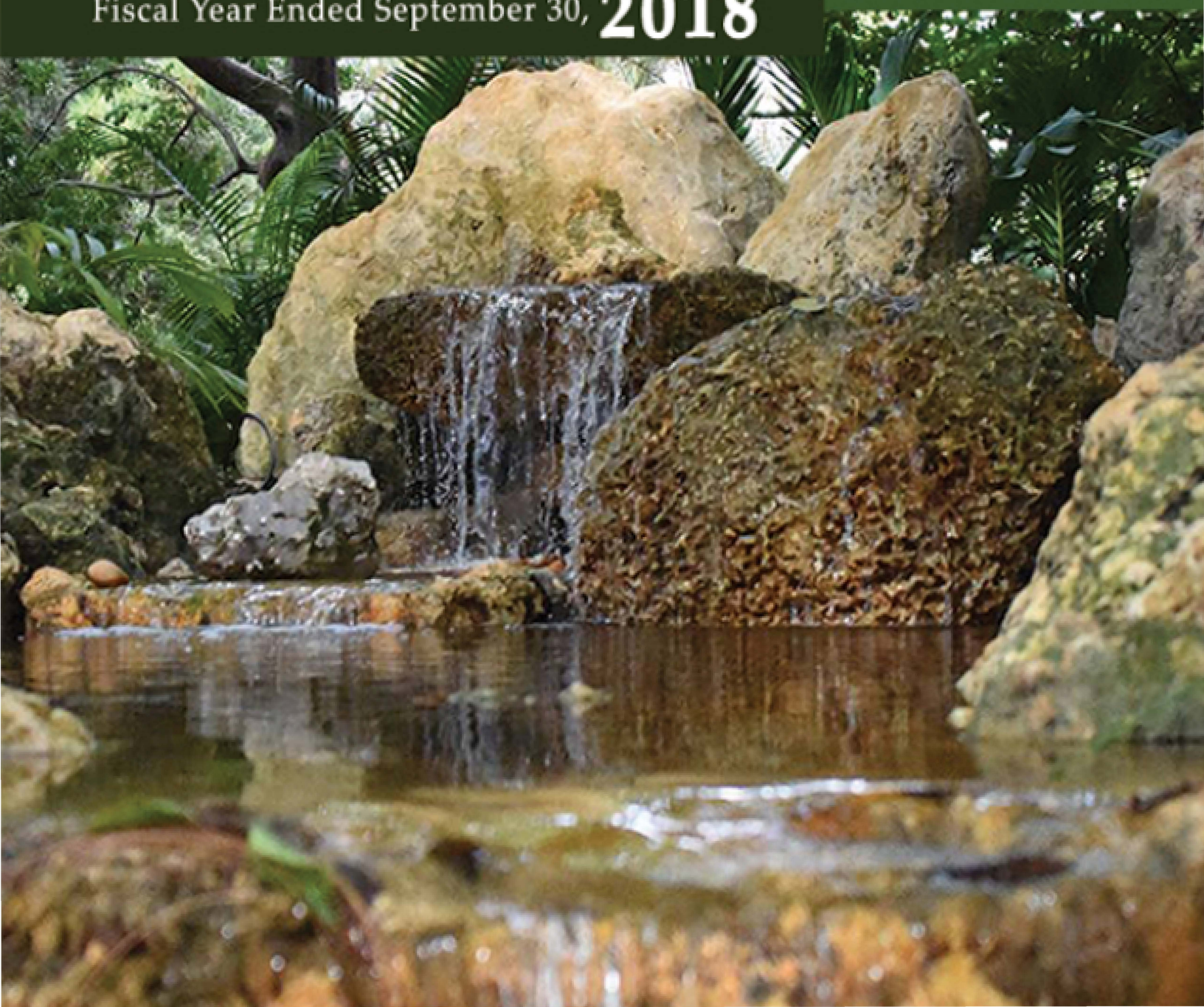
City of Deerfield Beach

COMPREHENSIVE ANNUAL **FINANCIAL REPORT**



Deerfield Beach
Florida

Fiscal Year Ended September 30, **2018**





CITY OF DEERFIELD BEACH, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

Prepared by the Department of Financial Services

City of Deerfield Beach, Florida

Comprehensive Annual Financial Report
For the Year Ended September 30, 2018

TABLE OF CONTENTS

	PAGE
INTRODUCTORY SECTION (Unaudited)	
Letter of Transmittal.....	i
Certificate of Achievement for Excellence in Financial Reporting.....	v
Organizational Chart.....	vi
List of Elected and Appointed Officials.....	vii
FINANCIAL SECTION	
Independent Auditors' Report.....	1
Management's Discussion and Analysis (Required Supplementary Information).....	4
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position.....	17
Statement of Activities.....	18
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	19
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	21
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	24
Statement of Net Position - Proprietary Funds.....	25
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds.....	27
Statement of Cash Flows.....	28
Statement of Fiduciary Net Position - Fiduciary Funds.....	30
Statement of Changes in Fiduciary Net Position - Fiduciary Funds.....	31
Notes to the Financial Statements.....	32
Required Supplementary Information (Unaudited):	
General Fund Budgetary Comparison Schedule.....	85
Community Redevelopment Agency Fund Budgetary Comparison Schedule.....	86
Notes to Budgetary Schedules.....	87
Schedule of Changes in City's Net Position, Liability, and Related Ratios - Fire Pension Fund	88
Schedule of City Contributions - Fire Pension Fund.....	89
Schedule of Changes in Net Pension Liability and Related Ratios - Police Pension Fund.....	90
Schedule of City Contributions - Police Pension Fund.....	91
Schedule of Changes in City's Net Pension Liability and Related Ratios - Non-Uniformed Pension Fund.....	92
Schedule of City Contributions - Non-Uniformed Pension Fund.....	93
Schedules of City's Proportionate Share of the Net Pension Liability and Contribution- FRS..	94
Schedules of City's Proportionate Share of the Net Pension Liability and Contribution - HIS...	95
Schedule of Changes in City's Total OPEB Liability and Related Ratios.....	96
Combining and Individual Fund Statements and Schedules:	
Nonmajor Governmental Funds.....	97
Combining Balance Sheet - Nonmajor Governmental Funds.....	99
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds.....	100
Nonmajor Special Revenue Funds:	
Combining Balance Sheet.....	101
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	103
Budget and Actual - Road and Bridge Tax Fund.....	105
Budget and Actual - Community Development Block Grant Fund.....	106

City of Deerfield Beach, Florida

Comprehensive Annual Financial Report
For the Year Ended September 30, 2018

TABLE OF CONTENTS

	PAGE
Fiduciary Funds:	
Combining Statement of Fiduciary Net Position - Pension Trust Funds.....	107
Combining Statement of Changes in Fiduciary Net Position - Pension Trust Funds	108
STATISTICAL SECTION (Unaudited)	
Financial Trends:	
Net Position by Component.....	109
Changes in Net Position	110
Governmental Activities Tax Revenues by Source.....	112
Fund Balances of Governmental Funds.....	113
Changes in Fund Balances of Governmental Funds.....	114
Revenue Capacity:	
General Governmental Tax Revenues by Source.....	115
Assessed Value and Estimated Actual Value of Taxable Property.....	116
Direct and Overlapping Property Tax Rates.....	117
Principal Property Taxpayers.....	118
Property Tax Levies and Collections.....	119
Water Sold by Type of Customer.....	120
Water and Sewer Rates.....	121
Debt Capacity:	
Ratios of Outstanding Debt by Type.....	122
Ratios of General Bonded Debt Outstanding.....	123
Direct and Overlapping Governmental Activities Debt.....	124
Water and Sewer Pledged-Revenue Coverage.....	125
Non-Ad Valorem Revenue Anti-Dilution Test.....	126
Demographic and Economic Information:	
Demographic and Economic Statistics.....	127
Principal Employers.....	128
Operating Information:	
Full-Time Equivalent City Government Employees by Function.....	129
Operating Indicators by Function.....	130
Capital Asset Statistics by Function.....	132



April 12, 2019

Citizens of Deerfield Beach
Honorable Mayor and Members of the City Commission

It is our pleasure to submit to you the Comprehensive Annual Financial Report of the City of Deerfield Beach, Florida for the fiscal year ended September 30, 2018.

Local ordinances and state statute require that the City issue a report on the financial position and activity within nine months of the close of each fiscal year. Additionally, the financial statements must be presented in conformity with generally accepted accounting principles (GAAP) and this report must be audited in accordance with generally accepted auditing standards by an independent firm of certified public accountants.

This report consists of management's representations concerning the finances of the City. Consequently, the responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed to safeguard City assets from loss, theft or misappropriation and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. The cost of an internal control should not exceed the benefits to be derived; therefore, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free from any material misstatements. We believe that the information as presented is accurate in all material aspects; that it fairly presents the City's financial position and the results of operations and that all disclosures necessary to enable the reader to gain an understanding of the City's financial activities are included.

Marcum LLP, a firm of licensed certified public accountants, audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Deerfield Beach for the fiscal year ended September 30, 2018, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering unmodified opinions that the City of Deerfield Beach's financial statements for the fiscal year ended September 30, 2018, are fairly presented in conformity with GAAP. The independent auditors' report is included in the financial section of this report.

In addition to meeting the requirements set forth above, the independent audit was also designed to meet the special needs of federal and state grantor agencies as provided for in the Federal Single Audit Act, Office of Management and Budget (OMB) Uniform Guidance and Florida Single Audit Act in accordance with Chapter 10.550, Rules of the Auditor General. These standards require the independent auditor to report not only on the fair presentation of the basic financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal

and state awards. These reports are available in the City of Deerfield Beach's separately issued Compliance Reports.

This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditors' report on the basic financial statements.

Profile of the City of Deerfield Beach

Incorporated in 1925, the City of Deerfield Beach operates under the commission/manager form of government. The City Commission develops legislation and policies to direct the City but employs a professional City Manager to oversee operations. The Mayor, elected at-large to a four-year term, acts as the formal representative of the City and presides over Commission meetings. The public elects four City Commissioners who serve four-year terms.

The City of Deerfield Beach provides a broad range of municipal services. These services include public safety, sanitation, water and sewer, recreational and cultural activities, public improvements, planning, zoning, highways and streets and general administrative services. It does not provide primary or secondary education or health care, as these are the responsibility of the Broward County School District and Broward Health North, respectively. Both of these entities are independent special districts that are not part of the City of Deerfield Beach. As such, financial information for them or for any other government has not been included in the financial statements in this report.

Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the Community Redevelopment Agency (CRA) is reported as a special revenue fund of the primary government.

For financial planning and control, the City prepares and adopts an annual operating budget in accordance with Florida Statute Chapter 166.241. The legally adopted budget is at the departmental level for current expenditures with separate appropriations established for debt service, interfund transfers, intergovernmental expenditures and miscellaneous fiscal transactions. Budgetary control is internally administered at a more restrictive level. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund and the CRA Fund, this comparison is presented on pages 85 and 86, respectively, as part of the required supplementary information. For governmental funds, other than the General and CRA funds, with appropriated annual budgets, this comparison is presented in the combining and individual fund statements and schedules.

Factors Affecting Economic Condition

Local Economy

Home to over 78,000 residents, Deerfield Beach is located on the east coast of Florida in Broward County. The City is primarily a residential community and offers commercial development such as shopping facilities, office buildings, restaurants, tourist lodgings and light industry.

The City continues to make some noticeable economic progress since the recession. Major revenue sources of the City, such as property, sales and utility taxes as well as building permit revenue, which were impacted severely during the recession, are now showing some signs of continued growth. Property tax revenue has increased by over 53% since Fiscal Year 2012. Likewise, retail sales have increased by over 37% from calendar year 2012 to calendar year 2017, the most recent period for which this data was available.

In addition, the year-over-year increase in the median sales price of single-family homes in the Broward County metropolitan region has increased by approximately 4.5% to \$350,000 from February, 2018. Likewise, according to the University of Florida Consumer Sentiment Index, overall consumer

sentiment for February 2019 increased slightly by 2.8 points to 100.9 from the previous month. The increased consumer sentiment among Floridians “comes mostly from consumers’ future expectations about the national economy in the medium and long-run,” according to the University of Florida’s Survey Research Center.

The unemployment rate within the Fort Lauderdale-Pompano Beach-Deerfield Beach Metropolitan Statistical Area (MSA) decreased during the fiscal year. As of September 30, 2018, the MSA’s unemployment rate was that of 3.1%, which represents a decrease from the previous year’s rate of 3.8%. The City’s unemployment rate also decreased from 3.7% to 3.2%, as of the end of the fiscal year.

Long-Term Financial Planning

The City maintained its credit rating of “AA” for its General Obligation Refunding Bonds, Series 2012B-2. The City’s credit rating for its debt secured by its covenant-to-budget and appropriate non-ad valorem revenue was recently upgraded from “AA-” to “AA” by Standard & Poor’s Global Ratings. The City’s credit profile for its covenant-to-budget and appropriate debt from Fitch Ratings remained the same at “AA-.”

The City has taken steps to prepare estimates of its future budgetary needs. During the upcoming fiscal year, the City will employ a multi-year budgeting approach, which will enable staff to better determine if activities being undertaken are sustainable in the long-run. Likewise, the City’s Capital Improvement Plan (CIP) is a multi-year planning document that is updated and adopted on an annual basis. The CIP prioritizes major capital projects and identifies revenue sources available to finance the improvements. For fiscal years 2019 – 2023, the City Commission adopted a CIP budget in excess of \$86.8 million.

Major Initiatives

During the past year there have been some noteworthy events in the City that have or will have a positive impact on the area:

- Commencement of the first phase of development for the Branhilda Richardson-Knowles Memorial Park and Cemetery. This project is a 3.3 acre memorial park in remembrance of African-Americans who were buried there dating back to the 1800’s. The park is scheduled to open in late Spring, 2019.
- Commencement of the design phase for the Center for Active Aging, the Tigner Center and City Hall renovations.
 - *Center for Active Aging* - 20,000 square-foot multi-purpose facility, consisting of a health and wellness clinic, childcare center, creative activities room, aerobic and fitness rooms, board and meeting rooms and office space for staff. The estimated cost of this project is \$12,061,143.
 - *Tigner Center* - 13,900 square-foot multi-purpose facility that will consist of office space, studio room, afterschool/summer camp program space, computer lab, banquet room, warming kitchen, and space for the City’s Police Athletic League Program. Estimated cost is \$10,503,209.
 - *City Hall Renovations* – This project will include building hardening, complete remodeling of the commission chambers and lobby entrance, roof, fire alarm system and elevator replacement; technology upgrades and interior and exterior modifications to conform to Pioneer Grove design standards. Estimated cost is \$4,292,435.

- Continuation of the City's street resurfacing program. Repaving, milling, thermo striping, traffic controls, appurtenance adjustment and mobilization/demobilization of roadways. The estimated cost is \$6,250,000.
- Acquisition of the former Chamber of Commerce property to be used to house CRA staff and to further facilitate the development of Sullivan Park. The Deerfield Beach Chamber of Commerce Building was identified in the 2011 CRA Redevelopment Plan as a key property acquisition for the CRA to be used as a community facility or to further facilitate the expansion and redevelopment of Sullivan Park.
- The City of Deerfield Beach's Public Affairs and Marketing Department was recognized by the Association of Marketing and Communication Professionals as the winner of two awards for this 2018 – 2019 marketing awards season. In the category of Digital Marketing – Social Media, the City was a Gold Winner for "Ricky the Recycling Ranger Teaches How to Reduce Use." The City also received an Honorable Mention for "Ricky the Recycling Ranger Fights Bad Guys... Plastic Bags." AVA Digital Awards is an international competition that recognizes outstanding work by creative professionals involved in the concept, direction, design and production of media that is part of the evolution of digital communication. Work ranges from audio and video productions to websites that present interactive components such as video, animation, blogs, and podcasts to interactive social media sites to other forms of user-generated communication.

Awards and Acknowledgements

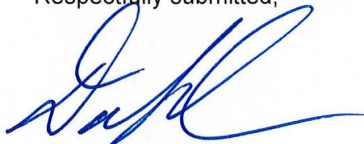
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Deerfield Beach for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2017. This was the 38th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

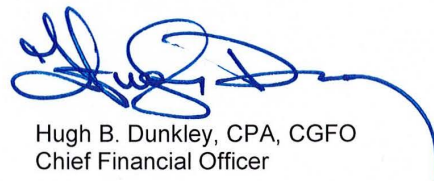
Additionally, the City of Deerfield Beach also received the GFOA's Distinguished Budget Presentation Award for its annual budget for fiscal year 2017-18 for the 21st consecutive year. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

Thank you for your continued interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner. This report could not have been prepared without the dedicated service of all of the employees of the Department of Financial Services as well as the support of the other City departments. Special appreciation is also extended to Ms. Sophia Taylor, Assistant Director of Financial Services, whose dedicated service made the completion of this report all the more possible.

Respectfully submitted,



David Santucci
Interim City Manager



Hugh B. Dunkley, CPA, CGFO
Chief Financial Officer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Deerfield Beach
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

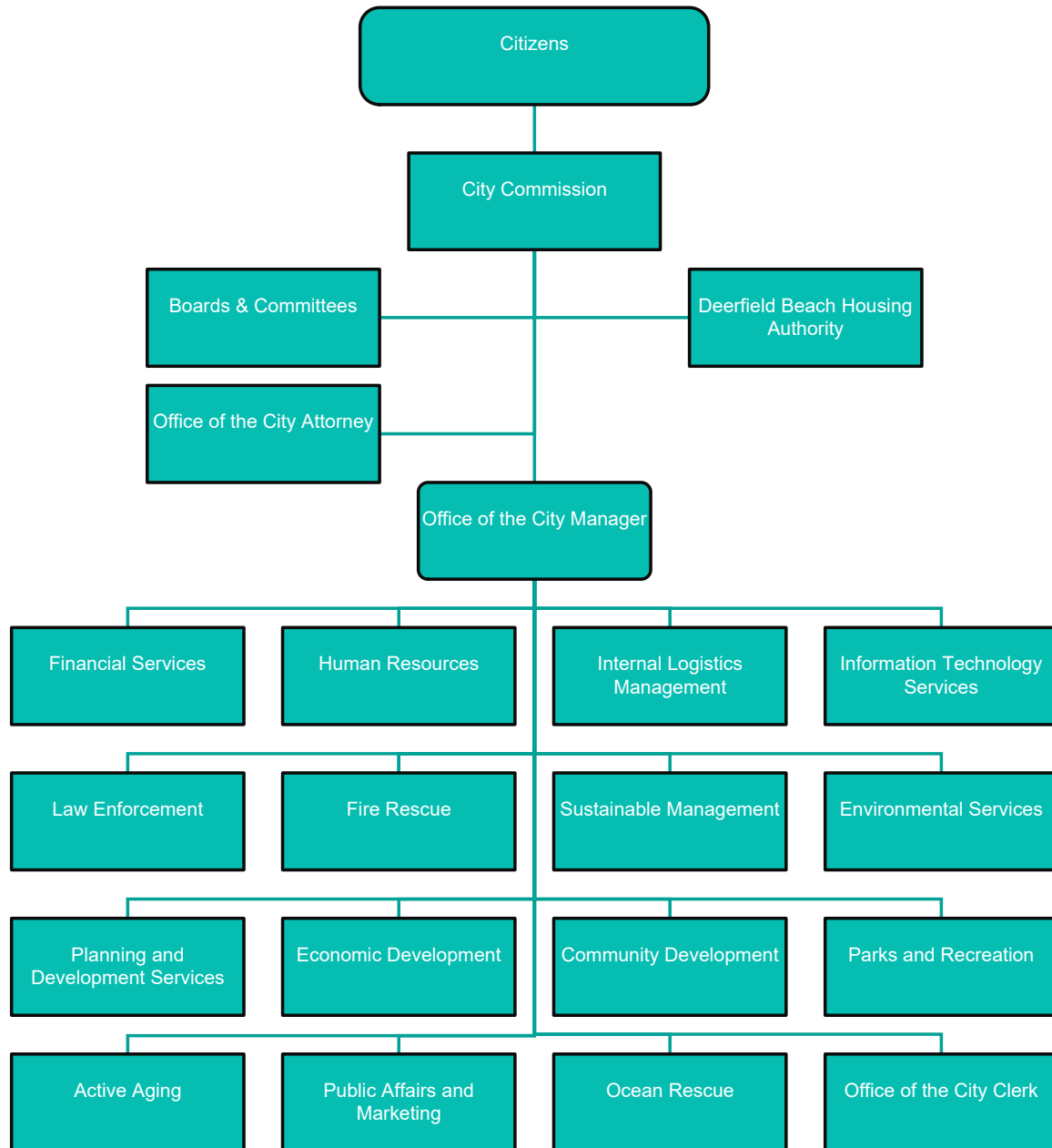
September 30, 2017

Christopher P. Morrell

Executive Director/CEO

City of Deerfield Beach

Organization Chart



City of Deerfield Beach, Florida
List of Elected and Appointed Officials
September 30, 2018

Elected Officials

Mayor	Bill Ganz
Vice Mayor	Gloria Battle
Commissioner	Joseph P. Miller
Commissioner	Bernie Parness
Commissioner	Todd Drosky

Appointed Officials

City Manager	Burgess Hanson
Assistant City Manager	Kara Petty
Assistant City Manager	David Santucci
City Attorney	Weiss Serota Helfman Cole & Bierman
City Clerk	Samantha Gillyard
Director of Community Development	Vickki Placide-Pickard
Chief Financial Officer	Hugh Dunkley
Chief Human Resources Officer	Amanda Robin
Chief Information Officer	Ronald McKenzie
Director of Parks & Recreation	"Vacant"
Director of Environmental Services	Tom Good
Director of Planning & Development Services	Eric Power
Director of Active Aging	Donna DeFronzo
Director of Sustainable Management	Chad Grecsek
Director of Public Affairs and Marketing	Rebecca Medina-Stewart
Director of Economic Development	Kristin Mory
Fire Chief	Richard Sievers
Police Chief	Robert Schnakenberg
Ocean Rescue Chief	Michael Brown

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor, City Commission and City Manager
City of Deerfield Beach, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Deerfield Beach, Florida (the City), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Pension Trust Funds, which represents 94%, 94% and 83%, respectively, of the assets, net position/fund balance and revenues/additions of the aggregate remaining fund information. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Pension Trust Funds is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's

preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City, as of September 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter - Change in Accounting Principle

As discussed in Notes I-V and IV-I to the financial statements, in 2018 the City adopted new accounting guidance, GASB No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This standard significantly changed the accounting and reporting of the City's other post-employment benefits (OPEB) liability. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 16, the schedules of changes in the city's net pension liability and related ratios, the schedules of city contributions, schedule of changes in the city's total OPEB liability and related ratios, and budgetary comparison schedules for the general fund and major special revenue funds on pages 86 through 97 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors, have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our and other auditors inquiries, the basic financial statements, and other knowledge we obtained during our audit and the other auditors audit of the basic financial statements. We and the other auditors, do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements and schedules and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 12, 2019 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Marcum LLP

Fort Lauderdale, FL
April 12, 2019

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(MD&A)**

City of Deerfield Beach, Florida
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2018

The management of the City of Deerfield Beach (City) presents this narrative overview and analysis to facilitate both a short and long-term analysis of the financial activities of the City for the fiscal year ended September 30, 2018. This Management's Discussion and Analysis is based on currently known facts, decisions and conditions that existed as of the date of the independent auditors' report. The information presented is in accordance with Governmental Accounting Standards Board Statement No. 34 (GASB 34) as amended. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i - vii of this report.

Financial Highlights

- The total assets on the Government-wide basis of the City of Deerfield Beach at September 30, 2018 increased \$34.4 million from \$275.8 million to \$310.2 million, or 12.4% from the prior year.
- The City's total liabilities on a Government-wide basis increased by \$88.3 million, from \$165.2 million to \$253.5 million from the prior year.
- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$66.6 million (net position). Of this amount, \$3.8 million was from governmental activities and \$62.9 million was from business-type activities.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$77.6 million, an increase of \$39.0 million, in comparison with the amount reported for the prior fiscal year. Of this amount, \$2.1 million was non-spendable, \$49.4 million was restricted, \$8.6 million was assigned, and \$17.5 million was unassigned and therefore available for spending at the government's discretion.
- At the end of the current fiscal year, unassigned fund balance in the General Fund was \$17.7 million, or 17.2% of total General Fund expenditures and transfers. The City has a reserve policy of maintaining an amount in reserves that is at least 10% and 5%, respectively, of total General Fund expenditures and transfers for unassigned and committed fund balance.

Overview of the Financial Statements

This discussion and analysis serves as an introduction to the City of Deerfield Beach's basic financial statements. The basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Deerfield Beach's finances, in a manner similar to a private-sector business and include both long-term and short-term information about the City's financial status.

City of Deerfield Beach, Florida
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2018

Overview of the Financial Statements

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

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in a future fiscal period. Examples of such items include earned but uncollected ad valorem taxes and earned, but unused compensated absences.

Both of the government-wide financial statements distinguish functions of the City of Deerfield Beach that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, economic environment, public safety, human services, physical environment, transportation, and culture and recreation. The business-type activities of the City of Deerfield Beach include water and sewer, stormwater utility, and solid waste services.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate Community Redevelopment Agency (CRA) for which the City is financially accountable. Although legally separate, the CRA's governing body is identical to the City Commission, and because the services of the CRA are exclusively for the benefit of the City and its residents, it is included as an integral part of the primary government.

The government-wide financial statements can be found on pages 17 - 18 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Deerfield Beach uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for activities where the emphasis is placed on available financial resources, rather than upon net income determination. Therefore, unlike the government-wide financial statements, governmental fund financial statements focus on the acquisition and use of current spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

City of Deerfield Beach, Florida
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2018

Overview of the Financial Statements

The City of Deerfield Beach maintains 18 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for those funds that are considered significant (major) to the City as a whole. These financial statements report three major funds: general fund and community redevelopment agency fund, and the general construction fund. Data from the non-major governmental funds are combined into a single, aggregated presentation. Individual fund information for each of these nonmajor governmental funds is provided in the form of combining statements that are found on pages 97 - 106 of this report.

The City of Deerfield Beach adopts an annual appropriated budget for its General and CRA funds. A budgetary comparison statement has been provided for the General and CRA funds to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 19 - 24 of this report.

Proprietary funds. Proprietary funds are used to account for activities where the emphasis is placed on net income determination. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements with greater detail. The City of Deerfield Beach uses enterprise funds to account for its water and sewer, stormwater utility as well as its solid waste activities. The enterprise funds, which are considered to be major funds of the City, are reported separately as proprietary fund financial statements in the basic financial statements.

The basic proprietary fund financial statements can be found on pages 25 - 29 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds (Pension Trust Funds) are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Deerfield Beach's own programs. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 30 - 31 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 32 - 84 of this report and should be read in conjunction with the City's financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI) concerning the City of Deerfield Beach's progress in funding its obligation to provide pension and other post-employment benefits to its employees, budgetary comparisons for the general fund and the CRA Special Revenue Fund. RSI can be found on pages 85 - 96 of this report.

The combining and individual fund statement and schedules referred to earlier in connection with nonmajor funds are presented immediately following the RSI. Combining and individual fund statements and schedules can be found on pages 97 - 108 of this report.

City of Deerfield Beach, Florida
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2018

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Deerfield Beach, assets plus deferred outflows exceeded liabilities plus deferred inflows by \$66.6 million at the close of fiscal year 2018.

The largest portion of the City of Deerfield Beach's net position (179.9%) reflects its investment in capital assets (e.g., land, buildings, equipment, improvements, utility plants and infrastructure), less any related debt and deferred inflows/outflows used to acquire those assets that are still outstanding. The City of Deerfield Beach uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Deerfield Beach's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Summary of Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 89,781,357	\$ 52,308,640	\$ 42,560,050	\$ 43,686,010	\$ 132,341,408	\$ 95,994,650
Capital assets, Net	104,321,801	104,866,060	73,511,864	74,981,761	177,833,665	179,847,821
Total assets	<u>194,103,158</u>	<u>157,174,700</u>	<u>116,071,914</u>	<u>118,667,771</u>	<u>310,175,073</u>	<u>275,842,471</u>
Deferred Outflows from pensions	16,477,712	18,874,602	1,884,116	2,345,721	18,361,828	21,220,323
OPEB	1,717,813	-	808,382	-	2,526,195	-
Total deferred outflows from pensions and OPEB	<u>18,195,525</u>	<u>18,874,602</u>	<u>2,692,498</u>	<u>2,345,721</u>	<u>20,888,023</u>	<u>21,220,323</u>
Other liabilities	8,610,837	10,617,170	3,085,665	2,587,811	11,696,502	13,204,981
Non-current liabilities	191,074,573	116,832,374	50,681,089	35,187,563	241,755,662	152,019,937
Total liabilities	<u>199,685,410</u>	<u>127,449,544</u>	<u>53,766,754</u>	<u>37,775,374</u>	<u>253,452,164</u>	<u>165,224,918</u>
Deferred inflows of resources	<u>8,813,337</u>	<u>3,507,673</u>	<u>2,179,744</u>	<u>511,571</u>	<u>10,993,081</u>	<u>4,019,244</u>
Net position:						
Net investment in capital assets	66,878,760	68,098,733	52,967,087	51,774,904	119,845,847	119,873,637
Restricted	80,502,273	10,712,284	1,839,167	1,834,565	82,341,440	12,546,849
Unrestricted	(143,581,097)	(33,718,932)	8,011,660	29,117,078	(135,569,437)	(4,601,854)
Total net position	<u>\$ 3,799,937</u>	<u>\$ 45,092,085</u>	<u>\$ 62,817,914</u>	<u>\$ 82,726,547</u>	<u>\$ 66,617,851</u>	<u>\$ 127,818,632</u>

An additional portion of the City of Deerfield Beach's net position, approximately 123.6%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (deficit) (\$135.6 million) may be used to meet the government's ongoing obligations to citizens and creditors to the extent that any such remaining balance exists. The implementation of GASB Statement No. 75 had a significant negative impact on the City's unrestricted net position for the governmental activities totaling \$39 million.

The net position of business-type activities decreased by \$19.9 million to \$62.8 million in 2018. This decrease was primarily due to the implementation of GASB Statement No. 75, which recognized the business-type activities total OPEB liability. The implementation of this statement had a significant negative impact on the net position totaling \$18.8 million.

The City's current and other assets increased by \$36.3 million from \$96.0 million to \$132.3 million. Capital

City of Deerfield Beach, Florida
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2018

Government-wide Financial Analysis

assets also decreased by \$2.0 million from \$179.8 million to \$177.8 million, or 1.1% from the prior year. The increase in the City's current and other assets were primarily due to the issuance of improvement revenue bonds in the amount of \$36.1 million.

Current liabilities decreased from \$13.2 million to \$11.7 million. This decrease was primarily attributable to a decrease in the amounts due to a third-party vendor for disposal services. The City's total noncurrent liabilities increased from \$152.0 million to \$241.8 million, or approximately 59.0%, from the prior year, due largely to an increase in the City's net pension liability as well as an increase in total OPEB liabilities.

City of Deerfield Beach, Florida
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2018

Government-wide Financial Analysis

Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Primary Government	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 35,127,168	\$ 34,881,170	\$ 42,484,312	\$ 41,388,974	\$ 77,611,480	\$ 76,270,144
Operating grants and contributions	5,521,769	4,803,382	-	-	5,521,769	4,803,382
Capital grants and contributions	689,982	2,616,764	-	-	689,982	2,616,764
General revenue						
Taxes	65,792,690	62,263,061	-	-	65,792,690	62,263,061
Miscellaneous revenues	2,187,154	730,852	-	-	2,187,154	730,852
Grants and contributions not restricted to specific programs	2,065,013	1,987,520	-	-	2,065,013	1,987,520
Unrestricted investment earnings	894,912	279,975	493,610	237,770	1,388,522	517,745
Total revenues	<u>112,278,688</u>	<u>107,562,724</u>	<u>42,977,921</u>	<u>41,626,744</u>	<u>155,256,610</u>	<u>149,189,468</u>
Expenses:						
General government	13,858,877	18,833,091	-	-	13,858,877	18,833,091
Economic environment	3,255,195	2,421,264	-	-	3,255,195	2,421,264
Public safety	72,209,952	65,353,492	-	-	72,209,952	65,353,492
Human services	3,415,404	2,847,032	-	-	3,415,404	2,847,032
Physical environment	7,561,665	5,780,265	-	-	7,561,665	5,780,265
Transportation	4,863,339	4,527,599	-	-	4,863,339	4,527,599
Culture and recreation	7,398,066	5,992,978	-	-	7,398,066	5,992,978
Interest on long term debt	2,317,478	1,884,325	-	-	2,317,478	1,884,325
Water and sewer	-	-	26,719,702	26,341,135	26,719,702	26,341,135
Solid waste	-	-	17,109,044	17,163,860	17,109,044	17,163,860
Total expenses	<u>114,879,976</u>	<u>107,640,046</u>	<u>43,828,746</u>	<u>43,504,995</u>	<u>158,708,722</u>	<u>151,145,041</u>
Change in net position	<u>(2,601,288)</u>	<u>(77,322)</u>	<u>(850,824)</u>	<u>(1,878,251)</u>	<u>(3,452,112)</u>	<u>(1,955,573)</u>
Transfers	306,699	306,699	(306,699)	(306,699)	-	-
Change in net position	<u>(2,294,589)</u>	<u>229,377</u>	<u>(1,157,523)</u>	<u>(2,184,950)</u>	<u>(3,452,112)</u>	<u>(1,955,573)</u>
Net position as previously stated	<u>45,092,085</u>	<u>44,862,708</u>	<u>82,726,547</u>	<u>84,911,497</u>	<u>127,818,632</u>	<u>129,774,205</u>
Prior period adjustment	<u>(38,997,559)</u>	<u>-</u>	<u>(18,751,111)</u>	<u>-</u>	<u>(57,748,670)</u>	<u>-</u>
Net position, ending	<u>\$ 3,799,937</u>	<u>\$ 45,092,085</u>	<u>\$ 62,817,914</u>	<u>\$ 82,726,547</u>	<u>\$ 66,617,851</u>	<u>\$ 127,818,632</u>

Governmental activities. Governmental activities decreased the City's net position by \$2.3 million. The City's total revenues amounted to \$112.3 million in governmental activities. Of these revenues, 58.6% is generated from taxes, 31.3% is from charges for services, operating grants/contributions comprise 4.9%, capital grants/contributions make up 0.6%, grants and contributions not restricted to specific programs and miscellaneous revenues equals 3.8%, and unrestricted investment earnings generates approximately 0.8%. Most of the increase in the City's net position mentioned above was primarily due to an increase in the taxable values of properties as well as an increase in building permit revenue.

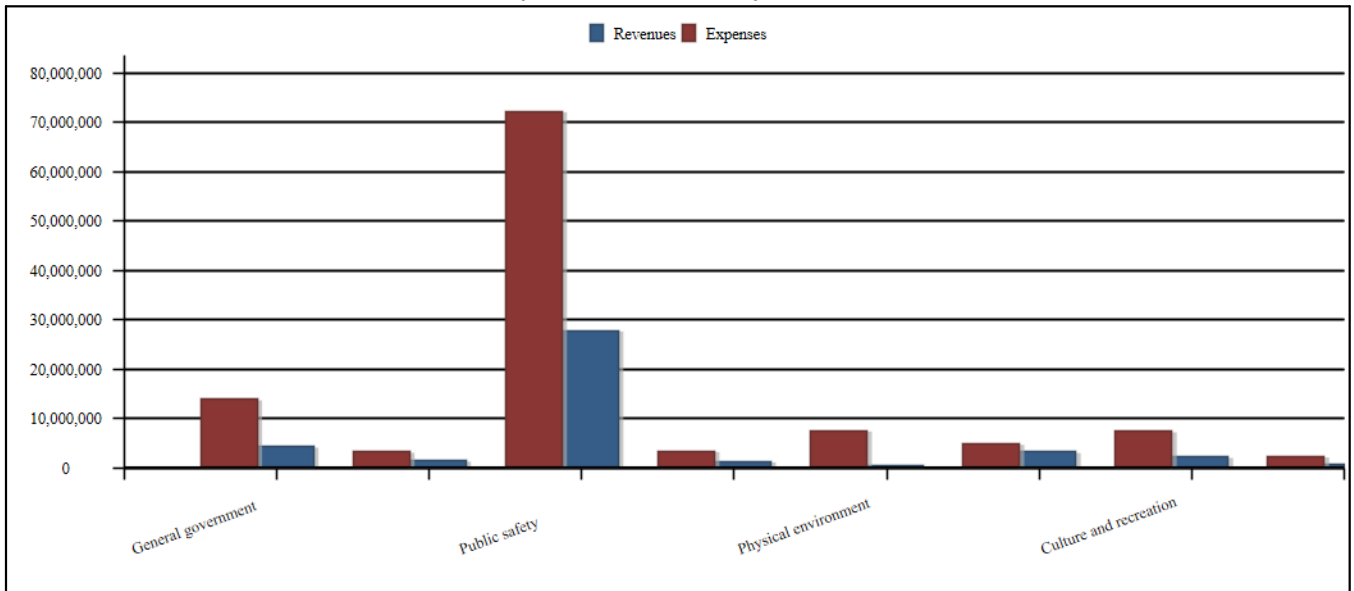
The City's expenses cover a broad range of services, with approximately 62.9% of governmental activity expenses related to public safety (fire/rescue and police protection). Public safety expenses constitute the largest component of the change in total expenses due to wage and benefit increases in connection with the Broward Sheriff's Office collective bargaining agreement. The City's governmental activities had 2.3% more expenses than revenues, and for business-type activities, expenses exceeded revenues by a 1.9% margin.

City of Deerfield Beach, Florida
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2018

Government-wide Financial Analysis

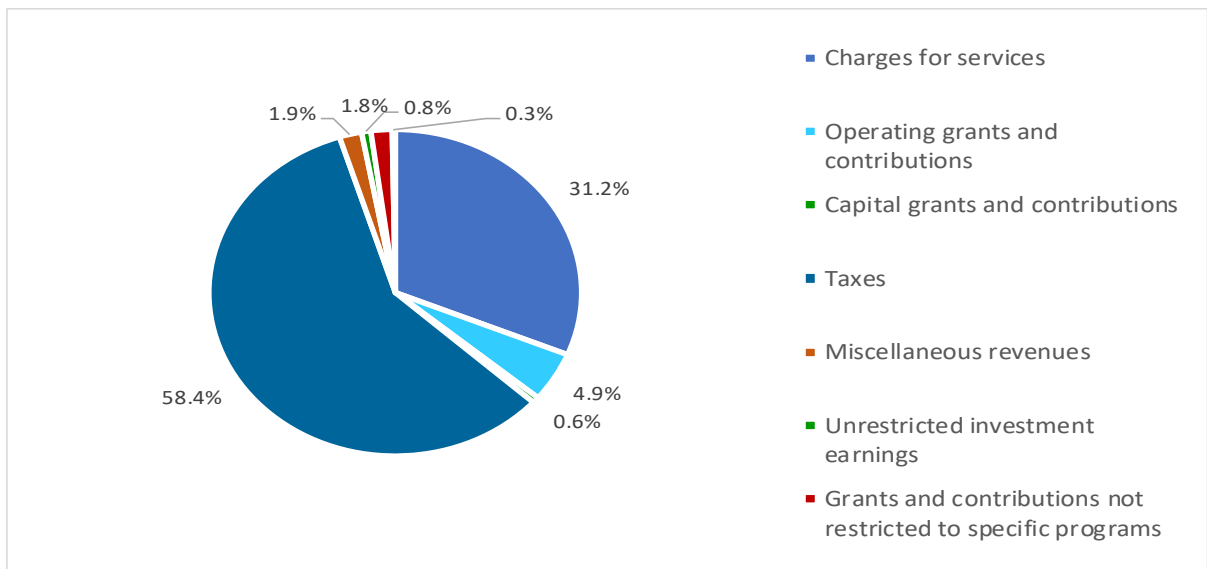
The next chart compares program revenues and expenses for the individual governmental activities for the current year. As the chart reflects, all governmental activities relied on general revenues to support the function.

Governmental Activities - Expenses and Program Revenues
(Dollars in Millions)



The next chart shows the percent of the total for each source of revenue supporting governmental activities.

Governmental Activities Revenues by Source



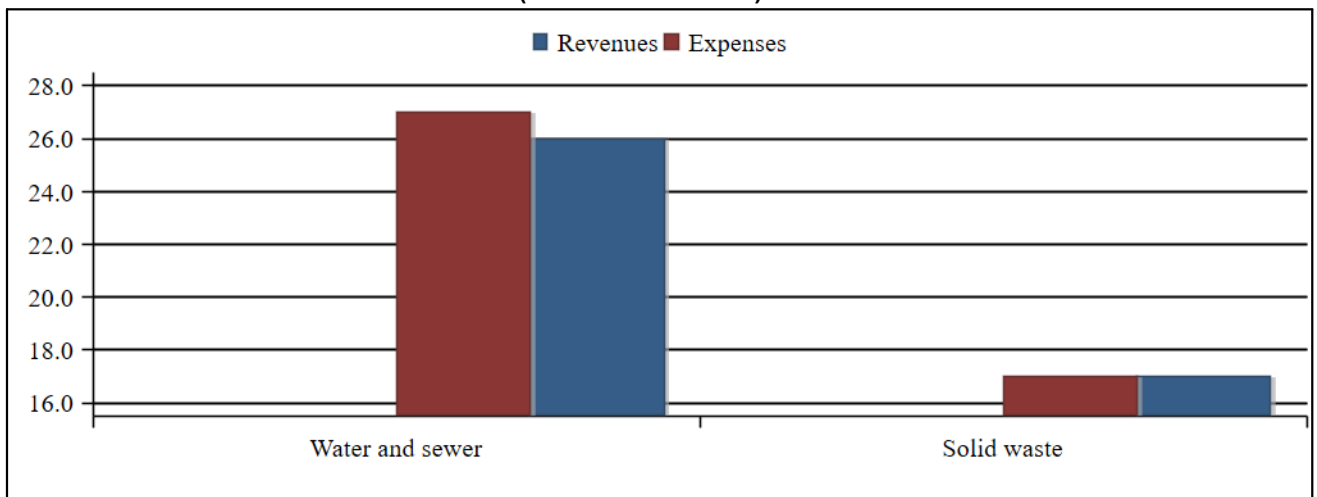
City of Deerfield Beach, Florida
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2018

Government-wide Financial Analysis

Business-type activities. Business-type activities decreased the City's net position by \$19.9 million. This decrease in the net position of business-type activities was due primarily to recognition of the business-type total OPEB liability as a result the implementation of GASB Statement No. 75.

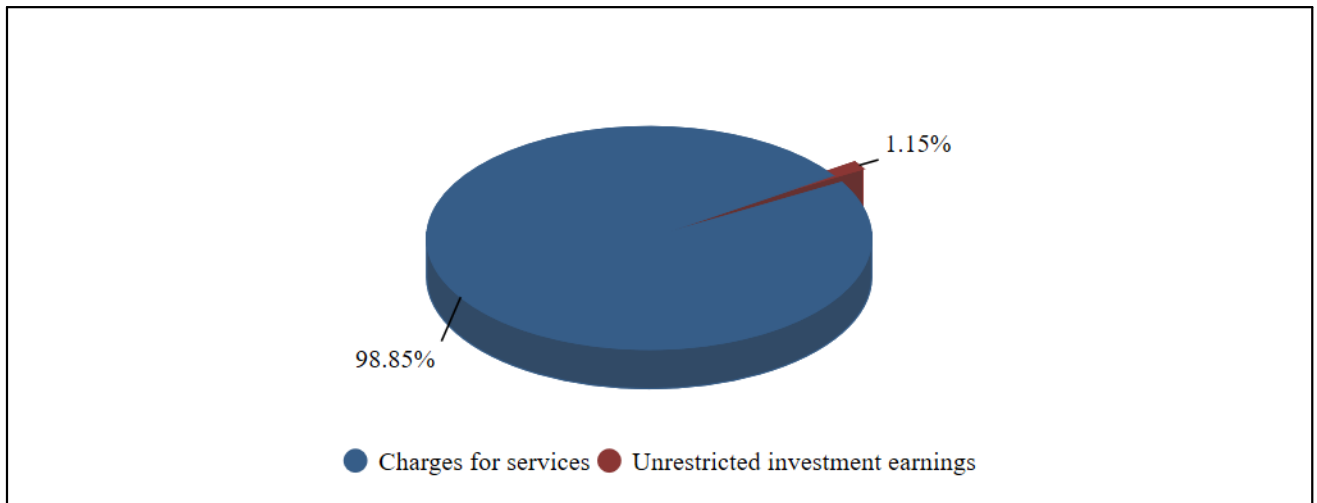
The following chart compares program revenues to expenses by individual business-type activity for the current year. These business-type activities recover more costs through program revenues than governmental activities and the water and sewer fund, generating sufficient revenues to cover current expenses.

Business-type Activities - Expenses and Program Revenues
(Dollars in Millions)



The following chart shows that 98.9% of revenues from business-type activities are generated by charges for services.

Business-type Activities Revenues by Source



City of Deerfield Beach, Florida
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2018

Financial Analysis of the City's Funds

The City of Deerfield Beach uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City of Deerfield Beach's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Deerfield Beach's governmental funds reported combined ending fund balances of \$77.6 million, an increase of \$39.0 million from the prior year's ending balances of \$38.6 million. Approximately 22.6%, \$17.5 million of the combined fund balances constitute *unassigned fund balance* that is available to meet the City's current and future needs. The remainder of fund balance is *non-spendable, restricted, committed and assigned* to indicate that it is not available for new spending.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance was \$17.7 million, while total fund balance was \$27.0 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 17.2% of total general fund expenditures and transfers, while total fund balance represents approximately 26.3% of that same amount.

The total fund balance of the City of Deerfield Beach's General Fund increased by \$2.1 million during the current fiscal year. Key factors in this increase are as follows:

- Property tax revenue increased by \$2.8 million as a result of increases in the taxable values of properties within the City.
- Sales and use tax revenue increased by \$0.4 million as a result of an increase in the Local Government half-cent sales tax revenue.
- Administrative fees increased by \$0.5 million as a result of increases in overall operating costs.
- Increase in other financing sources/uses as a result of a Stop-loss reimbursement of \$1.4 million, as well as a decrease of \$0.6 million in transfers to other funds.
- Culture and Recreation expenditures increased by \$0.9 million due mainly to increases in personnel costs, as well as increases in other operating expenditures to provide recreational services.
- Public Safety expenditures increased by approximately \$3.5 million due to increased costs incurred for police and fire protection services.
- Decrease of \$3.7 million in general government expenditures as a result of reallocation of insurance costs.

City of Deerfield Beach, Florida
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2018

Financial Analysis of the City's Funds

- Physical Environment expenditures increased by \$1.3 million due mainly to increases in capital outlay.

The Community Redevelopment Agency Fund accounts for revenues collected from and expenditures incurred within the community redevelopment area which borders Federal Highway to the west and State Road A1A to the east. At the end of the fiscal year, the restricted and total fund balance in this fund amounted to \$2.7 million.

Proprietary funds. The City of Deerfield Beach's proprietary funds provide the same type of information found in the government-wide business-type activities financial statements, but in more detail.

Unrestricted net position of the water and sewer fund at the end of the year amounted to \$21.4 million. The Solid Waste Fund had a net deficit of \$13.4 million at the end of the fiscal year. Factors concerning the finances of these two funds have already been addressed in the discussion of the City of Deerfield Beach's business-type activities.

General Fund Budgetary Highlights

The more significant budget-to-actual variances in the General Fund arose as a result of the following:

- Franchise taxes - variance due to a decrease in electric franchise fees and Communications Services taxes.
- Parks & Recreation Department – favorable expenditure budget variance occurred in this department due to several positions remaining unfilled during the fiscal year, as well as the postponement of planned capital projects.
- Other-Unclassified Department - favorable expenditure budget variance occurred in this department as a result of an amendment increasing the budget to encumber funds for payment of Hurricane Irma expenditures.
- Information and Technology Services - favorable expenditure budget variance due to timing of department projects as well as several positions remaining unfilled.
- Senior Services - favorable expenditure budget variance due to several positions remaining unfilled during the fiscal year.

City of Deerfield Beach, Florida
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2018

Capital Assets and Debt Administration

Capital assets. The City of Deerfield Beach's capital assets for its governmental and business-type activities as of September 30, 2018, amounted to \$177.8 million (net of accumulated depreciation). These capital assets include land, buildings, improvements other than building (such as improvements to parks), equipment, utility plants in service and infrastructure (roads, highways, bridges, etc.). The total decrease in the City's capital assets for the current fiscal year was 1.1% ((0.5)% for governmental activities and negative 2.0% for business-type activities). The following table summarizes the City's capital assets.

**Schedule of Capital Assets
(Net of Depreciation)**

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 16,823,808	\$ 16,523,808	\$ 50,531	\$ 50,531	\$ 16,874,339	\$ 16,574,339
Buildings	23,918,869	24,277,048	610,812	605,817	24,529,681	24,882,865
Improvements other than buildings	7,732,528	8,241,582	42,789,280	43,153,669	50,521,808	51,395,251
Equipment	4,965,018	4,447,005	6,848,956	6,532,403	11,813,974	10,979,408
Utility plants in service	-	-	23,212,284	24,639,341	23,212,284	24,639,341
Infrastructure	34,237,379	36,208,926	-	-	34,237,379	36,208,926
Construction in progress	16,644,199	15,167,691	-	-	16,644,199	15,167,691
Total	<u>\$ 104,321,801</u>	<u>\$ 104,866,060</u>	<u>\$ 73,511,863</u>	<u>\$ 74,981,761</u>	<u>\$ 177,833,664</u>	<u>\$ 179,847,821</u>

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

- Branhilda Richardson-Knowles Memorial Park – \$ 0.4 million
- Ocean Way Brick Paver project - \$0.7 million
- Purchase of a building to house the Community Redevelopment Agency offices - \$0.6 million.
- Rehabilitation of lift stations/sanitary sewer lines - \$1.3 million.

Additional information on the City of Deerfield Beach's capital assets can be found in Note III (C) on pages 53 - 54 of this report.

Long-term debt. At year-end, the City of Deerfield Beach had \$15.1 million in general obligation bonds outstanding. The City also had \$51.3 million in outstanding covenant bonds (for which the City must "covenant" and appropriate funds necessary to pay the annual debt service), but which are primarily backed by sources other than ad valorem taxes. The business-type activities had \$11.4 million outstanding in revenue bonds and \$9.2 million in loans payable as well as \$0.6 million in capital leases outstanding at the end of the fiscal year.

The City maintained its credit rating of "AA" for its General Obligation Refunding Bonds, Series 2012B-2. The City's credit rating for its debt secured by its covenant-to-budget and appropriate non-ad valorem revenue was recently upgraded from "AA-" to "AA" by Standard & Poor's Global Ratings. The City's credit profile for its covenant-to-budget and appropriate debt from Fitch Ratings remained the same at "AA-."

City of Deerfield Beach, Florida
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2018

Capital Assets and Debt Administration

**City of Deerfield Beach's Outstanding Debt
(Bonds, Loans, and Leases Payable)**

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
General obligation bonds (backed by the City)	\$ 15,073,185	\$ 16,178,121	\$ -	\$ -	\$ 15,073,185	\$ 16,178,121
Revenue bonds	-	-	11,397,243	12,112,720	11,397,243	12,112,720
Covenant bonds	51,265,000	20,545,000	-	-	51,265,000	20,545,000
Add/(subtract) premium/(discount)	6,411,084	1,175,732	-	-	6,411,084	1,175,732
Capital leases	951,425	1,296,968	610,114	831,697	1,561,539	2,128,665
Loan payable	-	-	9,246,973	10,884,734	9,246,973	10,884,734
Total bonds, loans and leases payable	<u>\$ 73,700,694</u>	<u>\$ 39,195,821</u>	<u>\$ 21,254,330</u>	<u>\$ 23,829,151</u>	<u>\$ 94,955,024</u>	<u>\$ 63,024,972</u>

The City's general obligation debt per capita, excluding enterprise fund debt, was \$184 at the end of fiscal year 2018. The City's outstanding net general obligation debt was 0.13% of the City's assessed property value. The City's debt policy requires that its net general obligation bonded debt not exceed two (2) percent of the assessed valuation of taxable property within the City, unless otherwise directed by the city commission.

Additional information on the City of Deerfield Beach's long-term debt can be found in Note III (I) on pages 57 – 60 of this report.

Economic Factors and Next Year's Budget and Rates

During the preparation of the budget for the ensuing fiscal year, the City evaluated the long-term impacts of the national and local economies in conjunction with business decisions made. The following are the major assumptions used in formulating the fiscal 2019 budget:

- The nation's as well as state and local economies will continue to show signs of positive economic growth.
- General property taxes will increase by 7.3% as a result of continued increases in the taxable values of properties within the City, and an increase in the operating millage rate.
- Utility taxes will increase by 2.2% due to increase in consumer spending on utility services.
- Licenses, permits, and fees will increase by 4.5% due to increase in new construction.

City of Deerfield Beach, Florida
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2018

Economic Factors and Next Year's Budget and Rates

- The City's population will remain stable.
- Salaries and related benefits will increase by 4.0%.
- The total millage rate will remain constant.
- Water and sewer as well as solid waste rates will remain constant.

During the current fiscal year, total fund balance in the General Fund amounted to \$27 million. The City plans to utilize \$4,519,667 of its available General Fund balance for spending in Fiscal Year 2019.

Request for Information

This financial report is designed to provide a general overview of the City of Deerfield Beach's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, City of Deerfield Beach, 150 N.E. 2nd Avenue, Deerfield Beach, Florida 33441.

BASIC FINANCIAL STATEMENTS

City of Deerfield Beach, Florida
Statement of Net Position
September 30, 2018

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 1,090,254	\$ 2,705,149	\$ 3,795,403
Investments	23,919,224	34,096,181	58,015,405
Receivables (net of allowances)	6,458,951	3,960,469	10,419,420
Due from other governments	2,398,160	271,634	2,669,794
Inventories	700,972	202,131	903,103
Prepaid items	-	36,500	36,500
Restricted assets			
Temporarily restricted:			
Cash and cash equivalents	4,995,490	1,287,986	6,283,476
Investments	47,719,356	-	47,719,356
Due from other governments	1,414,786	-	1,414,786
Permanently restricted:			
Investments	1,084,166	-	1,084,166
Capital assets			
Non-depreciable	33,468,007	50,531	33,518,538
Capital assets, being depreciated	70,853,794	73,461,333	144,315,127
Total assets	194,103,160	116,071,914	310,175,074
Deferred outflows of resources			
Pensions	16,477,712	1,884,116	18,361,828
OPEB	1,717,813	808,382	2,526,195
Total deferred outflows of resources	18,195,525	2,692,498	20,888,023
Liabilities			
Accounts payable	5,009,958	1,909,746	6,919,704
Accrued payroll	575,324	374,890	950,214
Accrued interest payable	1,809,783	222,595	2,032,378
Due to other governments	37,077	-	37,077
Unearned revenue	497,926	-	497,926
Payable from restricted assets			
Accounts payable	642,823	-	642,823
Accrued payroll	37,947	-	37,947
Customer deposit	-	578,433	578,433
Non-current liabilities:			
Due within one year:			
Compensated absences	1,230,072	668,376	1,898,448
Insurance claims payable	1,362,728	-	1,362,728
Bonds, loans and leases payable	2,565,475	2,694,790	5,260,265
Due in more than one year:			
Compensated absences	429,890	755,799	1,185,689
Total OPEB liability	52,169,649	24,550,423	76,720,072
Insurance claims payable	4,245,066	-	4,245,066
Bonds, loans and leases payable	71,135,223	18,559,541	89,694,764
Net pension liability	57,936,470	3,452,161	61,388,631
Total liabilities	199,685,411	53,766,754	253,452,165
Deferred inflows of resources			
Pensions	5,651,154	900,724	6,551,878
OPEB	2,717,918	1,279,020	3,996,938
Deferred amount on bond refunding	444,265	-	444,265
Total deferred inflows of resources	8,813,337	2,179,744	10,993,081
Net position			
Net investment in capital assets	66,878,760	52,967,087	119,845,847
Restricted net position:			
Debt service	4,697,515	1,839,167	6,536,682
Capital projects	33,225,271	-	33,225,271
Perpetual care:			
Nonexpendable	1,255,464	-	1,255,464
Expendable	152,545	-	152,545
Economic environment	3,628,743	-	3,628,743
General government	4,242,903	-	4,242,903
Public safety	1,572,736	-	1,572,736
Human services	12,291,759	-	12,291,759
Physical environment	663,701	-	663,701
Transportation	7,164,943	-	7,164,943
Parks and recreation	11,606,694	-	11,606,694
Unrestricted	(143,581,097)	8,011,660	(135,569,437)
Total net position	\$ 3,799,937	\$ 62,817,914	\$ 66,617,851

The notes to the financial statements are an integral part of this statement.

City of Deerfield Beach, Florida
Statement of Activities
For the Year Ended September 30, 2018

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 13,858,877	\$ 4,289,131	\$ -	\$ -	\$ (9,569,746)	\$ -	\$ (9,569,746)
Economic environment	3,255,195	-	1,445,372	-	(1,809,823)	-	(1,809,823)
Public safety	72,209,952	26,114,265	1,709,685	-	(44,386,002)	-	(44,386,002)
Human services	3,415,404	100,229	1,231,876	334	(2,082,965)	-	(2,082,965)
Physical environment	7,561,665	343,511	-	-	(7,218,154)	-	(7,218,154)
Transportation	4,863,339	2,572,664	635,394	689,648	(965,633)	-	(965,633)
Culture and recreation	7,398,066	1,707,368	499,442	-	(5,191,256)	-	(5,191,256)
Interest on long term debt	2,317,478	-	-	-	(2,317,478)	-	(2,317,478)
Total general government	<u>114,879,976</u>	<u>35,127,168</u>	<u>5,521,769</u>	<u>689,982</u>	<u>(73,541,057)</u>	<u>-</u>	<u>(73,541,057)</u>
Business-type activities:							
Water and sewer	26,719,702	25,729,905	-	-	-	(989,797)	(989,797)
Solid waste	17,109,044	16,754,407	-	-	-	(354,637)	(354,637)
Total business-type activities	<u>43,828,746</u>	<u>42,484,312</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,344,434)</u>	<u>(1,344,434)</u>
Total	\$ 158,708,722	\$ 77,611,480	\$ 5,521,769	\$ 689,982	\$ (73,541,057)	\$ (1,344,434)	\$ (74,885,491)
General Revenues:							
					39,393,931	-	39,393,931
					3,458,460	-	3,458,460
					8,429,194	-	8,429,194
					5,384,431	-	5,384,431
					7,622,049	-	7,622,049
					1,418,558	-	1,418,558
					86,067	-	86,067
					2,065,013	-	2,065,013
					894,912	493,610	1,388,522
					2,187,154	-	2,187,154
Transfers					306,699	(306,699)	-
Total general revenues and transfers					<u>71,246,468</u>	<u>186,911</u>	<u>71,433,379</u>
Change in net position					<u>(2,294,589)</u>	<u>(1,157,523)</u>	<u>(3,452,112)</u>
Net position - beginning as previously reported					<u>45,092,085</u>	<u>82,726,547</u>	<u>127,818,632</u>
Prior period adjustments (see Note IV I)					<u>(38,997,559)</u>	<u>(18,751,111)</u>	<u>(57,748,670)</u>
Net position - beginning, restated					<u>6,094,526</u>	<u>63,975,436</u>	<u>70,069,962</u>
Net position - ending					<u>\$ 3,799,937</u>	<u>\$ 62,817,914</u>	<u>\$ 66,617,851</u>

The notes to the financial statements are an integral part of this statement

City of Deerfield Beach, Florida
Governmental Funds
Balance Sheet
September 30, 2018

	General Fund	Community Redevelopment Agency	General Construction Fund
Assets			
Cash and cash equivalents	\$ 935,500	\$ 393,799	\$ 17,430
Investments	23,919,224	2,504,443	37,385,578
Receivables, net of allowances:			
Accounts	6,326,802	-	-
Assessments	842	-	-
Interest	53,632	5,433	37,509
Due from other funds	2,779,088	-	-
Due from other governments	2,335,249	-	622,626
Inventories	700,972	-	-
Total assets	<u>\$ 37,051,309</u>	<u>\$ 2,903,675</u>	<u>\$ 38,063,143</u>
Liabilities			
Accounts payable	\$ 4,437,275	\$ 150,073	\$ 81,903
Accrued payroll	575,324	10,169	-
Due to other funds	-	-	2,371,149
Unearned revenue	447,788	-	-
Due to other governments	37,077	-	-
Customer deposits payable	50,140	-	-
Total liabilities	<u>5,547,604</u>	<u>160,242</u>	<u>2,453,052</u>
Deferred Inflows of Resources			
Unavailable revenue	4,542,088	-	622,626
Fund Balances			
Nonspendable	700,972	-	-
Restricted	-	2,743,433	34,987,465
Assigned	8,610,593	-	-
Unassigned	17,650,052	-	-
Total fund balances	<u>26,961,617</u>	<u>2,743,433</u>	<u>34,987,465</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 37,051,309</u>	<u>\$ 2,903,675</u>	<u>\$ 38,063,143</u>

The notes to the financial statements are an integral part of this statement.

City of Deerfield Beach, Florida
Governmental Funds
Balance Sheet
September 30, 2018

Nonmajor Governmental Funds	Total Governmental Funds
\$ 4,739,015	\$ 6,085,744
8,913,501	72,722,746
254	6,327,056
-	842
34,479	131,053
-	2,779,088
855,071	3,812,946
-	700,972
<u>\$ 14,542,320</u>	<u>\$ 92,560,447</u>
\$ 983,530	\$ 5,652,781
27,778	613,271
407,939	2,779,088
-	447,788
-	37,077
-	50,140
<u>1,419,247</u>	<u>9,580,145</u>
254,454	5,419,168
1,408,008	2,108,980
11,625,186	49,356,084
-	8,610,593
(164,575)	17,485,477
<u>12,868,619</u>	<u>77,561,134</u>
<u>\$ 14,542,320</u>	<u>\$ 92,560,447</u>

The notes to the financial statements are an integral part of this statement.

City of Deerfield Beach, Florida
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
September 30, 2018

Fund balances, total governmental funds:		\$ 77,561,134
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	190,684,975	
Accumulated depreciation	<u>(86,363,174)</u>	
Net capital assets		104,321,801
Long-term liabilities, including bonds and loans payable, are not due and payable in the current period and are not reported in the funds.		
Accrued interest payable	(1,809,783)	
Bonds payable	(66,338,186)	
Capital lease payable	(951,425)	
Insurance claims payable	(5,607,794)	
Total OPEB liability	(52,169,649)	
Compensated absences	(1,659,962)	
Net pension liability	<u>(57,936,470)</u>	
Total		(186,473,269)
Deferred outflows and inflows of resources related to pensions and OPEB are recorded in the statement of net position.		
Deferred outflows related to pensions	16,477,712	
Deferred inflows related to pensions	<u>(5,651,154)</u>	
Total		10,826,558
Deferred outflows from OPEB	1,717,813	
Deferred inflows from OPEB	<u>(2,717,918)</u>	
Total		(1,000,105)
Revenues are unavailable in the governmental funds because they are not available to pay current period expenditures. They are, however, recognized in the governmental activities.		5,419,168
Bond premiums and discounts, gains, and losses related to the issuance of long-term debt are charged to "Other Financing Sources and Uses" when debt is issued in the governmental funds. These items, however, are capitalized and amortized over the life of the bonds in the government-wide financial statements.		
Bond premium on refunding	(690,794)	
Bond premium on refunding	(5,826,066)	
Deferred gain on refunding	(484,935)	
Amortized premium/deferred gain on refunding	<u>146,445</u>	
Unamortized premium/deferred gain on refunding		<u>(6,855,350)</u>
Net position of governmental activities		<u>\$ 3,799,937</u>

The notes to the financial statements are an integral part of this statement.

City of Deerfield Beach, Florida
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended September 30, 2018

	General Fund	Community Redevelopment Agency	General Construction Fund
Revenues			
Property taxes	\$ 39,393,931	\$ 3,458,460	\$ -
Sales and use taxes	6,677,330	-	-
Fire assessment fees	11,026,863	-	-
Franchise fees	7,622,049	-	-
Utility taxes	8,429,194	-	-
Local option gas tax	-	-	-
Local business taxes/permits	4,951,256	-	-
Intergovernmental	3,359,133	-	67,022
Charges for services	9,586,007	-	-
Fines and forfeitures	1,017,733	-	-
Impact fees	-	-	-
Investment earnings	449,589	84,266	222,821
Miscellaneous:			
Cemetery plot sales	-	-	-
Donations/contributions	247,756	575	-
Administrative fees	8,070,275	-	-
Other	259,566	9,450	-
Total revenues	<u>101,090,682</u>	<u>3,552,751</u>	<u>289,843</u>
Expenditures			
Current:			
General government	16,637,412	-	-
Economic environment	601,873	915,936	-
Public Safety	64,429,468	42,045	-
Human services	2,888,246	-	-
Physical environment	7,247,332	-	-
Transportation	736,560	-	-
Culture and recreation	5,199,064	174,780	-
Capital outlay	-	1,274,680	341,937
Debt service:			
Principal retirement	345,543	-	-
Interest and fiscal charges	16,709	-	-
Total expenditures	<u>98,102,207</u>	<u>2,407,441</u>	<u>341,937</u>
Excess (deficiency) of revenues over expenditures	<u>2,988,475</u>	<u>1,145,310</u>	<u>(52,094)</u>
Other Financing Sources (Uses)			
Transfers in	2,215,994	-	-
Transfers out	(4,607,951)	(1,100,364)	-
Insurance recoveries	1,464,729	-	-
Premium on bonds issued	-	-	5,256,982
Bonds and notes issued	-	-	28,227,393
Payment to refunding bond escrow agent	-	-	-
Bond issuance costs	-	-	(362,837)
Total other financing sources (uses)	<u>(927,228)</u>	<u>(1,100,364)</u>	<u>33,121,538</u>
Net change in fund balances	2,061,247	44,946	33,069,444
Fund balances - beginning	24,900,370	2,698,487	1,918,021
Fund balances, end of year	<u>\$ 26,961,617</u>	<u>\$ 2,743,433</u>	<u>\$ 34,987,465</u>

The notes to the financial statements are an integral part of this statement.

City of Deerfield Beach, Florida
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended September 30, 2018

Nonmajor Governmental Funds	<u>Total</u>
\$ -	\$ 42,852,391
-	6,677,330
-	11,026,863
-	7,622,049
-	8,429,194
1,418,558	1,418,558
-	4,951,256
2,412,672	5,838,827
412,876	9,998,883
511,273	1,529,006
138,626	138,626
138,236	894,912
86,710	86,710
98,859	347,190
471,392	8,541,667
-	269,016
5,689,202	110,622,478
-	16,637,412
1,264,732	2,782,541
577,183	65,048,696
26,872	2,915,118
17,705	7,265,037
2,166,058	2,902,618
134,067	5,507,911
1,355,162	2,971,779
2,399,936	2,745,479
2,084,342	2,101,051
10,026,057	110,877,642
(4,336,855)	(255,164)
4,680,751	6,896,745
(881,732)	(6,590,047)
-	1,464,729
569,084	5,826,066
7,927,607	36,155,000
(4,154,425)	(4,154,425)
-	(362,837)
8,141,285	39,235,231
3,804,430	38,980,067
9,064,189	38,581,067
\$ 12,868,619	\$ 77,561,134

The notes to the financial statements are an integral part of this statement.

City of Deerfield Beach, Florida
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2018

Net Change in Fund Balances - Total Governmental Funds		\$ 38,980,067
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported in depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlay	4,197,295	
Governmental Depreciation	<u>(4,741,556)</u>	(544,261)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
		1,456,910
Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore are not reported in the funds:		
Decrease in long-term portion of insurance claims payable	1,366,151	
Change in Total OPEB liability	1,098,919	
Change in Net pension liability	<u>(1,209,685)</u>	
Total		1,255,385
Pensions		(5,025,306)
OPEB		(2,394,927)
In the statement of activities, certain operating expenses - compensated absences (sick and vacation pay) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amounts actually used (paid). During the fiscal year, compensated absences earned, \$1,388,768, was more than the amount used, \$1,273,412.		
		(115,356)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Refunding and improvement Bonds, Series 2018		(36,155,000)
Associated bond issuance premium		(5,826,066)
Principal payments		6,539,936
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The net change in interest reported in the statement of activities is the net result of accrued interest on bonds, leases and loans payable plus the amortization of bond premiums, discounts, and deferred gain on refunding.		
		<u>(465,971)</u>
Change in net position of governmental activities		<u>\$ (2,294,589)</u>

The notes to the financial statements are an integral part of this statement.

City of Deerfield Beach, Florida
Proprietary Funds
Statement of Net Position
September 30, 2018

	Water and Sewer Fund	Solid Waste Fund	Stormwater Utility Fund	Total Proprietary Funds
Assets				
Cash and cash equivalents	\$ 201,980	\$ 164,271	\$ 499,731	\$ 865,982
Investments	34,096,181	-	-	34,096,181
Restricted cash and cash equivalents:				
Customer deposits	573,235	5,198	-	578,433
Revolving loan covenant accounts	1,839,167	-	-	1,839,167
Receivables, net of allowances:				
Accounts	2,047,582	1,648,810	-	3,696,392
Delinquent assessments	12,925	-	-	12,925
Interest	251,151	-	-	251,151
Due from other funds	2,883,979	-	-	2,883,979
Due from other governments	-	271,634	-	271,634
Inventories	202,131	-	-	202,131
Prepaid items	36,500	-	-	36,500
Total current assets	42,144,831	2,089,913	499,731	44,734,475
Restricted cash and cash equivalents:				
Bond construction accounts	709,553	-	-	709,553
Capital assets:				
Land	50,531	-	-	50,531
Utility plants in service	47,941,841	-	-	47,941,841
Improvements other than buildings	88,037,413	93,814	2,837	88,134,064
Equipment	8,603,932	15,717,840	-	24,321,772
Less: accumulated depreciation	(75,700,552)	(11,235,792)	-	(86,936,344)
Total capital assets (net of accumulated depreciation)	68,933,165	4,575,862	2,837	73,511,864
Total noncurrent assets	69,642,718	4,575,862	2,837	74,221,417
Total assets	111,787,549	6,665,775	502,568	118,955,892
Deferred outflows of resources				
OPEB	454,715	353,667	-	808,382
Pensions	1,340,902	543,214	-	1,884,116
Total deferred outflows of resources	1,795,617	896,881	-	2,692,498

The notes to the financial statements are an integral part of this statement.

City of Deerfield Beach, Florida
Proprietary Funds
Statement of Net Position
September 30, 2018

	Water and Sewer Fund	Solid Waste Fund	Stormwater Utility Fund	Total Proprietary Funds
Liabilities				
Current liabilities:				
Accounts payable	\$ 1,305,128	\$ 596,875	\$ 7,742	\$ 1,909,745
Accrued payroll	213,274	161,616	-	374,890
Due to other funds	-	2,383,979	500,000	2,883,979
Customer deposits payable	573,235	5,198	-	578,433
Compensated absences	336,867	331,509	-	668,376
Accrued interest payable	219,735	-	2,860	222,595
Capital lease payable, current	-	225,235	-	225,235
Bonds payable, current	802,239	-	-	802,239
Loans payable, current	1,667,316	-	-	1,667,316
Total current liabilities	5,117,794	3,704,412	510,602	9,332,808
Noncurrent liabilities:				
Compensated absences	414,804	340,995	-	755,799
Total OPEB liability	13,809,613	10,740,810	-	24,550,423
Net pension liability	2,462,260	989,901	-	3,452,161
Capital leases payable	-	384,879	-	384,879
Bonds payable	10,595,004	-	-	10,595,004
Loans payable	7,579,658	-	-	7,579,658
Total noncurrent liabilities	34,861,339	12,456,585	-	47,317,924
Total liabilities	39,979,133	16,160,997	510,602	56,650,732
Deferred Inflows of Resources				
OPEB	719,449	559,571	-	1,279,020
Pensions	640,104	260,620	-	900,724
Total deferred inflows of resources	1,359,553	820,191	-	2,179,744
Net Position				
Net investment in capital assets	48,998,502	3,965,748	2,837	52,967,087
Restricted for Debt service	1,839,167	-	-	1,839,167
Unrestricted	21,406,811	(13,384,280)	(10,871)	8,011,660
Total net position	\$ 72,244,480	\$ (9,418,532)	\$ (8,034)	\$ 62,817,914

The notes to the financial statements are an integral part of this statement.

City of Deerfield Beach, Florida
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended September 30, 2018

	Water and Sewer Fund	Solid Waste Fund	Stormwater Utility Fund	Total Proprietary Funds
Operating Revenues:				
Charges for sales and services:				
Water sales pledged as security for revolving loans	\$ 14,959,759	\$ -	\$ -	\$ 14,959,759
Sewer charges pledged as security for revolving loans	8,809,202	-	-	8,809,202
Solid waste charges	-	16,627,732	-	16,627,732
Engineering fees	686,079	-	-	686,079
Miscellaneous	485,385	126,675	-	612,060
Total operating revenues	24,940,425	16,754,407	-	41,694,832
Operating expenses:				
Personal services	5,464,356	5,475,626	-	10,939,982
Contractual services	871,092	616,658	4,520	1,492,270
Electricity	782,125	-	-	782,125
Insurance	2,878,597	1,302,266	-	4,180,863
Fixed charges	35,726	22,519	-	58,245
County wastewater charge	4,872,842	-	-	4,872,842
County raw water charge	72,382	-	-	72,382
Disposal fees	-	4,218,451	-	4,218,451
General administrative charge	5,268,826	3,090,568	-	8,359,394
Commodities	1,918,765	1,434,910	3,514	3,357,189
Depreciation	3,783,822	935,679	-	4,719,501
Fiscal charges	6,422	-	-	6,422
Total operating expenses	25,954,955	17,096,677	8,034	43,059,666
Operating loss	(1,014,530)	(342,270)	(8,034)	(1,364,834)
Non-operating Expenses:				
Investment earnings	493,610	-	-	493,610
Interest charges	(736,462)	(12,368)	-	(748,830)
Amortization	(20,250)	-	-	(20,250)
Total non-operating expenses	(263,102)	(12,367)	-	(275,470)
Loss before capital contributions and transfers	(1,277,632)	(354,638)	(8,034)	(1,640,304)
Capital contributions - tap fees	789,480	-	-	789,480
Transfers in	-	50,000	-	50,000
Transfers out	-	(356,698)	-	(356,698)
Change in net position	(488,152)	(661,336)	(8,034)	(1,157,521)
Total net position - beginning, as previously reported	83,337,970	(611,423)	-	82,726,547
Prior period adjustment (see note IV I)	(10,605,338)	(8,145,773)	-	(18,751,111)
Total net position - beginning, restated	72,732,632	(8,757,196)	-	63,975,435
Total net position - ending	\$ 72,244,480	\$ (9,418,532)	\$ (8,034)	\$ 62,817,914

The notes to the financial statements are an integral part of this statement.

City of Deerfield Beach, Florida
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2018

	Water and Sewer Fund	Solid Waste Fund	Stormwater Utility Fund	Total Proprietary Funds
Cash flows from operating activities				
Receipts from customers and users	\$ 25,974,325	\$ 16,860,776	\$ -	\$ 42,835,101
Payments from (to) other funds	-	(1,324,021)	500,000	(824,021)
Receipts from other governments	-	271,634	-	271,634
Payments to suppliers	(15,875,700)	(10,905,290)	2,568	(26,778,422)
Receipts from other funds	824,021	-	-	824,021
Payments to employees	(5,320,940)	(5,410,644)	-	(10,731,584)
Net cash provided (used) by operating activities	<u>5,601,706</u>	<u>(507,545)</u>	<u>502,568</u>	<u>5,596,729</u>
Cash flows from noncapital financing activities				
Transfers from other funds	-	(306,698)	-	(306,698)
Net cash (used) by noncapital financing activities	<u>-</u>	<u>(306,698)</u>	<u>-</u>	<u>(306,698)</u>
Cash flows from capital and related financing activities				
Acquisition and construction of capital assets	(3,086,141)	(160,625)	(2,837)	(3,249,604)
Principal paid on:				
Revenue bonds	(12,112,720)	-	-	(12,112,720)
Capital lease	-	(221,583)	-	(221,583)
Loans	(1,637,761)	-	-	(1,637,761)
Proceeds from the issuance of long term debt:				
Loan	11,397,243	-	-	11,397,243
Interest paid on loans and capital leases	(877,342)	(12,364)	-	(889,706)
Bond issuance costs	(15,672)	-	-	(15,672)
Capital contributions	789,480	-	-	789,480
Net cash (used) by capital and related activities	<u>(5,542,913)</u>	<u>(394,572)</u>	<u>(2,837)</u>	<u>(5,940,323)</u>
Cash flows from investing activities				
Investment income	476,257	-	-	476,257
Purchase of investments	(1,584,371)	-	-	(1,584,371)
Net cash (used) by investing activities	<u>(1,108,114)</u>	<u>-</u>	<u>-</u>	<u>(1,108,114)</u>
Net increase (decrease) in cash and cash equivalents	(1,049,321)	(1,208,815)	499,731	(1,758,406)
Cash and cash equivalents, beginning of year	<u>4,373,256</u>	<u>1,378,285</u>	<u>-</u>	<u>5,751,541</u>
Cash and cash equivalents, end of year	<u>\$ 3,323,935</u>	<u>\$ 169,470</u>	<u>\$ 499,731</u>	<u>\$ 3,993,135</u>
Cash and cash equivalents	\$ 201,980	\$ 164,271	499,731	\$ 865,982
Cash and cash equivalents - restricted (current)	2,412,402	5,198	-	2,417,600
Cash and cash equivalents - restricted (noncurrent)	<u>709,553</u>	<u>-</u>	<u>-</u>	<u>709,553</u>
Cash and cash equivalents, end of year	<u>\$ 3,323,935</u>	<u>\$ 169,469</u>	<u>\$ 499,731</u>	<u>\$ 3,993,135</u>

The notes to the financial statements are an integral part of this statement.

City of Deerfield Beach, Florida
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2018

	Water and Sewer Fund	Solid Waste Fund	Stormwater Utility Fund	Total Proprietary Funds
			-	
Reconciliation data of changes in net position to operating activities				
Operating loss	\$ (1,014,530)	\$ (342,270)	\$ (8,034)	\$ (1,364,834)
Adjustments to reconcile operating loss to net cash provided by operating activities				
Depreciation expense	3,783,822	935,679	-	4,719,501
Changes in assets, liabilities and deferred inflows/outflows:				
(Increase) Decrease in due to other funds	-	(1,324,021)	500,000	(824,021)
Increase in due from other governments	-	203,612	-	203,612
Decrease in other accounts receivables, net of allowance	933,515	158,754	-	1,092,269
(Increase) in inventories	(15,437)	-	-	(15,437)
(Increase) in prepaid items	(20,828)	-	-	(20,828)
(Increase) in deferred outflows - pensions	(124,997)	(221,780)	-	(346,777)
Decrease in deferred outflows - OPEB	454,715	353,667	-	808,382
Increase (Decrease) in customer deposits	4,693	(52,384)	-	(47,691)
Increase (Decrease) in accounts payable	651,482	35,909	7,742	695,133
Increase (Decrease) in accrued liability	15,068	(26,637)	2,860	(8,709)
Increase in deferred inflows - pensions	997,416	670,757	-	1,668,173
Increase (Decrease) in deferred Inflows - OPEB	(719,449)	(559,571)	-	(1,279,020)
Increase (Decrease) in total OPEB liability	451,527	(752,780)	-	(301,253)
Increase (Decrease) in net pension liability	(770,276)	308,110	-	(462,166)
Increase in compensated absences payable	150,964	105,410	-	256,374
Decrease in due from other funds	824,021	-	-	824,021
Net cash provided (used) by operating activities	<u>\$ 5,601,706</u>	<u>\$ (507,545)</u>	<u>\$ 502,568</u>	<u>\$ 5,596,729</u>
Non-cash investing, capital and financing activities				
Net depreciation in the fair value of investments	-	(105,761)	-	(105,761)

The notes to the financial statements are an integral part of this statement.

**Statement of Fiduciary Net Position
Pension Trust Funds
September 30, 2018**

	<u>Pension Trust Funds</u>
Assets	
Money market funds	\$ 7,637,086
Investments:	
Mutual funds	47,201,609
U. S. government and agency securities	22,522,872
Corporate bonds and notes	15,725,276
Corporate equities	<u>124,094,410</u>
Total investments	<u>209,544,167</u>
Receivables:	
Interest and dividends	293,614
Pending trades	425,693
Contributions receivable (state)	684,109
Due from brokers	<u>21,783</u>
Total receivables	<u>1,425,199</u>
Total assets	<u>218,606,452</u>
Liabilities	
Accounts payable	<u>621,049</u>
Total liabilities	<u>621,049</u>
Net Position	
Restricted for pension benefits	<u>\$ 217,985,403</u>

The notes to the financial statements are an integral part of this statement.

City of Deerfield Beach, Florida
Statement of Changes in Fiduciary Net Position
Pension Trust Funds
For the Year Ended September 30, 2018

	<u>Pension Trust Funds</u>
Additions	
Contributions:	
Employer	\$ 9,103,036
Plan members	928,903
State (from the General Fund)	<u>1,302,508</u>
Total contributions	<u>11,334,447</u>
Investment earnings :	
Interest	6,943,838
Net appreciation in the fair value of investments	<u>10,095,932</u>
Total investment earnings	17,039,770
Less: investment expense	<u>(986,825)</u>
Net investment earnings	<u>16,052,945</u>
Miscellaneous	<u>7,481</u>
Total additions	<u>27,394,873</u>
Deductions	
Benefits paid	19,750,641
Administrative expenses	<u>387,626</u>
Total deductions	<u>20,138,267</u>
Change in net position	7,256,606
Net Position Restricted for Pension Benefits:	
Beginning of year	<u>210,728,797</u>
End of year	<u>\$ 217,985,403</u>

The notes to the financial statements are an integral part of this statement.

CITY OF DEERFIELD BEACH, FLORIDA
INDEX TO NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

	PAGE
NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	
A. Financial Reporting Entity	32
B. Government-wide and Fund Financial Statements	33
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	33
D. New Accounting Pronouncements Adopted	35
E. Assets, Liabilities, Deferred Inflows/Outflows, and Net Position or Equity	36
1. Deposits and Investments	36
2. Receivables and Payables	36
3. Inventories and Prepaid Items	36
4. Restricted Assets	36
5. Capital Assets	37
6. Deferred Outflows/Inflows of Resources	37
7. Compensated Absences	38
8. Long-term Obligations	38
9. Fund Equity/Net position	39
10. Estimates	40
11. Property Taxes	41
NOTE II – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY	
A. Excess of Expenditures Over Appropriations	41
B. Deficit Fund Equity	41
NOTE III – DETAILED NOTES ON ALL FUNDS	
A. Deposits and Investments	41
B. Receivables and Payables	51
C. Capital Assets	53
D. Encumbrances	54
E. Construction Commitments	54
F. Unearned/Unavailable Revenue	55
G. Interfund Receivables, Payables and Transfers	55
H. Capital Leases	56
I. Long-term Debt	57
1. Governmental Activities Debt	57
2. Business-type Activities Debt	58
3. Changes in Long-term Liabilities	59
4. Summary of Annual Debt Service Requirements	60
5. Pollution Remediation	60
NOTE IV – OTHER INFORMATION	
A. Restricted Assets	61
B. Restricted Net Position	61
C. Risk Management	62
D. Contingent Liabilities	62
E. Defined Benefit Pension Plans	63
1. Plan Description	63
2. Funding Policy	63
3. Net Pension Liability	64
4. Significant Actuarial Assumptions	65
5. Pension Discount Rate	65
6. Investments – Long-Term Expected Rate of Return	67
7. Asset Allocation	68

CITY OF DEERFIELD BEACH, FLORIDA
INDEX TO NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

8. Pension Expense and Deferred Outflows of Resources and Deferred Inflows Of Resources Related to Pension	70
F. Defined Contribution Plan	70
G. Deferred Compensation Plan	71
H. Community Redevelopment Agency	71
I. Prior Period Adjustment	72
NOTE V – COST SHARING DEFINED BENEFIT PLANS	73
A. Plan Description	73
B. Benefits Provided	74
C. Contributions	74
D. Pension Liabilities, Pension Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions	75
E. Actuarial Assumptions	76
F. Long Term Expected Rate of Return	76
G. Discount Rate	77
H. Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate	77
I. Pension Plan Fiduciary	78
J. Summary of pension Expense, Deferred Outflows and Deferred Inflows of Resources Related to all Pensions of the City	78
NOTE VI. OTHER POST EMPLOYMENT BENEFITS	79
A. Plan Description	79
B. Schedule of Changes in Total OPEB Liability and Related Ratios	80
C. Discount Rate and Sensitivity Disclosures	80
D. Actuarial Assumptions and Other Inputs	81
E. Statement of OPEB Expense and Deferred Outflows of Resources Related to OPEB Under GASB Statement No. 75	82
NOTE VII. NEW ACCOUNTING PRONOUNCEMENTS NOT YET ADOPTED	83

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2018

NOTE I. Summary of Significant Accounting Policies

This summary of the City of Deerfield Beach, Florida's (the "City") significant accounting policies is presented to assist the reader in interpreting the financial statements and other information in this report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

The basic financial statements include both government-wide and fund financial statements. The government-wide focus is on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the major individual funds of the governmental and business-type categories.

The City's fiduciary funds are presented in the basic financial statements by type (i.e., pension). Since, by definition, these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

A. Financial Reporting Entity

The City of Deerfield Beach is a political subdivision of the State of Florida, located in Broward County along the lower southeast coast of the state. Originally incorporated in June 1925, the Town of Deerfield was formed under the provisions of Chapter 10462, Special Acts of the 1925 Legislature. In June 1951, Chapter 27503, laws of the State of Florida, created a new charter abolishing the Town and changing its name to City of Deerfield Beach. Today, the City is approximately 16.3 square miles in area. In addition to the public safety, general government, recreation, and public works services provided to its 78,573, residents, the City operates water, sewer, stormwater, and solid waste enterprises. The City does not provide educational or hospital facilities. Those services are provided by the School Board of Broward County and the Broward Health North District, respectively.

The financial reporting entity covered by this report includes the City and its component unit. The reporting entity has been defined by GASB Statement No. 14 (as amended by GASB Statements No. 39, 61 and 80) as the primary government and those component units for which the primary government is financially accountable. Financial accountability exists when a primary government appoints a voting majority of an organization's governing board and may either impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on, the primary government. Blended component units, although legally separate entities, are, in substance, part of the City's operations, and so information for these entities is combined with information of the primary government.

The Deerfield Beach Community Redevelopment Agency (the "CRA"), a separate legal entity, which is largely responsible for redevelopment of the area that encompasses most of the beach district and the area along Hillsboro Boulevard from Federal Highway to the intracoastal waterway, was established in November 1999. The CRA is governed by a board which is comprised of the City's elected officials, and management of the City has operational responsibility of the CRA. The CRA is also fiscally dependent upon the City. Accordingly, the CRA is a blended component unit and is presented as a special revenue fund. The CRA has a September 30 year-end. Separate financial statements for the CRA are not available.

The Deerfield Beach Housing Authority (the "Housing Authority") is a related organization because the mayor, with the concurrence of the City Commission, has the responsibility of appointing the members of the Housing Authority Board. Its operations are conducted within City boundaries. However, it is not included as a part of the financial reporting entity because it is fiscally independent and it has no financial accountability to the City. The Housing Authority's autonomy prohibits it from providing any financial benefit or imposing a financial burden upon the City. The Housing Authority is not exclusively for the benefit of City residents and the City Commission cannot impose its will over operations, cannot hire, reassign or dismiss management, and cannot remove Housing Authority board members without cause. The Housing Authority is responsible for ensuring that a complete and full financial accounting and an audit is made biennially by a certified public accountant.

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2018

NOTE I. Summary of Significant Accounting Policies

A. Financial Reporting Entity

The Northeast Focal Point Children, Alzheimer's, Senior, Adult Services, Inc. (hereinafter referred to as "CASA"), is a nonprofit entity organized under the laws of the State of Florida in September 1986. This organization raises funds and makes yearly pledges to the City to subsidize the costs of operating the City's children's, Alzheimer's, senior and adult day care facilities. GASB requires that a legally separate, tax-exempt organization should be reported as a component unit of the City, if the primary government is the sole corporate member of the nonprofit or if all of the following are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the City; (2) the City is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization and (3) the economic resources received or held by the separate organization are significant to the City. The City believes that conditions (1) and (2) apply to CASA. However, the City does not believe that the economic resources held/received by that entity is "significant" to the City's operations and the City is not the sole corporate member of CASA. As such, it is not included as a part of the financial reporting entity.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operation or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if they are collected within three months of the end of the current fiscal period, with the exception of property tax revenue, which is deferred unless taxes are received within sixty days subsequent to year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pensions, other post-employment benefits and claims and judgments, are recorded only when payment is due.

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2018

NOTE I. Summary of Significant Accounting Policies

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

Property taxes (when levied), franchise taxes, intergovernmental revenue (when the eligibility requirements are met), licenses, special assessments, charges for services for ambulance fees, as well as interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period, if available. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.

The **Community Redevelopment Agency ("CRA") Fund** accounts for the proceeds of tax increment revenues and the related expenditures for redevelopment of the area that hovers along Hillsboro Boulevard and that encompasses most of the beach district from Federal Highway to the Intracoastal Waterway. This fund has been deemed a major fund, since management believes it is particularly important to financial statement users for public interest.

The **General Construction Fund** accounts for all the City's capital projects.

The City reports the following major proprietary funds:

The **Water and Sewer Fund** accounts for the provision of water and sewer services to the City's residents.

The **Storm Water Utility Fund** accounts for the operations and maintenance of the City's stormwater system, such as storm drains, pipes, catch basins, and other stormwater-related infrastructure.

The **Solid Waste Fund** accounts for the provision of solid waste services to the City's residents.

Additionally, the City's **pension trust funds**, namely, Fire, Police and Non-uniformed pension funds, account for the activities of the retirement systems for these relevant classes of employees and accumulate resources for pension benefit payments to qualified retirees.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between the City's water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods and services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Sewer Fund are charges to customers for the provision of water and sewer services. This fund also recognizes as revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Further, the Solid Waste Fund recognizes as revenue charges to customers for the provision of solid waste services. Operating expenses for both enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2018

NOTE I. Summary of Significant Accounting Policies

D. New Accounting Pronouncements Adopted

The City implemented the following GASB Statements during the year ended September 30, 2018:

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 75, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. This Statement is effective for fiscal years beginning after June 15, 2017. The City implemented the requirements for this Statement during the fiscal year.

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively. The City implemented the requirements for this statement, however, the implementation did not impact the City's financial statements.

GASB Statement No. 85, *OMNIBUS 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and post-employment benefits (pensions and other post-employment benefits [OPEB]). The requirements of this statement are effective for reporting periods beginning after June 15, 2017. The implementation requirements of this statement became effective for the City during the fiscal year, however there was no impact..

GASB Statement No. 86, *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources other than the proceeds of refunding debt are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to the financial statements for debt that is defeased in substance. The requirements of this Statement are effective for the reporting periods beginning after June 15, 2017. The implementation of this pronouncement had no impact on the City's financial statements for the fiscal year ended September 30, 2018.

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2018

NOTE I. Summary of Significant Accounting Policies

E. Assets, Liabilities, Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position or Equity

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The City has established an investment policy in accordance with Section 218.415, Florida Statutes that allows the City to invest in relatively low-risk securities, such as the State Treasurer's Investment Pool, and U.S. Government and Agencies securities. In accordance with GASB all investments of the City have been reported at fair value except money market funds and the State Treasurer's Investment Pool which its reported value is the same as the value of the pool shares and is recorded at amortized cost. Resources of all funds, with the exception of the pension trust funds, have been combined into investment pools for the purpose of maximizing investment yields. Investment revenue is comprised of interest and dividends and realized and unrealized gains and losses on investments. Investment earnings on pooled investments are allocated monthly based upon equity balances of the respective funds. Accrued interest on pooled investments is grouped with investments on the balance sheet at year-end. In addition, the pension trust funds are authorized to invest in corporate bonds, stocks, money market funds, mortgages and notes.

2. Receivables and Payables

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

All trade and property tax receivables are shown net of allowance for uncollectibles. Management determines the allowance for uncollectible accounts, based upon a review of the accounts and its knowledge of the debtor's ability to pay. Property taxes are levied as of October 1 on property values assessed as of January 1 of the same year. The tax levy is divided into two billings: the first billing (mailed during September) is an estimate of the current year's levy based on the prior year's taxes; the second billing (mailed on November 1) reflects adjustments to the current year's actual levy. The billings are considered past due on April 1 of the subsequent year, at which time the applicable property is subject to lien, and penalties and interest are assessed.

Amounts reflected as "due from other governments" in the government-wide and the fund financial statements represent amounts that are owed to the City by other governmental entities for services rendered by the City in the capacity of a vendor or for amounts to be reimbursed in connection with grants and other cooperative agreements.

Water and sewer and solid waste charges to customers are based on actual consumption. Consumption is determined on a monthly basis. The City recognizes revenue and a related receivable for the estimated unbilled consumption as of September 30.

3. Inventories and Prepaid Items

Inventories consisting principally of expendable items held for consumption, are stated at lower of average cost. The consumption method is used for all inventories and prepaid items, that is, items of inventory/prepays are expended when they are consumed rather than when they are purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

4. Restricted Assets

Certain resources of the City's Water and Sewer enterprise fund are classified as restricted assets on the statement of net position because they are maintained in separate accounts and their uses are limited by applicable bond covenants and loan agreements. The state revolving loan sinking

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2018

NOTE I. Summary of Significant Accounting Policies

E. Assets, Liabilities, Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position or Equity

4. Restricted Assets

fund account is used to segregate resources that are accumulated for the payment of principal and interest on the City's revolving loans with the Florida Department of Environmental Protection.

The "general obligation bond construction account" is used to report those proceeds of general obligation bonds that are restricted for use in the construction of specified projects, as outlined in the bond covenants.

5. Capital Assets

Capital assets, which include property, plant, equipment, intangibles, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide and the proprietary fund financial statements. Capital assets are defined by the City as assets with an initial individual cost of \$3,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred, net of interest earned on related debt proceeds, during the construction phase of capital assets of business-type activities is included as part of the capitalized cost of the assets constructed. The City had no capitalized interest costs for this fiscal year.

The City's property, plant and equipment are depreciated using the straight line method over the following estimated useful lives:

<u>Asset Type</u>	<u>Years</u>
Buildings	40
Building improvements	20
Roads	40
Bridges	50
Other infrastructure	20 - 50
Equipment	5 - 10

In the governmental fund financial statements, capital assets are reported as expenditures and no depreciation expense is recorded.

6. Deferred Outflows/Inflows of Resources

The statements of net position and fund financial statements require the inclusion of a separate section for deferred outflows of resources. A deferred outflow of resources represents the usage of net position that is applicable to future periods.

The statements of net position and fund financial statements, also include a separate section for deferred inflows of resources, which represent the acquisition of net position which is applicable to future periods that will be recognized as revenue (or serve as a reduction of expenses) in a future period.

The City reports within its government-wide statement of net position as deferred outflows amounts that were related to pensions and OPEB during fiscal year 2018 into the pension plans as a result of the net pension liability and total OPEB liability associated with the plans measured as of September 30, 2017. The amounts paid during fiscal year 2018 to the plan will be reflected within

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2018

NOTE I. Summary of Significant Accounting Policies

E. Assets, Liabilities, Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position or Equity

6. Deferred Outflows/Inflows of Resources

the City's pension expense and related liability when the net pension liability is measured for the next fiscal year.

The City reports as deferred inflows amounts representing the net difference between expected and actual results, changes in assumptions and projected and actual earnings of its OPEB and pension plans. The amounts will be amortized over a five year closed period beginning in the year in which the difference occurred or over the remaining service lives of all employees, as applicable, and deferred amount on a bond refunding which is being amortized over the remaining life of the debt.

Also, in the governmental fund financial statements the City reported deferred inflows for amounts not recorded within the period of availability.

7. Compensated Absences

It is the City's policy to permit employees to accumulate earned, unused vacation and sick pay benefits. A portion of accumulated sick pay benefits are paid upon separation based on the number of years of service. All vacation pay and applicable portions of sick pay balances are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

8. Long-term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the government-wide and proprietary fund type statements of net position. Bonds payable are reported net of the applicable bond premium or discounts. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Deferred amounts (the difference between the reacquisition price and the net carrying amount) on refunding are amortized over the shorter of the remaining life of the old debt or the life of the new debt using the straight line method, which does not result in a material difference from the effective interest method. Debt issuance costs, except for the portion which relates to prepaid insurance costs, are recognized as an expense in the period incurred. Prepaid insurance costs are reported as an asset and are recognized as expense on a straight line basis over the duration of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Debt principal payments and issuance costs, whether or not withheld from actual debt proceeds, are reported as debt service expenditures.

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2018

NOTE I. Summary of Significant Accounting Policies

E. Assets, Liabilities, Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position or Equity

9. Fund Equity/Net Position

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, governmental funds report separate classifications of fund balance. The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The restricted fund balance is defined as having restrictions (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Committed fund balance is defined as amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) performed prior to year-end, of the City Commission. Assigned fund balance represents amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.

The City, through resolution establishing its fund balance policy, has given the City Manager the authority to assign fund balance. Assignment of fund balance may be a) made for a specific purpose that is narrower than the general purposes of the fund itself; and/or b) used to reflect the appropriation of a portion of existing unassigned fund balance to eliminate a projected deficit in the subsequent year's budget in an amount no greater than the projected excess of expenditures over expected revenues. Assigned fund balance shall reflect management's intended use of resources as set forth each year by the City Manager. Assigned fund balance may or may not be appropriated for expenditure in the subsequent year depending on the timing of the project/reserve for which it was assigned. Unassigned fund balance is the residual classification for the General Fund, plus any deficits of any other governmental funds. The City government considers restricted or unrestricted amounts to have been spent when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available. The City government considers committed, assigned, or unassigned amounts to have been spent when expenditures incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. The City's policy is to expend resources in the following order: restricted, committed, assigned and unassigned.

It is the City's policy to obtain and maintain a minimum level of General Fund unassigned fund balance of at least 10% of General Fund operating expenditures and transfers. The disaster/emergency reserve fund balance is assigned by the City Commission as set forth in the annual budget (and any amendments thereto) to ensure the maintenance of services to the public during hurricanes and other natural disasters, as well as economic changes that might severely impact the City's ability to provide necessary public services.

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2018

NOTE I. Summary of Significant Accounting Policies

E. Assets, Liabilities, Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position or Equity

9. Fund Equity/Net Position

The following table shows the City's fund balance classification for the governmental funds as of September 30, 2018.

	Governmental Funds				Total Governmental Funds
	General Fund	Community Redevelopment Agency	General Construction Fund	Nonmajor Governmental Funds	
Nonspendable:					
Inventory	700,972	-	-	-	700,972
Perpetual care and cemetery operations	-	-	-	1,408,008	1,408,008
Restricted:					
Community Redevelopment programs	-	2,743,433	-	-	2,743,433
Debt service	-	-	-	6,507,301	6,507,301
General construction projects	-	-	34,987,465	-	34,987,465
Roadway improvement projects	-	-	-	1,243,239	1,243,239
Grants and special programs	-	-	-	762,760	762,760
Beautification and landscape projects	-	-	-	343,948	343,948
Public safety programs	-	-	-	1,404,662	1,404,662
Parking improvements	-	-	-	82,768	82,768
Recreation programs	-	-	-	1,280,508	1,280,508
Assigned to:					
Emergency reserve	3,741,818	-	-	-	3,741,818
Subsequent Year's Budget	4,519,667	-	-	-	4,519,667
Endowment	99,108	-	-	-	99,108
Tam O' Shanter project	250,000	-	-	-	250,000
Unassigned:					
General fund operations	17,650,052	-	-	-	17,650,052
Miscellaneous grant programs	-	-	-	(164,575)	(164,575)
Total Fund Balances	<u>\$ 26,961,617</u>	<u>\$ 2,743,433</u>	<u>\$ 34,987,465</u>	<u>\$ 12,868,619</u>	<u>\$ 77,561,134</u>

Net Investment in Capital Assets – is intended to reflect the portion of net position which is associated with capital assets (net of accumulated depreciation), less outstanding capital asset related debt, net of unspent bond proceeds and deferred inflow/outflow of resources that are attributed to the acquisition of those assets or related debt which are included in this component of net position.

Restricted Net Position – has third-party (statutory bond covenant or granting agency) limitations on their use or limitations which have been imposed through enabling legislation.

The government-wide statement of net position reports \$82,341,441 of restricted net position of which approximately \$751,604 is restricted by enabling legislation.

Unrestricted Net Position – has no third-party limitations as to its use, and consists of all net position that does not meet the definition of the other two components, and any net deficits that exist.

10. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred outflows and inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2018

NOTE I. Summary of Significant Accounting Policies

E. Assets, Liabilities, Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position or Equity

10. Estimates

from management's estimates.

11. Property Taxes

Property taxes attach as an enforceable lien on real property and are levied as of October 1st. The tax levy is divided into two billings: the first billing (mailed mid-August) is an estimate of the current year's levy based on the proposed tax rates, which serves to inform tax payers of their proposed taxes prior to the final approval of the millage rate in September. The second billing (mailed in November) reflects the current year's actual levy. The billings are considered past due after March 31st of the following year after the respective tax billing date, at which time the applicable property is subject to lien, and penalties and interest are assessed.

NOTE II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Excess of Expenditures Over Appropriations

For the year ended September 30, 2018, expenditures exceeded appropriations in three of the City's departments. The City Attorney, Planning and Development Services, and Sustainable Management departments exceeded their budgets by \$36,388, \$15,016, and \$48,462, respectively. The additional costs were incurred for outside legal services, for the processing of applications for building permits, as well as for payments to suppliers for fleet maintenance services. These over-expenditures were covered by positive budget variances in other departments as well as positive revenue variances.

B. Deficit Fund Equity

At September 30, 2018, the Community Development Block Grant Fund and Capital Grants Projects Fund had deficit fund balances of \$106,402, and \$3,476, respectively. This deficit is expected to be funded by future grant reimbursements, which were not susceptible to accrual at September 30, 2018.

NOTE III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

1. Deposits

The City maintains a common cash and cash equivalents pool for use by all non-fiduciary funds. Deposits of the City, including time deposit accounts, demand deposit accounts and certificates of deposit, are defined as public deposits. Pursuant to the City's policies, all of the City's deposits are held in qualified public depositories pursuant to Chapter 280.03 of the Florida Statutes, "Florida Security for Public Deposits Act." Under the Act, all qualified public depositories are required to pledge eligible collateral having fair value equal to or greater than the average daily or monthly balance of all public deposits, times the depository's collateral pledging level. The pledging level may range from 50% to 125% depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in fault. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss. At September 30, 2018, the carrying amount of the City's deposits totaled \$10,064,874.

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2018

NOTE III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

2. Investments

Authorized Investments

The City's investments are categorized as investments for the City as a whole (hereinafter referred to as "general City investments") and those of its various defined benefit pension plans. The City is authorized by statute and policy to invest public funds (general City investments) in interest-bearing savings accounts, money market accounts and checking accounts, obligations of the United States government, its agencies and instrumentalities; certificates of deposit that are fully insured and collateralized; high-grade commercial paper, repurchase agreements having a defined termination date and collateralized by U.S. Treasury obligations; and Local Government Surplus Trust Funds, as administered by the Florida State Board of Administration ("SBA"). The City invested funds throughout the year in the Florida PRIME, which is not Securities and Exchange Commission ("SEC") registered, but which qualifies as a fluctuating net asset value ("NAV") pool. The City's investment in the SBA at September 30, 2018 represented less than 1% of the total investment assets of the SBA. The City of Deerfield Beach invests in the pool, the value of the City's position is the same as the value of the pool shares and is recorded at amortized cost. At September 30, 2018, the City's investment in the SBA was \$18,954,561.

In accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, the City's investments in the Florida PRIME meets the definition of a qualifying investment pool that measures, for financial reporting purposes, all of its investments at amortized cost and should disclose the presence of any limitations or restrictions on withdrawals. As of September 30, 2018, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

The Florida Municipal Investment Trust (as administered by the Florida League of Cities) is an authorized investment under Section 218.415(115), Florida Statutes, for units of local government in Florida. The operation and administration of the Trust is the responsibility of a Board of Trustees, who are selected from the ranks of elected officials of governmental entities participating in the Trust. The fair value of the City's position in the Trust is the same as the value of the pool share.

The overriding objectives of the City's investment policy are preservation of its principal investment, while providing for liquidity and maximization of investment income.

Each of the City's three individual pension plans is governed by a Board of Trustees, which is responsible for determining the investment policies for the respective plan, namely the City's Fire, Police Officers, and Non-uniformed retirement pension plans. The investment policies for the various plans typically are devised to earn an average rate of return over the long term that will equal or exceed the return of a target index. The trustees are authorized to invest in a wide range of instruments, including but not limited to, federally-guaranteed obligations, bonds, stocks, or other evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States or any state or organized territory of the United States, provided that the corporation is listed on any one or more of the recognized national stock exchanges or the National Market System of the NASDAQ Stock Market.

In acquiring these investments on behalf of the various plans, the trustees are required to exercise a level of care, which persons of prudence, discretion and intelligence would exercise when acquiring these same investments for their own (personal) accounts.

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2018

NOTE III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

2. Investments

As of September 30, 2018, the City had the following investments:

	Pension Trust Funds	All Other Funds	Total
Investment in Florida PRIME	\$ -	\$ 18,954,561	\$ 18,954,561
Investment in Florida Municipal Investment Trust	-	6,299,458	6,299,458
Money market funds	7,637,086	10,611,290	18,248,376
Mutual funds	47,201,609	-	47,201,609
U.S. Government and agency securities	22,522,872	70,953,618	93,476,490
Corporate bonds and notes	15,725,276	-	15,725,276
Corporate equities	124,094,410	-	124,094,410
Total	<u>\$ 217,181,253</u>	<u>\$ 106,818,927</u>	<u>\$ 324,000,180</u>

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates. In accordance with the City's investment policy, the City minimizes the interest rate risk of investments in the portfolio by placing limitations on the duration of such investments. With the exception of funds reserved for capital projects, all of the City's general investments shall be limited to instruments maturing within two years of purchase. This ensures that securities mature to meet cash requirements for operations, thereby avoiding the need to sell securities in the open market prior to maturity.

The Police Officers' Retirement Plan limits its exposure to interest rate risk by varying the durations of the maturities of its investment holdings.

Neither the Municipal Firefighter's Pension Trust Plan nor the Non-Uniform Employees' Retirement Plan has investment policies that use limits on investment maturities as a means of managing its exposure to fair value losses arising from interest rates.

Information about the sensitivity of the fair values of the City's and the Pension Plans' investments to market interest rate fluctuations is provided by the following tables that shows the distribution of the City's and the Plans' investments by maturity:

(City General Investments) Investment Type	Value	Maturities (in Years)	
		Less Than 1	1-5
Florida PRIME	\$ 18,954,561	\$ 18,954,561	\$ -
FL Municipal Investment Trust	6,299,458	-	6,299,458
Money market funds	10,515,982	10,515,982	-
U.S. Agencies	70,953,618	28,069,248	42,884,370
Total	<u>\$ 106,723,619</u>	<u>\$ 57,539,791</u>	<u>\$ 49,183,828</u>

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2018

NOTE III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

2. Investments

(Pension Trust Funds)

Investment Type	Value	Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
Bond funds	\$ 1,950,296	\$ 50,096	\$ 119,408	\$ 1,283,520	\$ 497,272
Money market funds	20,477,606	4,459,020	5,718,549	6,197,720	4,102,317
U.S. Treasuries	14,517,593	1,092,663	4,553,074	5,841,524	3,030,332
U.S. Agencies	6,054,983	190,005	559,189	870,887	4,434,902
Corporate bonds and notes	15,725,276	1,109,247	7,902,962	5,456,980	1,256,087
Total	<u>\$ 58,725,754</u>	<u>\$ 6,901,031</u>	<u>\$ 18,853,182</u>	<u>\$ 19,650,631</u>	<u>\$ 13,320,910</u>

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization (NRSRO's). State law limits investments in commercial paper and corporate bonds to the top 3 ratings issued by NRSRO's. All Treasury obligations are guaranteed by the good faith and credit of the United States and are therefore not subject to credit risk. The amounts held in the Florida Prime is rated by Standard and Poor's. The current rating is AAAM. Florida Municipal Investment Trust is not rated by any nationally recognized statistical rating agency.

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2018

NOTE III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

2. Investments

The following table discloses credit ratings by investment type, at September 30, 2018, as applicable:

	Quality Credit Rating	Fair Value
	<u>Moody's</u>	<u>Fair Value</u>
	Aaa	43,458,870
	Aa	1,431,863
	Aa+	1,024,793
	Aa-	324,648
	A+	712,494
	A	2,441,583
	A-	991,186
	Aa1	1,152,008
	A1	4,145,485
	A2	313,409
	A3	1,211,947
	B1	1,690,969
	Baa	1,654,013
	Baa1	2,093,569
	Baa2	313,345
	Ba	66,188
	Ba1	4,918,751
	Bbb+	688,371
	Bbb	1,121,039
	Bb	120,757
	B	32,491
	Caa1	562,287
	C	176,532
	Not rated	<u>22,734,815</u>
Total credit risk securities		93,381,413
U.S. treasuries and agency securities explicitly guaranteed		<u>72,067,960</u>
Total fixed income/credit risk securities		<u>\$ 165,449,372</u>
Total fixed income/credit risk securities - City		\$ 106,723,619
Total fixed income securities - pension trust funds		<u>58,725,754</u>
Total		<u><u>\$ 165,449,373</u></u>

Concentration of Credit Risk

The City limits its investments in any one issuer to no more than 5% of total investments, except for investments issued or explicitly guaranteed by the government and investments in mutual funds, external investment pools, and other pooled investments, which are excluded from this requirement. There were no individual investments that represented 5% or more of the City's total investments at September 30, 2018. The three pension plans limit their exposure by limiting their investments in any one issuer to no more than 5% of plan net position other than those issued by the US Government or its agencies. None of the plans had holdings that exceeded the 5% limit.

Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. These

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2018

NOTE III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

2. Investments

investments are held by the various pension plans' custodial banks and are registered in the name of the pertinent pension plan. With the exception of the investments with the SBA, all of the City's general investments were held by the City's custodial bank and were registered in the City's name as of year-end.

Fair Value Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market. Investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 - Investments traded in an active market with available quoted prices for identical assets as of the reporting date.

Level 2 - Inputs to the valuation methodology are based upon observable inputs for the assets either directly or indirectly, other than those considered Level 1 inputs, which may include quoted prices for identical assets in markets that are not considered to be active, and quoted prices of similar assets in active or inactive markets.

Level 3 - Inputs to the valuation methodology are based upon unobservable inputs.

Fire Pension

The following is a description of the valuation methodologies used for assets measured at fair value for the plan:

Common stock: Valued at the closing price reported on the New York Stock Exchange.

Government securities: Valued using pricing models maximizing the use of observable inputs for similar securities.

Corporate bonds: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing the value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yield of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote, if available.

Hedge funds: Value based on the net asset value per share, without further adjustment. Net asset value is based upon the fair value of the underlying investments.

Real estate: Valued at the net asset value of shares held by the Plan at year end. The Plan has investments in private market real estate investments for which no liquid public market exists.

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2018

NOTE III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Equity securities:				
Common stocks	\$ 22,186,252	\$ 22,186,252	\$ -	\$ -
Master Limited Partnership REITS	2,302,653	2,302,653	-	-
Mutual funds	1,835,906	1,835,906	-	-
Total equity securities	39,725,225	39,725,225	-	-
Debt securities:				
Fixed income mutual funds	15,062,499	15,062,499	-	-
U.S. treasury securities	10,519,540	10,519,540	-	-
U.S. agency securities	2,590,459	-	2,590,459	-
Corporate bonds	7,258,647	-	7,258,647	-
Total debt securities	35,431,145	25,582,039	9,849,106	-
Total investments by fair value level	101,481,181	\$ 91,632,075	\$ 9,849,106	-
Investments measured at the net asset Value (NAV)				
Real estate funds	10,957,420			
Hedge fund	1,042,893			
Total investments measured at the NAV	12,000,313			
Money market funds (exempt)	5,581,195			
Total investments	\$ 119,062,689			

The following table summarizes investments for which fair value is measured using the net asset value per share practical expedient, including their related unfunded commitments and redemption restrictions:

	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Real estate fund (1)	\$ 8,224,123	\$ -	Quarterly	90 Days
Real estate fund (2)	2,733,297	-	Quarterly	10 Days
Hedge fund (3)	1,042,893	-	Quarterly	90 Days
Total investments measured at the NAV	\$ 12,000,313	\$ -		

1. Real estate fund: The fund is an open-ended real estate investment fund investing primarily in core institutional office, retail, industrial, and multi-family properties located throughout the United States. The investment is valued at NAV and its redemptions must be received by the

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2018

NOTE III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

fund 90 days prior to quarter end.

2. Real estate fund: The fund is an open-end diversified core real estate commingled fund that invests primarily in core institutional office, retail, industrial, and multi-family properties located throughout the United States. The investment is valued at NAV and its redemptions must be received by the fund 10 days prior to quarter end.
3. Hedge fund: The fund is a multi-strategy fund of hedge funds that aims to pursue varying strategies in order to diversify risk and reduce volatility. The fund is a diversified portfolio offering investment solutions through activist long/short equity hedge funds, event driven hedge funds and multi-strategy hedge funds. The investment is valued at NAV and holder of capital, upon at least 90 days prior written notice, may request to redeem a minimum of \$100,000 of their capital shares, as of the close of business on the last business day of each calendar year, by giving irrevocable written notice.

Police Pension

The following is a description of the valuation methodologies used for assets measured at fair value for the plan:

Debt Securities: Debt securities consist primarily of negotiable obligations of the U.S. government and U.S. government-sponsored agencies, corporations, securitized offerings backed by residential and commercial mortgages, TIPS, and foreign debt securities. These securities can be typically be valued using the close or last traded price on a specific date (quoted prices in active markets). When quoted prices are not available, fair value is determined based on valuation models that use inputs that include market observable inputs. These inputs included recent trades, yields, price quotes, cash flows, maturity, credit ratings, and other assumptions based upon the specifics of the investment type.

Equity securities: These include domestic and international equities. Domestic securities traded on a national securities exchange are valued at the last reported sales price on the last business day of the fiscal year. Securities traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at the last reported bid price. International equities are valued based upon quoted foreign market prices and translated into U.S. dollars at the exchange rate in effect at year end. Securities which are not traded on a national security exchange are valued by the respective fund manager or other third parties based on yields currently available on comparable securities of issuers with similar credit ratings.

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2018

NOTE III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identifiable Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Equity securities:				
Common Stocks	\$ 6,535,019	\$ 6,535,019	\$ -	\$ -
Equity mutual funds	20,743,999	20,743,999	-	-
Total equity securities	27,279,018	27,279,018	-	-
Debt securities:				
U.S. treasury securities	909,109	-	909,109	-
U.S. agency securities	463,698	-	463,698	-
Fixed income mutual funds	5,415,107	5,415,107	-	-
Corporate bonds	857,653	-	857,653	-
Total debt securities	7,645,567	5,415,107	2,230,460	-
Total investments by fair value	34,924,585	\$ 32,694,125	\$ 2,230,460	-

Investments measured at the net asset value (NAV)

Real estate funds	7,111,204
Money market funds (exempt)	964,676
Total investments	\$ 43,000,465

	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Real estate fund (1)	\$ 1,438,698	\$ -	Quarterly	10 Days
Real estate (2)	5,672,506	-	Quarterly	90 days
Total investments measured at the NAV	\$ 7,111,204	\$ -		

1. Real estate fund: The fund is an open-end diversified core real estate commingled fund that invests primarily in core institutional office, retail, industrial, and multi-family properties located throughout the United States. The investment is valued at NAV and its redemptions must be received by the fund 10 days prior to quarter end.
2. Real estate fund: This fund is an open-end comingled real estate fund that invests in a pool of real estate assets that are diversified by geography and property type, with a focus of yield-driven investments and, to a lesser extent, on value-added investments. The investment is valued at NAV and redemption requests must be received by the fund 90 days prior to quarter end.

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2018

NOTE III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Non-Uniformed Pension

The following is a description of the valuation methodologies used for assets measured at fair value for the plan:

Common stocks: Valued at the closing price reported on the New York Stock Exchange.

Government securities: Valued using pricing models maximizing the use of observable inputs for similar securities.

Hedge fund: Valued based on the net asset value per share, without further adjustment. Net asset value is based upon the fair value of the underlying investment.

Corporate bonds: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing the value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yield of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote, if available.

Real estate fund: Valued at the net asset value of shares held by the Plan at year end. The Plan has an investment in a private market real estate investment for which no liquid public market exists.

	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Equity securities:				
Common stocks	\$ 30,315,156	\$ 30,315,156	\$ -	\$ -
REITS	450,200	450,200	-	-
Total	<u>30,765,356</u>	<u>30,765,356</u>	<u>-</u>	<u>-</u>
Debt securities:				
U.S. treasury securities	3,088,944	2,710,788	378,156	-
U.S. agency securities	3,000,826	-	3,000,826	-
Municipal bonds	1,950,296	-	1,950,296	-
Corporate bonds	7,608,976	-	7,608,976	-
Total debt securities	<u>15,649,042</u>	<u>2,710,788</u>	<u>12,938,254</u>	<u>-</u>
Total investments by fair value level	<u>46,414,398</u>	<u>\$ 33,476,144</u>	<u>\$12,938,254</u>	<u>-</u>
Investments measured at the net asset value (NAV)				
Real estate fund	4,902,352			
Hedge fund	<u>2,710,134</u>			
Total investments measured at the NAV	<u>7,612,486</u>			
Money market funds (exempt)	<u>1,091,215</u>			
Total investments	<u>\$ 55,118,099</u>			

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2018

NOTE III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Real estate fund (1)	\$ 4,902,352	\$ -	Quarterly	45 Days
Hedge Fund (2)	2,710,134	-	Semi-annual	95 Days
Total investments measured at the NAV	<u>\$ 7,612,486</u>	<u>\$ -</u>		

1. Real estate fund: This fund is an open-end core real estate fund with a diversified portfolio of multifamily, office, industrial and retail properties. The fund seeks to provide for the preservation of capital, stable income and modest appreciation over the mid- to long-term. The investment is valued at NAV and redemption requests must be received by the fund 45 days prior to quarter end.
2. Hedge fund: This fund aims to pursue varying strategies in order to diversify risks and reduce volatility. The fund invests with hedge funds and other portfolio managers or otherwise utilizes the services of investment advisors or other investment managers employing a variety of trading styles or strategies, including, but not limited to, direct lending, convertible arbitrage, merger or risk arbitrage and other event-driven investing, distressed and long/short credit, long/short equity, multi-strategy and other relative value strategies. The investment is valued at NAV and redemption requests must be received by the fund 95 days prior to redemption date of June 30 or December 31.

B. Receivables and Payables

The City reports the General, Community Redevelopment Agency (CRA), General Construction, Water & Sewer, Stormwater Utility and Solid Waste funds as major funds. Receivables at September 30, 2018 were as follows:

Governmental Activities

	General	CRA	General Construction Fund	Other Governmental Funds	Total
Receivables:					
Accounts	\$ 18,342,471	\$ -	\$ -	\$ 254	\$ 18,342,725
Assessments	842	-	-	-	842
Interest	53,632	5,433	37,509	34,479	131,053
Gross receivables	18,396,945	5,433	37,509	34,733	18,474,620
Less: allowance for uncollectibles	(12,015,669)	-	-	-	(12,015,669)
Net receivables	<u>\$ 6,381,276</u>	<u>\$ 5,433</u>	<u>\$ 37,509</u>	<u>\$ 34,733</u>	<u>\$ 6,458,951</u>

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2018

NOTE III. DETAILED NOTES ON ALL FUNDS

B. Receivables and Payables

Business-type Activities

	Water and Sewer	Solid Waste	Total
Receivables:			
Accounts	\$ 2,332,516	\$ 1,806,027	\$ 4,138,543
Delinquent assessments	12,925	-	12,925
Interest	251,151	-	251,151
Gross receivables	2,596,592	1,806,027	4,402,619
Less: allowance for uncollectibles	(284,934)	(157,217)	(442,151)
Net receivables	\$ 2,311,658	\$ 1,648,810	\$ 3,960,468

Receivables of the Water and Sewer and Solid Waste Enterprise Funds are reported net of uncollectible amounts, and are as follows:

Uncollectible related to water sales	\$ 189,417
Uncollectible related to sewer charges	95,517
Total uncollectible for the current fiscal year	\$ 284,934

Accounts payables at September 30, 2018 are as follows:

	Vendors	Retainage	Total Payables
Governmental activities:			
General fund	\$ 4,437,275	\$ -	\$ 4,437,275
CRA fund	135,345	14,728	150,073
General Construction Fund	81,903	-	81,903
Other governmental funds	983,530	-	983,530
	\$ 5,638,053	\$ 14,728	\$ 5,652,781
 Business-type activities:			
Water and Sewer fund	\$ 1,305,128	\$ -	\$ 1,305,128
Stormwater Utility fund	7,742	-	7,742
Solid Waste fund	596,875	-	596,875
	\$ 1,909,745	\$ -	\$ 1,909,745

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2018

NOTE III. DETAILED NOTES ON ALL FUNDS

C. Capital Assets

The following is a summary of capital asset activity for the year ended September 30, 2018:

	Beginning Balance	Increases	Decreases	Total
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 16,523,808	\$ 300,000	\$ -	\$ 16,823,808
Construction in progress	15,167,691	1,476,507	-	16,644,199
Total capital assets not being depreciated	<u>31,691,499</u>	<u>1,776,507</u>	<u>-</u>	<u>33,468,007</u>
Capital assets being depreciated:				
Buildings	38,749,993	601,042	-	39,351,035
Improvements other than buildings	10,829,460	1,460	-	10,830,920
Equipment	22,944,506	1,324,226	65,605	24,203,127
Infrastructure	82,337,826	494,060	-	82,831,886
Total capital assets being depreciated	<u>154,861,785</u>	<u>2,420,788</u>	<u>65,605</u>	<u>157,216,968</u>
Less: accumulated depreciation for:				
Buildings	14,472,945	959,221	-	15,432,166
Improvements other than buildings	2,587,878	510,514	-	3,098,392
Equipment	18,497,501	806,214	65,605	19,238,110
Infrastructure	46,128,900	2,465,607	-	48,594,507
Total accumulated depreciation	<u>81,687,224</u>	<u>4,741,556</u>	<u>65,605</u>	<u>86,363,174</u>
Total capital assets being depreciated, net	<u>73,174,561</u>	<u>(2,320,768)</u>	<u>-</u>	<u>70,853,794</u>
Governmental activities capital assets, net	<u>\$ 104,866,060</u>	<u>\$ (544,261)</u>	<u>\$ -</u>	<u>\$ 104,321,801</u>

	Beginning Balance	Increases	Decreases	Total
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 50,531	\$ -	\$ -	\$ 50,531
Capital assets being depreciated:				
Buildings	1,810,875	4,995	-	1,815,870
Utility plants in service	46,125,971	-	-	46,125,971
Improvements other than buildings	86,395,231	1,738,833	-	88,134,064
Equipment	22,972,195	1,505,776	156,200	24,321,772
Total capital assets being depreciated	<u>157,304,272</u>	<u>3,249,604</u>	<u>156,200</u>	<u>60,397,677</u>
Less: accumulated depreciation for:				
Buildings	1,205,058	-	-	1,205,058
Utility plants in service	21,486,631	1,427,057	-	22,913,688
Improvements other than buildings	43,241,562	2,103,222	-	45,344,784
Equipment	16,439,791	1,189,222	156,200	17,472,814
Total accumulated depreciation	<u>82,373,041</u>	<u>4,719,501</u>	<u>156,200</u>	<u>86,936,344</u>
Total capital assets being depreciated, net	<u>74,931,230</u>	<u>(1,469,897)</u>	<u>-</u>	<u>73,461,333</u>
Business-type activities capital assets, net	<u>\$ 74,981,762</u>	<u>\$ (1,469,897)</u>	<u>\$ -</u>	<u>\$73,511,864</u>

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2018

NOTE III. DETAILED NOTES ON ALL FUNDS

C. Capital Assets

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 131,213
Public safety	748,112
Human services	72,938
Physical environment	632,008
Transportation	1,660,721
Culture and recreation	1,496,564
Total depreciation expense - governmental activities	<u>\$ 4,741,556</u>
Business-type activities:	
Water and sewer	\$ 3,783,822
Solid waste	935,679
Total depreciation expense - business-type activities	<u>\$ 4,719,501</u>

D. Encumbrances

Purchase orders are issued throughout the fiscal year to encumber budgets in the governmental funds. Significant encumbrances as of September 30, 2018, which are recorded in the appropriate fund balance classification of restricted, committed or assigned, in accordance with the City's fund balance policy are as follows:

Major funds:	
General Fund	\$ 4,599,669
Community Redevelopment Agency Fund	767,455
General Construction Fund	<u>1,688,983</u>
Total major funds	<u>7,056,107</u>
Nonmajor governmental funds	<u>1,353,129</u>
Total encumbrances	<u>\$ 8,409,236</u>

E. Construction Commitments

The City has outstanding commitments for construction and acquisition of property, plant and equipment. The following is a summary of the most significant of these commitments at September 30, 2018:

Project	Amounts Outstanding
NE 3rd Avenue/48th Street Roadway Project	\$ 632,402
Ocean Way Project	648,327
North Beach Pavilion	111,012
	<u>\$ 1,391,741</u>

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2018

NOTE III. DETAILED NOTES ON ALL FUNDS

F. Unearned/Unavailable Revenue

Unearned/Unavailable revenue in the General Fund includes \$447,788 for local business taxes (formerly referred to as occupational licenses) relating to fiscal year 2019. The General Fund also includes ambulance transport fees in the amount of \$4,542,088 which are not available and are recorded as unavailable revenue.

The General Construction Fund had unavailable revenue of \$622,626.

The Miscellaneous Grants nonmajor special revenue fund had unavailable revenue of \$254,454.

G. Interfund Receivables, Payables and Transfers

The interfund balances below represent short-term loans to cover temporary negative balances in each fund's equity in pooled cash at year-end. The composition of interfund balances at September 30, 2018 is as follows:

Due to/Due from

	CBDG Fund	Miscellaneous Grants Fund	General Construction Fund	Capital Grants Projects Fund	Solid Waste Fund
Receivable Fund:					
General Fund	\$ 323,926	\$ 80,537	\$ 2,371,149	\$ 3,476	\$ -
Water and Sewer Fund	-	-	-	-	2,383,979
Total	<u>\$ 323,926</u>	<u>\$ 80,537</u>	<u>\$ 2,371,149</u>	<u>\$ 3,476</u>	<u>\$ 2,383,979</u>

Due to/Due from

	Stormwater Utility Fund	Total
Receivable Fund:		
General Fund	\$ -	\$ 2,779,088
Water and Sewer Fund	500,000	2,883,979
Total	<u>\$ 500,000</u>	<u>\$ 5,663,067</u>

Interfund Transfers:

	Transfers to:		
	General	Nonmajor Governmental	Total
Transfers from			
General	\$ -	\$ 4,607,951	\$ 4,607,951
CRA	1,100,364	-	1,100,364
Nonmajor Governmental	808,932	72,800	881,732
Solid Waste	306,698	-	306,698
Total	<u>\$ 2,215,994</u>	<u>\$ 4,680,751</u>	<u>\$ 6,896,745</u>

Transfers to the General Fund represent amounts paid by the nonmajor governmental funds for matching grant requirements for expenditures which were accounted for in the General Fund. The Community Redevelopment Agency Fund (CRA) is required to transfer amounts to the General Fund in connection with debt service payments made by the General Fund on behalf of the CRA. Transfers to nonmajor governmental funds represent payments for the City's match in connection with grants that the City participates in cost sharing for the funded project. Transfers to the General

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2018

NOTE III. DETAILED NOTES ON ALL FUNDS

G. Interfund Receivables, Payables and Transfers

Obligation Debt Service Fund represent payment of debt service.

H. Capital Leases

The City has entered into master lease purchase agreements and other lease arrangements as lessee for financing the acquisition of equipment for public safety, public works and for parks and recreational facilities.

The City has also financed the acquisition of sanitation vehicles in its Solid Waste enterprise fund. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the date of inception.

The future minimum lease obligations and the net present value of the minimum lease payments as of September 30, 2018, were as follows:

Fiscal Year	Governmental Activities	Business-type Activities	Total
2019	\$ 363,628	\$ 233,158	\$ 596,786
2020	363,593	233,158	596,751
2021	245,283	157,315	402,598
Total minimum lease payments	972,504	623,631	1,596,135
Less: amount representing interest	(21,079)	(13,517)	(34,596)
Present value of future minimum lease payments	\$ 951,425	\$ 610,114	\$ 1,561,539

As of September 30, 2018, the equipment held under capital leases for governmental activities and business-type activities were \$1,752,172 and \$1,123,600, respectively. Accumulated depreciation for equipment held under capital leases was \$700,869 and \$449,440 for governmental and business-type activities, respectively, as of September 30, 2018.

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2018

NOTE III. DETAILED NOTES ON ALL FUNDS

I. Long-Term Debt

1. Governmental Activities Debt:

- *General Obligation Bonds, Series 2000* – The original amount of this issue was divided into two series: Series “A,” for which \$9,978,847 in bonds were issued, and Series “B,” for which \$2,820,183 in bonds were issued. The proceeds of these bonds were used to finance the construction of a public safety complex, a public works facility, parks improvements, right-of-way improvements and expansion of the senior services facilities. The combined outstanding bonds of the issue, \$3,568,185, have interest rates that range from 4.25% to 6.08%. For Series A, principal is due annually on April 1st and interest is payable semi-annually on April 1st and October 1st with the final maturity date being October 1, 2024.
- *General Obligation Bonds, Series 2012B-2* – The original amount of this issue was \$14,770,000. The proceeds of these bonds were used to refund previously issued debt, namely Florida Municipal Loan Council Revenue Bonds, Series 2000B; Series 2003A and Series 2003B. The interest rates on these bonds range from 2% to 5%. The principal is due annually on April 1st and interest is payable semi-annually on April 1st and October 1st with the final maturity date being October 1, 2028. The principal and interest of this issue will be payable from and secured by the City’s ad valorem taxes. For the current year, principal and interest of \$997,250 was paid. Ad valorem taxes amounted to \$39,393,931. The outstanding balance for this issue at year end amounted to \$11,505,000.
- *Covenant Bonds, Series 2006* – The original amount of this issue was \$5,965,000. The proceeds of this bond issue were used to complete the construction of the public works facility and the municipal operations complex. The interest rates on these bonds range from 4.00% to 5.00%. Principal is due annually on October 1st and interest is payable semi-annually on April 1st and October 1st, with the final maturity date being October 1, 2031. The remaining outstanding bonds of this issue totaling \$4,350,000 was refunded during the fiscal year.
- *Covenant Bonds, Series 2012B-1* – The original amount of this issue was \$20,090,000. The proceeds of this bond issue were to repay previously issued debt as well as to finance the construction of parks and right of way improvements, in addition to citywide street improvements. The interest rates on these bonds range from 2.00% to 4.00%. Principal is due annually on October 1st and interest is payable semi-annually on April 1st and October 1st, with the final maturity date being October 1, 2032. The remaining outstanding bonds of this issue total \$15,110,000 with total interest payable of \$3,002,597 over the remainder of the term of the bonds. For the current year, principal and interest of \$1,562,469 was paid.
- *Covenant Bonds, Series 2018* – The original amount of this issue was \$36,155,000. The proceeds of this bond issue were to repay previously issued debt, Series 2006 Covenant Bonds, as well as to finance the renovation and construction of City facilities, parks and citywide street improvements. The interest rates on these bonds range from 2.44% to 5.25%. Principal is due annually on December 1st and interest is payable semi-annually on June 1st and December 1st, with the final maturity date being December 1, 2042. The remaining outstanding bonds of this issue total \$36,155,000 with total interest payable of \$32,364,248 over the remainder of the term of the bonds. For the current year, no principal or interest was paid.
- *Current Refunding of Debt* - On March 29, 2018, the City issued Capital Improvement Revenue Bonds, Series 2018 in the amount of 36,155,000. A portion of the proceeds were used to refund the Florida Municipal Loan Council Revenue Bonds, Series 2006, the

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2018

NOTE III. DETAILED NOTES ON ALL FUNDS

I. Long-Term Debt

1. Governmental Activities Debt:

remaining portion is being used to finance the renovation and construction of City facilities, parks, and roadway improvements.

2. Business-type Activities Debt:

- *Loans Payable* – The City has entered into two loan agreements with the State of Florida Department of Environmental Protection. The primary purpose of these loans is to construct water and wastewater facilities. As of September 30, 2009, the City borrowed \$8,662,208, with interest rates ranging from 2.27% to 3.57%. As of September 30, 2018, the outstanding principal amount of these loans totaled \$4,206,973. Principal and interest payments on the two Florida Water Pollution Control Construction loans are due on April 15 and October 15 of each year. At September 30, 2018, the unpaid principal balances of Water Pollution Control Loan No. WW69302L and Loan No. WW693030 were \$720,013, and \$3,486,960, respectively. Revenues of the Water and Sewer System have been pledged as security for repayment of these loans. Total principal and interest paid during the current year totaled \$528,307. Net revenues of the water and sewer system amounted to \$4,334,995 for the year ended September 30, 2018.
- *Wells Fargo Loan* - On April 9, 2015, the City issued Wells Fargo Revenue Loan in the amount of \$8,580,000. The loan matures on November 15, 2021. The loan bears interest on the outstanding principal balance at 1.63%. Payments are due annually starting November 15, 2015. The proceeds of this loan was used to refund State Revenue Loan No. DW060610, which was paid in full, and the liability for this loan was removed from the Business-type activities column in the statement of net position. As of September 30, 2018, the principal balance outstanding was \$5,040,000. The principal and interest paid during the current year totaled \$1,302,013.
- *Florida Municipal Loan Council Revenue Bonds, Series 2008A* – The original amount of this issue was \$17,028,786. The proceeds of this bond issue were used to construct a reverse osmosis water treatment addition to the City's west water treatment facility, as well as various other improvements to the water distribution system. The interest rate on these bonds is 4.81%. Principal is due annually on October 1st and interest is payable semiannually on April 1st and October 1st, with the final maturity date being October 1, 2028. The remaining outstanding bonds of this issue, totaling \$11,348,129 were refunded during the fiscal year.
- *Bank of America Revenue and Refunding Note, Series 2018* – On June 13, 2018, the City entered into a loan agreement with Bank of America in the amount of \$11,397,243. The proceeds of this bond issue were used to refund the Florida Municipal Loan Council Revenue Bonds, Series 2008A. The reacquisition price exceeded the net carrying amount of the old debt by \$85,603. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued. This refunding was undertaken to reduce the total debt service payments over the next 10 years by \$1,068,336 and resulted in an economic gain of \$914,540. The interest rate on the new debt is 3.07%. Principal is due annually on October 1st and interest is payable semiannually on April 1st and October 1st, with the final maturity date being October 1, 2028. As of September 30, 2018, the principal balance outstanding was \$11,397,243.

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2018

NOTE III. DETAILED NOTES ON ALL FUNDS

I. Long-Term Debt

3. Changes in Long-Term Liabilities:

The following is a summary of changes in long-term liabilities for the year ended September 30, 2018:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 16,178,121	\$ -	\$ 1,104,932	\$ 15,073,185	\$ 1,099,238
Covenant bonds	20,545,000	36,155,000	5,435,000	51,265,000	1,115,000
Plus: Deferred amounts for premiums/discounts	690,794	5,826,066	105,776	6,411,084	-
Gains/losses on refunding	484,935	-	40,670	444,265	-
Total bonds payable	<u>37,898,850</u>	<u>41,981,066</u>	<u>6,686,378</u>	<u>73,193,534</u>	<u>2,214,238</u>
Capital leases	1,296,968	-	345,543	951,425	351,237
Total OPEB liability	53,268,568	1,353,083	2,452,002	52,169,649	-
Claims and judgments	6,973,945	6,458,303	7,824,454	5,607,794	1,362,728
Net pension liability	56,726,785	2,479,808	1,270,123	57,936,470	-
Compensated absences	1,544,606	1,388,768	1,273,412	1,659,962	1,230,072
Total governmental activities long-term liability	<u>\$ 157,709,722</u>	<u>\$ 53,661,028</u>	<u>\$ 19,851,912</u>	<u>\$ 191,518,834</u>	<u>\$ 5,158,275</u>
Business-type activities:					
Capital leases	\$ 831,697	\$ -	\$ 221,583	\$ 610,114	\$ 225,235
Total OPEB liability	25,067,561	1,263,062	1,780,200	24,550,423	-
Net pension liability	4,530,547	587,102	1,665,488	3,452,161	-
Compensated absences	1,167,801	705,277	448,903	1,424,175	668,376
Bonds payable	12,112,720	11,397,243	12,112,720	11,397,243	802,239
Loans payable	10,884,734	-	1,637,761	9,246,973	1,667,316
Total business-type activities long-term liabilities	<u>\$ 54,595,060</u>	<u>\$ 13,952,684</u>	<u>\$ 17,866,655</u>	<u>\$ 50,681,088</u>	<u>\$ 3,363,166</u>

The governmental activities claims and judgments as well as compensated absences are generally liquidated by the General Fund. The General Fund has been the governmental fund typically used to liquidate the net pension liabilities and total OPEB liabilities.

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2018

NOTE III. DETAILED NOTES ON ALL FUNDS

I. Long-Term Debt

4. Summary of Annual Debt Service Requirements

The annual debt service requirements to maturity for debt outstanding as of September 30, 2018 are as follows:

Governmental Activities Debt						
Year Ending September 30	General Obligation Bonds			Covenant Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 1,099,238	\$ 1,391,592	\$ 2,490,830	\$ 1,115,000	\$ 2,591,104	\$ 3,706,104
2020	1,096,610	1,397,240	2,493,850	1,225,000	2,244,419	3,469,419
2021	1,092,061	1,401,089	2,493,150	1,395,000	2,206,994	3,601,994
2022	1,085,902	1,407,398	2,493,300	1,440,000	2,160,756	3,600,756
2023	1,076,232	1,417,556	2,493,788	1,500,000	2,103,769	3,603,769
2024-2028	7,163,142	5,319,668	12,482,810	8,355,000	9,713,629	18,068,629
2029-2033	2,460,000	36,900	2,496,900	10,205,000	7,861,988	18,066,988
2034-2038	-	-	-	12,990,000	5,074,125	18,064,125
2039-2042	-	-	-	13,040,000	1,410,063	14,450,063
Total	\$15,073,185	\$12,371,443	\$27,444,628	\$ 51,265,000	\$ 35,366,847	\$ 86,631,847

Business-type Activities Debt						
Year Ending September 30	Revolving Loans			Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 1,667,316	\$ 163,118	\$ 1,830,434	\$ 802,239	\$ 327,096	\$ 1,129,335
2020	1,697,084	133,138	1,830,222	916,878	311,193	1,228,071
2021	1,717,071	102,694	1,819,765	944,678	282,618	1,227,296
2022	1,767,281	71,620	1,838,901	975,970	253,136	1,229,106
2023	477,714	50,588	528,302	1,006,976	222,698	1,229,674
2024-2028	1,920,507	93,787	2,014,294	5,535,413	622,029	6,157,442
2029-2033	-	-	-	1,215,089	18,652	1,233,741
Total	\$ 9,246,973	\$ 614,945	\$ 9,861,918	\$11,397,243	\$ 2,037,422	\$13,434,665

5. Pollution Remediation

The City accepted approximately 44.65 acres of donated land in October 2011 from a private donor. The City plans to redevelop the land and eventually use it for community facilities and recreation, as well as open space. The land has been found to contain contamination from toxic substances. According to studies conducted to determine the extent of the pollution and the expected costs of remediation can range between \$150,000 and \$4,000,000 depending on the prospective use of the land. The donor has contributed \$250,000 towards the future costs of clean-up. No remediation efforts had begun as of September 30, 2018. The remediation outlays are considered necessary to prepare the asset for its intended use, and will be capitalized as part of the newly developed asset as expenditures are incurred, and therefore no expenditure and liability have been accrued at this time.

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2018

NOTE IV. OTHER INFORMATION

A. Restricted Assets

The amounts shown below are those assets restricted by sources external to the City. Ordinances and bond covenants pertaining to long-term debt and other agreements require segregation and restriction of certain assets represented by the following amounts as of September 30, 2018:

<u>Governmental Activities</u>	Total
Community Redevelopment Agency Funds	\$ 2,898,242
Cemetery reserve endowments	1,392,398
Local option gas tax	1,790,290
Impact fees	362,304
Grant funds	1,619,287
Law Enforcement/Crime Prevention /Other Trust Funds	2,630,064
Bond construction account	38,025,634
Loan debt service accounts	6,495,579
Total governmental activities restricted assets	<u>\$ 55,213,798</u>

Business-type Activities

	Water and Sewer Fund	Solid Waste Fund	Total
Customer deposits	\$ 573,235	\$ 5,198	\$ 578,433
Bond construction accounts	709,553	-	709,553
Revolving loan covenant accounts	1,839,167	-	1,839,167
Total business-type activities restricted assets	<u>\$ 3,121,955</u>	<u>\$ 5,198</u>	<u>\$ 3,127,153</u>

B. Restricted Net Position

Restricted net position in the government-wide statements include the following:

<u>Purpose</u>	<u>Amount</u>
Improvements to and programs within the Community Redevelopment Area	\$ 2,743,433
State Housing Initiative/Neighborhood Stabilization Grant Programs	885,310
Roadway improvements/parking system improvements	7,164,943
Capital projects	33,225,271
General government projects	4,242,903
Active Aging projects	12,291,759
Confiscated property seizures/code enforcement fines for crime prevention	1,572,736
Beautification and landscape projects	663,701
Parks and recreation program	11,606,694
Perpetual care and general reserve operations for cemeteries	1,408,009
Debt service	4,697,515
Total restricted net position - governmental activities	<u>80,502,274</u>
Restricted for debt service (Water and Sewer Fund)	<u>1,839,167</u>
Total restricted net position - business-type activities	<u>1,839,167</u>
Total government-wide restricted net position	<u>\$ 82,341,441</u>

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2018

NOTE IV. OTHER INFORMATION

C. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee health; and natural disasters. Liability claims in the State of Florida are limited to some extent by Chapter 768.28 of the Florida Statutes, under the Doctrine of Sovereign Immunity. The General Fund provides coverage of up to \$175,000 per participant for employee health claims. The General Fund also provides coverage for workers compensation claims. The City retains the risk of loss up to \$200,000 for general liability claims. For property damage, the City has a deductible of \$500,000 for flood damage and \$5,000 for all other perils. For all other risks of loss, the City has purchased an excess coverage insurance policy covering individual claims in excess of these specified amounts. Settled claims did not exceed the commercial coverage in any of the past three fiscal years.

Various funds of the City participate in the risk management program and make payments to the General Fund based on estimates of the amounts needed to cover costs of current year's claims. Claim expenditures and liabilities are reported when it is probable and a loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported (IBNRs). Claim liabilities are based upon the estimated ultimate cost of settling the claims including specific, incremental claim adjustment expenses, salvage, and subrogation and considering the effects of inflation and recent claim settlement trends including frequency and amount of payouts and other economic and social factors.

At September 30, 2018, the amount of these liabilities was \$5,607,794. Changes in the reported liability since September 30, 2017 resulted from the following:

<u>Fiscal Year</u>	<u>Claims Payable October 1</u>	<u>Current Year's Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Liability September 30</u>
2018	\$ 6,973,945	\$ 6,458,303	\$ (7,824,454)	\$ 5,607,794
2017	\$ 6,171,056	\$ 9,165,414	\$ (8,362,525)	\$ 6,973,945

D. Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally, the federal and state agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds.

At September 30, 2018, portions of some Federal Emergency Management Agency ("FEMA") claims for approximately \$2.1 million were determined, through a review by the Office of the Inspector General, to be overfunded. The City's position is, the expenditures were proper, had been fully reviewed and approved by FEMA representatives at the State and Federal levels, and will be ultimately approved by FEMA. Based on the nature of this matter as described above, management does not believe it is probable that the City will have to refund any amounts to FEMA. As such, no liability has been recorded related to the request for reimbursement of previous FEMA awards.

Amounts, if any, of other expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be insignificant.

The City is currently the defendant in a number of litigation issues and claims that arose in the normal course of operations. City management has indicated that they intend to vigorously defend such matters, the ultimate outcome of which, in the opinion of management, will not have a significant adverse effect on the financial condition of the City.

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2018

NOTE IV. OTHER INFORMATION

E. Defined Benefit Pension Plans

1. Plan Description

The City of Deerfield Beach, as a single employer, maintains three defined benefit pension plans covering full-time firefighters employed by the City prior to October 1, 2011, police officers employed by the City prior to January 13, 1990, and non-uniformed employees hired before April 17, 1990. The Deerfield Beach Municipal Firefighters' Pension Trust Fund (the Fire Pension Plan), the City of Deerfield Beach Police Officers' Retirement Plan (the Police Pension Plan) and the City of Deerfield Beach Non-Uniformed Employees' Retirement Fund (the Non-uniformed Pension Plan) are individual plans administered for each of three employee categories: fire, police and non-uniformed personnel. Each plan is governed by its own board of trustees, which is responsible for establishing employee benefit provisions within the framework of Chapters 175 and 185 of the Florida Statutes and local ordinances. Retirement, disability and death benefits and annual cost-of-living adjustments are provided by all three plans to members and beneficiaries. New members are no longer admitted to any of the three defined benefit plans.

The financial statements for the City's pension plans are prepared using the accrual basis of accounting. Contributions from plan members are recognized in the period in which the contributions are due. The City's contributions are recognized when due and when a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of each individual plan. All plan investments are reported at fair value with the exception of money market funds which are reported at amortized cost. Securities traded on a national exchange are valued at the last reported sales price on the plan's fiscal year end. Securities without an established market price are reported at estimated fair value.

The Fire Pension Plan, as well as the Police Officers' Retirement Plan, issue publicly available financial reports that include financial statements and required supplementary information. The reports for the Police Officers' Retirement Plan may be obtained by writing or calling the following: Pension Resource Center, 4360 Northlake Blvd., Suite 206, Palm Beach Gardens, FL 33410; (561) 624-3277. The reports for the Fire Pension Plan may also be obtained by contacting the following: Freiman Little Actuaries, LLC; 4105 Savannahs Trail; Merritt Island, FL 32953; (321) 453-6542.

The Non-uniformed Employees' Retirement Plan also issues publicly available financial reports. These reports may be obtained via written request to the following: Benefits USA, Inc., 3810 Inverrary Blvd., Suite 302, Lauderhill, Florida 33319; or by calling (800) 425-2454.

On January 13, 1990 the police officers of the City of Deerfield Beach merged with the Broward County Sheriff's Office. State law provides that these officers, who are now employees of the Broward County Sheriff's Office, could make an irrevocable election to remain in the City's pension plan. On October 1, 2012, the firefighters of the City of Deerfield Beach also merged with the Broward Sheriff's Office. Like the police officers, they were also allowed to make an irrevocable election to remain in the City's pension plan or join the Florida Retirement System.

2. Funding Policy

The Board of trustees of each plan establishes and may amend the contribution requirements of plan members and of the City.

The Fire Pension Fund, as well as the Police Pension Fund, is partially funded by contributions from the State of Florida. The state's contribution to the pension funds consists of excise taxes collected on fire and casualty insurance premiums on policies written within the City limits. For fiscal year 2018, the state contributed \$628,008 and \$674,500 to the Fire Pension and Police Pension Funds, respectively. On-behalf payments of fringe benefits and salaries for the City's employees were recognized as revenues and expenditures during the period.

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2018

NOTE IV. OTHER INFORMATION

E. Defined Benefit Pension Plans

2. Funding Policy

Information regarding fiscal year 2018 participant data for the three pension plans is as follows:

	Fire	Police	Non-uniformed	Total
Plan membership as of actuarial valuation date	10/01/2017	10/01/2017	10/01/2017	
Inactive members or beneficiaries currently receiving benefits	120	76	137	333
Inactive members entitled to but not yet receiving benefits	0	0	1	1
Active member	81	0	3	84
	<u>201</u>	<u>76</u>	<u>141</u>	<u>418</u>

Covered employees in the fire and non-uniformed defined benefit plans are required to contribute nine percent of their gross salary. Beginning on January 13, 1990, participants in the police pension plan were no longer required to contribute to the plan. Prior to that time, a 9% contribution of gross salary was mandatory. The member's contribution rate is fixed by the authorizing ordinance and the City's contribution rate is actuarially determined. The actuarial assumptions and three to five-year smoothed market methods were selected to fund the plans with the intent of producing future required employer contributions which remain fairly level as a percentage of covered payroll. The contribution rate for normal cost is determined using the entry age or the aggregate cost method, depending on the plan, over a 15 to 30 year period.

3. Net Pension Liability

The component of net pension liability as of September 30, 2017 (measurement date) were as follows:

	Fire	Police	Non-uniformed	Total
Total pension liability	\$ 147,956,266	\$ 61,456,996	\$ 61,961,609	\$ 271,374,871
Plan fiduciary net position	<u>(113,600,220)</u>	<u>(41,353,825)</u>	<u>(55,774,730)</u>	<u>(210,728,775)</u>
City's net pension liability	<u>\$ 34,356,046</u>	<u>\$ 20,103,171</u>	<u>\$ 6,186,879</u>	<u>\$ 60,646,096</u>
Plan fiduciary net position as a percentage of the total pension liability	76.78 %	67.29 %	90.01 %	

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2018

NOTE IV. OTHER INFORMATION

E. Defined Benefit Pension Plans

	Fire	Police	Non-uniformed
Total pension liability - beginning	\$ 143,439,566	\$ 54,887,329	\$ 63,160,659
Changes for the year:			
Service cost	2,786,085	-	70,710
Interest	10,565,444	3,410,810	4,221,714
Difference between expected and actual experience	1,046,101	332,132	348,056
Change of assumptions	104,413	7,201,737	2,822
Share plan allocation	-	451,648	-
Benefit payments	(9,978,487)	(4,826,660)	(5,842,352)
Refunds	(6,856)	-	-
Net change in total pension liability	<u>4,516,700</u>	<u>6,569,667</u>	<u>(1,199,050)</u>
Total pension liability - ending (a)	<u>147,956,266</u>	<u>61,456,996</u>	<u>61,961,609</u>
Plan fiduciary net position - beginning	107,189,636	38,707,816	55,048,091
Contributions - employer	5,058,562	2,166,053	1,595,214
Contributions - State of Florida	603,646	657,100	-
Contributions - employee	898,299	-	28,361
Net investment income (loss)	10,012,955	4,742,331	5,041,747
Benefit payments	(9,978,487)	(4,826,660)	(5,842,352)
Refund of member contributions	(6,856)	-	-
Administrative expenses	<u>(177,535)</u>	<u>(92,815)</u>	<u>(96,331)</u>
Net change in plan fiduciary net position	<u>6,410,584</u>	<u>2,646,009</u>	<u>726,639</u>
Plan fiduciary net position - ending (b)	<u>113,600,220</u>	<u>41,353,825</u>	<u>55,774,730</u>
Net pension liability (a-b)	<u>\$ 34,356,046</u>	<u>\$ 20,103,171</u>	<u>\$ 6,186,879</u>

4. Significant Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2016, and rolled forward to September 30, 2017, using the following actuarial assumptions.

Assumptions	Fire Pension	Police Pension	Non-Uniformed
Inflation	2.75%	N/A	2.5%
Salary increases	5% to 11%	N/A	6.00% per year
Discount rate	0	6.50%	.00%
Investment rate of return	7.50%	6.50%	7.00%
Mortality	RP-2000 fully generational with scale BB	RP-2000 Table with no RP-2000 Disabled Table for disabled lives projection Disabled Lives: RP-2000 disabled males and females,	RP-2000 Mortality tables, fully generational with scale BB
Retirement age	N/A	N/A	Age 64 with 10 years of service service or age 55 with 25 years of service
	N/A	N/A	

5. Pension Discount Rate

The discount rate used to measure the total pension liability was 7.50%, 6.50%, and 7.00% for the Fire, Police, and Non-Uniformed Pension plans respectively. This is a single rate that reflects the

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2018

NOTE IV. OTHER INFORMATION

E. Defined Benefit Pension Plans

5. Pension Discount Rate

long-term expected rate of return on Pension plan investments expected to be used to finance the payment of benefits, including inflation. The projection of cash flows used to determine the discount rate assumed member contributions are made at 9% of pay and City contributions will be made in an amount equal to the difference between the actuarially determined contributions and member contributions. Fiduciary net position is projected to be sufficient to make projected benefit payments, for purposes of this determination.

Sensitivity of the net pension liability to changes in the discount rate follows for each plan:

Net Pension Liability

		Fire Pension Plan		
		1% Decrease	Current Discount Rate	1% Increase
Percent		6.50%	7.50%	8.50%
Net pension liability		\$50,364,642	\$34,356,046	\$21,100,839
		Police Pension Plan		
		1% Decrease	Current Discount Rate	1% Increase
Percent		5.50%	6.50%	7.50%
Net pension liability		\$27,295,638	\$20,103,171	\$14,152,668
		Non-uniformed Pension Plan		
		1% Decrease	Current Discount Rate	1% Increase
Percent		6.00%	7.00%	8.00%
Net pension liability		\$11,477,041	\$6,186,879	\$1,628,140

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2018

NOTE IV. OTHER INFORMATION

E. Defined Benefit Pension Plans

6. Investments - Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined by using a building-block method. Best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. The long-term expected rate of return on investments is the best-estimate ranges weighted by the asset allocation plus expected inflation. Best estimates of arithmetic real rates of return for each major asset class as provided by the investment monitor for the Fire, Police and non-uniformed pension plans, respectively, are shown below.

Fire

Asset Class	Long-Term Expected Real Rate of Return
Domestic equity	7.02%
International equity	3.67%
Bonds	3.98%
Treasury inflation-protected securities	2.90%
Convertibles	5.96%
Private real estate	4.75%
REITS	6.75%
Master limited partnerships	9.67%
Hedge fund	4.11%

Police

Asset Class	Long-Term Expected Real Rate of Return
Domestic equity	7.50%
Foreign equity securities	8.50%
Domestic fixed income	2.50%
Global bond	3.50%
Real estate funds	4.50%
Treasury inflation-protected securities	2.50%

Non-Uniformed

Asset Class	Long-Term Expected Real Rate of Return
Domestic equity	6.18%
International equity	8.50%
Fixed income	2.10%
Real estate	2.90%
Hedge fund	2.16%

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2018

NOTE IV. OTHER INFORMATION

E. Defined Benefit Pension Plans

7. Asset Allocation

The tables below indicate the fund investment policy targets, and actual asset allocations as of September 30, 2018:

Fire	<u>Asset Class</u>	<u>Investment Policy</u>
	Fixed income and TIPS	20-60%
	International Equity	10-25%
	Large cap core	5-12%
	Large cap growth	5-12%
	Mid cap core	5-9%
	Small cap value	3-7%
	Convertibles	6-11%
	Hedge fund	0-8%
	Master limited partnerships	2-7
	Real estate	0-12
	Cash and cash equivalents	Minimal

Fire	<u>Asset Class</u>	<u>Actual Allocation</u>
	Fixed income and TIPS	21.70%
	International Equity	15.20%
	Large cap core	9.30%
	Large cap growth	9.10%
	Mid cap core	6.90%
	Small cap value	4.90%
	Convertibles	9.10%
	Hedge fund	5.70%
	Master limited partnerships	2.20%
	Real estate	13.00%
	Cash and cash equivalents	2.90%

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2018

NOTE IV. OTHER INFORMATION

E. Defined Benefit Pension Plans

7. Asset Allocation

Police

Asset Class	Investment Policy
Domestic equity	25-60%
Foreign equity securities	10-20%
Fixed income	30-40%
Real estate fund	0-15%
Cash and cash equivalents	Minimal

Police

Asset Class	Actual Allocation
Domestic equity	48.00%
Foreign equity securities	17.00%
Fixed income	18.00%
Real estate fund	16.00%
Cash and cash equivalents	1.00%

Non-Uniformed

Asset Class	Investment Policy
Domestic equity	30-65%
International equity	5-15%
Fixed income	20-40%
Hedge funds	0-10%
Real estate fund	0-10%
Cash and cash equivalents	Minimal

Non-Uniformed

Asset Class	Actual Allocation
Domestic equity	43.00%
International equity	11.00%
Fixed income	29.00%
Hedge funds	6.00%
Real estate fund	9.00%
Cash and cash equivalents	2.00%

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2018

NOTE IV. OTHER INFORMATION

E. Defined Benefit Pension Plans

8. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension expense and deferred outflows and deferred inflows of resources related to pensions: The net pension liability was measured as of September 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2016. The City reported deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows (Inflows)		
	Fire	Police	Non-Uniformed
Contributions subsequent to the measurement date	\$ 5,935,936	\$ 2,823,153	\$ 1,645,642
Difference between expected and actual experience	558,384	-	-
Difference between expected and actual earnings on investments	2,242,015	-	123,562
Change in assumptions	120,823	(1,941,900)	-
Total deferred inflows	<u>\$ 8,857,158</u>	<u>\$ 881,253</u>	<u>\$ 1,769,204</u>

The deferred outflows of resources resulting from City contributions to the pension plans subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2019. The amount reported as a deferred inflow/outflow of resources related to the pension will be recognized in pension expense over the four remaining years as follows:

Fiscal Year Ending September 30	Fire	Police	Non-Uniformed
2019	\$ 1,847,908	\$ (496,547)	\$ 233,234
2020	1,961,007	(332,695)	516,467
2021	(485,667)	(653,767)	(358,258)
2022	(402,026)	(458,891)	(267,881)
Total	<u>\$ 2,921,222</u>	<u>\$ (1,941,900)</u>	<u>\$ 123,562</u>

F. Defined Contribution Plan

The City has a defined contribution plan that was established on April 17, 1990 via Ordinance No. 1990-025. This plan covers all full-time employees who are not members of the City's defined benefit pension plans, previously described. This plan was established under the provisions of Section 401(a) of the Internal Revenue Code. The City has authorized the City Commission to establish and amend all plan provisions. The assets of the plan are self-directed, and investment results are reported to participants/employees on a quarterly basis. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment returns thereon. The City does not have fiduciary accountability for the plan and, accordingly, the plan is not reported in the accompanying financial statements.

The City contributed 8% of salaries to the plan on a bi-weekly basis, for a contribution for the year ending September 30, 2018 of \$1,612,945. The plan requires a 4% match of all participants. Plan participants become fully vested in the plan after five years of service. Total member contributions for the fiscal year totaled \$829,752.

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2018

NOTE IV. OTHER INFORMATION

G. Deferred Compensation Plan

The City offers certain employees the opportunity to participate in a deferred compensation plan that was created on December 1, 1987, via resolution C1987/114. This plan was established in accordance with Section 457 of the Internal Revenue Code. The plan permits employees to defer a portion of their salaries until future years. At the employee's election, such amounts may be invested in mutual funds with varying degrees of risk and return. Loans may be taken against an employee's account for specified purposes. All amounts of compensation deferred under a "Section-457" plan, all property and rights purchased with those amounts, and all investment earnings, are held in trust for the exclusive benefit of the plan's participants and their beneficiaries. Since the City has no control over these assets, they are not reflected in the City's financial statements.

The International City Management Association Retirement Corporation acts as agent for the employees in administering both the defined contribution as well as the deferred compensation plans described above.

H. Community Redevelopment Agency

Pursuant to Florida Statute 163.387, listed below is a summary of the sources and amounts of deposits to, and the purpose and amounts of withdrawals from, the Community Redevelopment Agency Funds (CRA) for the fiscal year ended September 30, 2018:

	<u>Deposits</u>	<u>Withdrawals</u>
Source of deposits:		
Tax increment revenues	\$ 3,458,460	\$ -
Investment income	84,266	-
Other revenue	10,025	-
Purpose of withdrawals:		
Debt service - principal	-	795,000
Debt service - interest	-	292,831
Other contractual	-	222,569
Administratives and overhead	-	696,873
Economic development	-	1,449,459
Supplies	-	51,073
Total	<u>\$ 3,552,751</u>	<u>\$ 3,507,805</u>

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2018

NOTE IV. OTHER INFORMATION

I. Prior Period Adjustment

Due to the implementation of GASB Statement No. 75, the City recorded a prior period adjustment in the government-wide and fund financial statements to eliminate the Net OPEB obligation, and to record the Total OPEB liability and related deferred outflows of resources as of September 30, 2017.

	<u>Business-type Activities</u>			Total Business-type Activities	Governmental Activities	Totals
	Water and Sewer	Stormwater	Solid Waste			
Net position, beginning, as previously reported	\$ 83,337,970	\$ -	\$ (611,423)	\$ 82,726,547	\$ 45,092,085	\$ 127,818,632
Prior period adjustment:						
Eliminate Net OPEB obligation, per GASB 45	3,125,948	-	2,534,116	5,660,064	12,876,187	18,536,251
Opening Total OPEB liability	(14,100,503)	-	(10,967,058)	(25,067,561)	(53,268,568)	(78,336,129)
Deferred outflow of resources for City contributions made subsequent measurement date	<u>369,217</u>	<u>-</u>	<u>287,169</u>	<u>656,386</u>	<u>1,394,822</u>	<u>2,051,208</u>
Total prior period adjustment	<u>(10,605,338)</u>	<u>-</u>	<u>(8,145,773)</u>	<u>(18,751,111)</u>	<u>(38,997,559)</u>	<u>(57,748,670)</u>
Total Net position, beginning, restated	<u>\$ 72,732,632</u>	<u>\$ -</u>	<u>\$ (8,757,196)</u>	<u>\$ 63,975,436</u>	<u>\$ 6,094,526</u>	<u>\$ 70,069,962</u>

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2018

NOTE V. COST SHARING DEFINED BENEFIT PLANS

Cost Sharing Defined Benefit Plans

Effective November 6, 2001, the City of Deerfield Beach commenced participation in the Florida Retirement System (FRS), a cost-sharing multiple employer Public Employee Retirement System (PERS). There are two defined benefit plans as part of the Florida Retirement System. The FRS is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) for eligible employees. The Health Insurance Subsidy Program (HIS) is a cost-sharing, multiple-employer defined benefit pension plan. The FRS and HIS were created by the Florida Legislature and are administered by the State of Florida.

Only Elected members of the City Commission are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature.

The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' website:

(http://www.dms.myflorida.com/workforce_operations/retirement/publications).

A. Plan Description

FRS Pension Plan

The FRS Pension Plan (Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. Only Elected Officials participate in this plan.

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service (except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service). All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service (except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service). Members of the Plan may include up to 4 years of credit for military service toward creditable service.

The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

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

HIS Plan

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

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2018

NOTE V. COST SHARING DEFINED BENEFIT PLANS

A. Plan Description

HIS Plan

Division of Retirement within the Florida Department of Management Services.

B. Benefits Provided

FRS Pension Plan

Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

Elected Officers' Class: 3.00%

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

HIS Plan

For the fiscal year ended September 30, 2018 eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

C. Contributions

The Florida Legislature establishes contribution rates for participating employers and employees. Employees are required to contribute 3% of gross salary. Employer contribution is based on class. For the fiscal year ended September 30, 2018, the contribution rate for Elected Officers' Class for the period October 1, 2017 through June 30, 2018 and from July 1, 2018 through September 30, 2018 was 42.47% and 45.47% percent, respectively

The City's contributions for FRS totaled \$75,543 and employee contributions totaled \$4,047 for the fiscal year ended September 30, 2018.

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2018

NOTE V. COST SHARING DEFINED BENEFIT PLANS

C. Contributions

i. HIS Plan

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2018, the HIS contribution was 1.66 percent. The City contributed 100 percent of its statutorily required contributions for the current year and preceding three years. The HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2018, the City reported liabilities of \$688,321 for its proportionate share of the FRS net pension liability and \$54,214 for the HIS net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The City's proportionate share of the net pension liability was based on the City's fiscal year 2018 contributions relative to the fiscal year 2017 contributions of all participating members.

For the fiscal year ended September 30, 2018, the City recognized pension expense of \$95,083. In addition, the City reported, in the government-wide financial statements, deferred outflows of resources and deferred inflows of resources related to both plans from the following sources:

<u>Description</u>	Deferred Outflows of Resources		
	FRS	HIS	Total
Differences between expected and actual experience	\$ 58,311	\$ 830	\$ 59,141
Change of assumptions	224,910	6,029	230,939
Net difference between projected and actual earnings on plan investments	-	33	33
Changes in proportion and differences between City contributions and proportionate share of contributions	87,626	3,440	91,066
City contributions subsequent to measurement date	16,244	640	16,884
Total deferred outflows of resources	<u>\$ 387,091</u>	<u>\$ 10,972</u>	<u>\$ 398,063</u>

<u>Description</u>	Deferred Inflows of Resources		
	FRS	HIS	Total
Differences between expected and actual experience	\$ 2,116	\$ 92	\$ 2,208
Change of assumptions	-	5,732	5,732
Net difference between projected and actual earnings on plan investments	53,181	-	53,181
Changes in proportion and differences between City contributions and proportionate share of contributions	15,424	1,994	17,418
Total deferred inflows of resources	<u>\$ 70,721</u>	<u>\$ 7,818</u>	<u>\$ 78,539</u>

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2018

NOTE V. COST SHARING DEFINED BENEFIT PLANS

D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The deferred outflows of resources related to pensions, totaling \$16,884, resulting from City contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Employer Share of Deferred Outflows/Deferred Inflows		
	FRS	HIS	Total
2019	\$ 130,019	\$ 927	\$ 130,946
2020	81,413	924	82,337
2021	11,992	810	12,802
2022	42,690	306	42,996
2023	29,449	(245)	29,204
Thereafter	4,563	(208)	4,355
Total	\$ 300,126	\$ 2,514	\$ 302,640

E. Actuarial Assumptions

Actuarial assumptions for both cost-sharing defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS plan has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Mortality table	Generational RP-2000 with Projection Scale BB Tables	
Experience study	7/1/08 - 6/30/13	
Actuarial cost method	Individual entry age normal	
	FRS	HIS
Investment rate of return	7.00 %	3.87 %
Projected salary increases	3.25 %	3.25 %
Inflation	2.60 %	2.60 %

F. Long-term Expected Rate of Return

FRS Pension Plan

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

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2018

NOTE V. COST SHARING DEFINED BENEFIT PLANS

F. Long-term Expected Rate of Return

FRS Pension Plan

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1%	2.9%	2.9%	1.8%
Fixed income	18%	4.4%	4.3%	4.0%
Global equity	54%	7.6%	6.3%	17.0%
Real estate (property)	11%	6.6%	6.0%	11.3%
Private equity	10%	10.7%	7.8%	26.5%
Strategic investments	6%	6.0%	5.7%	8.6%
	<u>100%</u>			
Assumed inflation-mean				1.9%

Note: (1) As outlined in the Plan's investment policy.

G. Discount Rate

The discount rate used to measure the total pension liability was 7.00% for the FRS plan. The fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

The HIS program uses a pay as you go funding structure, so therefore, the depletion date is considered to be immediate and the single equivalent discount rate is equal to the municipal bond rate. The municipal bond rate of 3.87% was used to determine the total pension liability for the program. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

H. Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate

The following table presents the sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the City's proportionate share of the net pension liability if the discount rate was 1.00% lower or 1.00% higher than the current discount rate at June 30, 2018.

	City's Proportionate Share of the Net Pension Liability		
	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
FRS	\$ 1,256,215	\$ 688,321	\$ 216,652
	1% Decrease 2.87%	Current Discount Rate 3.87%	1% Increase 4.87%
HIS	\$ 61,746	\$ 54,214	\$ 47,935

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2018

NOTE V. COST SHARING DEFINED BENEFIT PLANS

I. Pension Plan Fiduciary Net Position

Detailed information about the fiduciary net position of both benefit plans are available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

J. Summary of Pension Expense, Deferred Outflows and Deferred Inflows of Resources Related to all Pensions of the City

For the year ended September 30, 2018, the City recognized pension expense of \$6,007,360. as the result of GASB Statement No. 68. Deferred outflows and inflows of resources and Net Pension Liability related to pensions are as follows.

	Non- Uniformed Pension	Police Pension	Fire Pension	FRS/HIS Pension	Total
Deferred outflows	\$ 3,398,090	\$ 3,466,110	\$ 11,099,565	\$ 398,063	\$ 18,361,828
Deferred inflows	1,628,887	2,922,602	1,921,850	78,539	6,551,878
Net pension liability	6,186,879	20,103,171	34,356,046	742,535	61,388,631
Pension expense	(409,477)	5,720,754	601,000	95,083	6,007,360

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2018

NOTE VI. OTHER POST EMPLOYMENT BENEFITS

A. Plan Description

The City's Other Postemployment Benefits (OPEB) are presented in accordance with GASB Statement No. 75, which replaces GASB Statement No. 45 "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions."

Benefit Description and Funding Policy

The City provides a single employer defined benefit post-employment health insurance benefit to its general employees, firefighters and police officers who are members of the Deerfield Beach Municipal Police Officers' Retirement Trust Fund. The City offers three fully-insured PPO plans to retirees. The City pays the premiums for the retiree only until the age of 65. The retiree pays the premium for an optional Medicare Supplementary coverage offered to post-65 retirees. Spouses of retired participants are eligible to participate in the retiree health care plan. Coverage continues to surviving spouses of deceased retirees for firefighters only. Coverage is terminated for spouses of all other retirees upon the death of the retiree.

Pursuant to Section 112.0801, Florida Statutes, general employees, firefighters and police officers who retire from the City may continue their participation in a City-sponsored health and/or dental insurance plan at the same premiums applicable to active employees. Since retiree claims are expected to result in higher costs to the plan, on average, than those for active employees on an actuarial basis, there is an implicit subsidy included in the premiums for the retirees.

Investments. The OPEB plan does not have a formal investment policy. The City uses the Pay-As-You-Go-Approach of funding to provide benefits to participants of the plan.

Benefits. Benefit provisions and City contribution requirements are established and may be amended by the City Commission. The City currently provides direct subsidies for certain retirees by paying a portion of the retiree's premium for individual coverage. As of September 30, 2018, there were 253 retired employees receiving a monthly benefit with an additional 362 eligible for participation in the future.

Employees Covered by benefit terms. As of October 1, 2017, employees membership data related to the plan is as follows:

Inactive employees or beneficiaries currently receiving benefit payments	253
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	362
Total	615

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2018

NOTE VI. OTHER POST EMPLOYMENT BENEFITS

B. Schedule of Changes in Total OPEB Liability

The City's total OPEB Liability (TOL) was measured as of October 1, 2017, and was determined by an actuarial valuation as of October 1, 2016. As of September 30, 2018, the reported TOL of \$76,720,072, represents 321.58% of covered payroll. The components of TOL are as follows:

Balance at 10/01/2017	\$ 78,336,130
Changes for the Year	
Service cost	3,021,796
Interest	2,490,545
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(5,077,191)
Benefit payments	<u>(2,051,208)</u>
Net changes	<u>(1,616,058)</u>
 Balance at 09/30/2018	 <u><u>\$ 76,720,072</u></u>
 Covered payroll	 \$ 23,857,562

**Covered payroll is based on pay provided for the October 1, 2016 Actuarial Valuation projected to October 1, 2017. GASB Statement No. 75 requires actual covered payroll for the measurement period.*

C. Discount Rate and Sensitivity Disclosures

Discount Rate

The City's OPEB plan does not have a GASB compliant trust; therefore, the discount rate equals the tax exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date.

A discount rate of 3.50% was used to measure the October 1, 2017 Total OPEB Liability. A discount rate of 3.10% was used for the beginning of the measurement period. These rates are based on the Fidelity 20-Year Municipal GO AA Index - daily rate closest or equal to but not later than the respective measurement dates.

Sensitivity of the Total OPEB Liability to the Discount Rate Assumption

The chart below represents the total OPEB liability of the City, calculated using the 3.50% discount rate, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.50%) or 1-percentage point higher (4.50%) than the current rate.

	Measurement date: October 1, 2017			
	1% Decrease	Current Discount Rate	1% Increase	
Discount Rate	2.50 %	3.50 %	4.50 %	
Total OPEB Liability	\$ 90,382,327	\$ 76,720,072	\$ 65,229,915	

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2018

NOTE VI. OTHER POST EMPLOYMENT BENEFITS

C. Discount Rate and Sensitivity Disclosures

Sensitivity of the Total OPEB Liability to the Healthcare Cost Trend Rate Assumption

The chart below represents the total OPEB liability of the City, calculated using the 7.0% to 4.4%, as well as what the total OPEB liability would be if it were calculated using a healthcare trend rate that is 1-percentage point lower (6.0% to 3.4%) or 1-percentage point higher (8.0% to 5.4%) than the current rate.

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Discount Rate	6.0% to 3.4%	7.0% to 4.4%	8.0% to 5.4%
Total OPEB Liability	\$ 64,834,455	\$ 76,720,072	\$ 91,578,890

D. Actuarial Assumptions and Other Inputs

The Total OPEB Liability was determined based on several actuarial assumptions using the Actuarial Cost Method. Total OPEB liability was calculated by an actuarial valuation as of October 1, 2016, with a measurement date of October 1, 2017, using the following assumptions, applied to all prior periods included in the measurement:

Measurement Date	10/1/2017
Actuarial valuation date	10/1/2016
Inflation	2.60% - not explicitly used in valuation
Salary increases	3.25 percent, average, including inflation
Discount Rate	3.5%
Projected salary increases	5.0% - 7.8%
Healthcare cost trend rates	7.0% based on the Getzen Model
Retirees' share of benefit-related costs	Retirees pay various portions of full blended premium for individual coverage.

Discount rate - based on the Fidelity 20-Year Municipal GO AA Index

Mortality rates – Healthy members based on various RP-2000 mortality tables with varying collar adjustments and generational mortality improvements with Scale BB. Disabled Employees based on RP-2000

Disabled mortality tables setback 4 years for males and set forward 2 years for females with no projected improvements.

Experience Study – The actuarial assumptions used in the October 1, 2016 actuarial valuation for certain members are based upon results of experience studies conducted by the Florida Retirement System as of 2014.

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2018

NOTE VI. OTHER POST EMPLOYMENT BENEFITS

D. Actuarial Assumptions and Other Inputs

E. Statement of OPEB Expense and Deferred Outflows of Resources Related to OPEB under GASB Statement No. 75

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - Reporting Date.

OPEB Expense for Fiscal Year Ended September 30, 2018 \$ 4,620,699

Summary of Outstanding Deferred Inflows and Outflows of Resources related to OPEB.

For the fiscal year ended September 30, 2018, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 2,526,195	\$ -
Changes of assumptions or other inputs	-	3,996,938
Total	\$ 2,526,195	\$ 3,996,938

The projected Deferred Outflow for Amounts Paid by the City for OPEB Benefits and Administrative expenses after the Measurement Date and Prior to the Reporting Date to be recognized in OPEB expense are as follows:

The Summary of Deferred Outflows and (Inflows) of Resources Related to OPEB that will be recognized in OPEB expense are as follows:

Deferred inflows of resources of \$3,996,938 are the result of a change in assumption which decreased the Total OPEB liability, and of which \$1,080,253 was recognized in OPEB expense at September 30, 2018. The remainder of the balance will be recognized in OPEB expense as follows:

Year Ending September 30,	Amount
2019	\$ (1,080,253)
2020	(1,080,253)
2021	(1,080,253)
2022	(756,179)

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2018

NOTE VII. New Accounting Pronouncements Not Yet Adopted

GASB Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting for reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidelines in this Statement. This Statement will enhance comparability of financial statements among governments by establishing uniform criteria for governments to recognize and measure certain AROs, including obligations that may not have been previously reported. This Statement will also enhance the decision-usefulness of the information provided to financial statements users by requiring disclosures related to those AROs. The requirements for this Statement are effective for reporting periods beginning after June 15, 2018. The City is currently evaluating the implementation requirements of this statement.

GASB Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The City is currently evaluating the requirements of this statement.

GASB Statement No. 87, *Leases*, is effective for financial statements for period beginning after December 15, 2019. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use the underlying asset. The City is aware of this requirement and will assess its impact to ensure timely implementation.

GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences and significant termination events with finance-related consequences. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.

GASB Statement No. 89, Accounting for Interest Incurred before the End of a Construction Period. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the costs is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2018

NOTE VII. New Accounting Pronouncements Not Yet Adopted

GASB Statement No. 90, Majority Equity Interest. The primary objectives of this Statement are to improve consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The requirement should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires 100 percent equity interest. Those provisions should be applied on a prospective basis.

Required Supplementary Information

City of Deerfield Beach, Florida
Required Supplementary Information
General Fund
Budgetary Comparison Schedule (Non-GAAP Budgetary Basis - Unaudited)
For the Year Ended September 30, 2018

	Budgeted Amounts		(Budgetary Basis)	Variance with
	Original	Final	Actual Amounts	Final Budget - Positive (Negative)
Revenues:				
Property taxes	\$ 39,018,711	\$ 39,018,711	\$ 39,393,931	\$ 375,220
Sales Taxes	6,692,723	6,692,723	6,677,330	(15,393)
Fire assessment fees	11,193,617	11,193,617	11,026,863	(166,754)
Franchise fees	8,311,958	8,311,958	7,622,049	(689,909)
Utility Tax	8,365,000	8,365,000	8,429,194	64,194
Licenses and permits	5,192,000	5,192,000	4,951,256	(240,744)
Intergovernmental	3,250,061	3,250,061	3,359,133	109,072
Charges for services	9,719,882	9,719,882	9,586,007	(133,875)
Fines and forfeitures	1,307,500	1,307,500	1,017,733	(289,767)
Investment earnings	157,500	157,500	449,589	292,089
Miscellaneous:				
Donations/contributions	187,000	187,000	247,756	60,756
Administrative fees	8,070,275	8,070,275	8,070,275	-
Other	198,000	198,000	259,566	61,566
Total revenues	101,664,227	101,664,227	101,090,682	(573,545)
Expenditures				
Departmental:				
City commission	383,781	383,781	316,732	67,049
City manager	853,111	853,111	815,643	37,468
City clerk	598,353	598,353	504,292	94,061
City attorney	476,500	476,500	512,888	(36,388)
Central services	465,500	465,500	435,008	30,492
Parks & recreation	13,506,165	13,506,165	12,315,258	1,190,907
Human resources	793,269	793,269	662,082	131,187
Insurance/safety	257,000	257,000	218,163	38,837
Financial services	1,820,515	1,820,515	1,702,805	117,710
Planning and development services	5,817,287	5,817,287	5,832,303	(15,016)
Information technology services	1,934,979	1,934,979	1,515,599	419,380
Economic development	486,682	486,682	317,543	169,139
Internal logistics management	5,042,603	5,042,603	4,911,563	131,040
Community development	349,832	349,832	326,030	23,802
Public affairs and marketing	370,969	370,969	369,036	1,933
Police	24,312,584	24,312,584	24,041,286	271,298
Fire/rescue	31,642,120	31,642,120	31,531,045	111,075
Ocean rescue	1,912,814	1,912,814	1,836,610	76,204
Sustainable management	1,062,161	1,062,161	1,110,623	(48,462)
Senior services	3,178,296	3,178,296	2,708,993	469,303
Community participation	181,748	181,748	171,748	10,000
Other - unclassified	4,552,073	7,552,073	5,805,903	1,746,170
Debt service	429,030	429,030	362,251	66,779
Total expenditures	100,427,372	103,427,434	98,323,403	5,103,969
Excess (deficiency) of revenues over (under) expenditures	1,236,855	(1,763,145)	2,767,279	4,530,424
Other financing sources (uses)				
Capital lease	1,660,869	1,660,869	-	(1,660,869)
Insurance recoveries	257,000	257,000	1,464,729	1,207,729
Transfers in	3,811,463	3,811,463	2,215,994	(1,595,469)
Transfers out	(7,266,187)	(7,266,187)	(4,607,951)	2,658,236
Total other financing sources (uses)	(1,536,855)	(1,536,855)	(927,228)	609,627
Net change in budgetary fund balance	\$ (300,000)	\$ (3,300,000)	\$ 1,840,051	\$ 5,140,051

City of Deerfield Beach, Florida
Required Supplementary Information
Community Redevelopment Agency Fund
Budgetary Comparison Schedule (Non-GAAP Budgetary Basis - Unaudited)
For the Year Ended September 30, 2018

	Budgeted Amounts		(Budgetary Basis)	Variance with
	Original	Final	Actual Amounts	Final Budget - Positive (Negative)
Revenues:				
Property taxes	\$ 3,467,653	\$ 3,467,653	\$ 3,458,460	\$ (9,193)
Interest	-	-	84,266	84,266
Miscellaneous	8,500	8,500	10,025	1,525
Total revenues	<u>3,476,153</u>	<u>3,476,153</u>	<u>3,552,751</u>	<u>76,598</u>
Expenditures				
Current:				
Economic environment	1,723,577	1,723,577	915,936	915,936
Public Safety	-	-	42,045	(42,045)
Culture and recreation	-	-	174,780	(174,780)
Capital outlay	2,328,576	2,328,576	1,274,680	1,053,896
Total expenditures	<u>4,052,153</u>	<u>4,052,153</u>	<u>2,407,441</u>	<u>1,644,712</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(576,000)</u>	<u>(576,000)</u>	<u>1,145,310</u>	<u>1,721,310</u>
Other financing sources (Uses)				
Transfers out	(1,118,525)	(1,118,525)	(1,100,364)	18,161
Total other financing sources (uses)	<u>(1,118,525)</u>	<u>(1,118,525)</u>	<u>(1,100,364)</u>	<u>18,161</u>
Net change in budgetary fund balance	<u>\$ (1,694,525)</u>	<u>\$ (1,694,525)</u>	<u>\$ 44,946</u>	<u>\$ 1,739,471</u>

City of Deerfield Beach, Florida
NOTES TO BUDGETARY SCHEDULE
REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2018

1. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The City adopts annual operating budgets on a non-GAAP basis for the General Fund and the enterprise funds, as well as the following special revenue funds: Road and Bridge Tax Fund, Community Development Block Grant Fund, and the Community Redevelopment Agency Fund. The remaining special revenue funds are governed by grants with different fiscal periods and are funded at levels which the City has little control over or measurable knowledge of at the time it adopts the other budgets.

For budgetary control purposes, encumbrance accounting is utilized, whereas purchase orders, contracts and other financial commitments for expenditures are recorded in order to reserve that portion of the applicable appropriation. Encumbrances outstanding at year-end are reported as appropriations of fund balance, since they do not constitute expenditures or liabilities. Unless encumbered by a purchase order, the budget appropriations lapse at the end of each year.

At any time during the fiscal year, the City Manager may authorize a budget adjustment among the various line items within a department, as long as the total budget for the department does not change. Furthermore, if the City Manager certifies that there are revenues available for appropriation in excess of those estimated in the original budget, the City Commission may, by ordinance, make supplemental appropriations for the year up to the amount of such excess. Supplemental appropriations totaling \$3,500,000 were made during the fiscal year; \$3 million for the "Other" Unspecified Department relating to Hurricane Irma expenditures and \$500,000 for the Environmental Services Department for Stormwater expenses.

B. Reconciliation of Budget to Actual

The City adopts annual budgets on a non-GAAP basis which includes encumbrances. Actual data, accounted for on a basis consistent with GAAP, is presented in the "Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds." Actual data, accounted for on a non-GAAP basis, is presented in the "Budgetary Comparison Schedule – General Fund." Reconciliation of the actual data as presented in the aforementioned statements is shown below:

	GAAP Basis <u>Actual</u>	Net Encumbrances*	Non-GAAP Basis Actual
Current expenditures	\$ 97,739,955	\$ 221,196	\$ 97,961,151
Debt service	362,252	-	362,252
Total expenditures	<u>\$ 98,102,207</u>	<u>\$ 221,196</u>	<u>\$ 98,323,403</u>

*In the above reconciliation, "net encumbrances" represents the difference between the encumbrances outstanding as of September 30, 2017 and the outstanding encumbrances as of September 30, 2018, which were paid during fiscal year 2018.

City of Deerfield Beach, Florida
Required Supplementary Information
Pension Trust Funds
Schedule of Changes in City's Net Pension
Liability and Related Ratios
Fire Pension Plan

Measurement Date, September 30,	<u>2015</u>	<u>2016</u>	<u>2017</u>
Total pension liability			
Service cost	\$ 2,745,537	\$ 2,793,233	\$ 2,786,085
Interest	10,038,296	10,371,874	10,565,444
Changes of benefit terms	106,820	48,546	-
Differences between expected and actual experience	(1,414,007)	(82,819)	1,046,101
Changes in assumption	-	140,613	104,413
Benefit payments, including refunds of employee contributions	(7,418,254)	(6,795,446)	(9,978,487)
Refunds of member contributions	(47,544)	-	(6,856)
Net change in total pension liability	<u>4,010,848</u>	<u>6,476,001</u>	<u>4,516,700</u>
Total pension liability - beginning	<u>132,952,717</u>	<u>136,963,565</u>	<u>143,439,566</u>
Total pension liability - ending (a)	<u>136,963,565</u>	<u>143,439,566</u>	<u>147,956,266</u>
Plan fiduciary net position			
Contributions - employer	\$ 5,064,382	\$ 5,060,592	\$ 5,058,562
Contributions - State of Florida	725,199	667,147	603,646
Contributions - employees	868,806	883,740	898,299
Net Investment Income	(3,188,136)	7,926,978	10,012,955
Benefit payments	(7,418,254)	(6,795,446)	(9,978,487)
Refund of member contributions	(47,544)	-	(6,856)
Administrative expense	(237,672)	(214,739)	(177,535)
Net change in plan fiduciary net position	<u>(4,233,219)</u>	<u>7,528,272</u>	<u>6,410,584</u>
Plan fiduciary net position - beginning	<u>103,894,584</u>	<u>99,661,364</u>	<u>107,189,636</u>
Plan fiduciary net position - ending	<u>\$ 99,661,365</u>	<u>\$ 107,189,636</u>	<u>\$ 113,600,220</u>
City's net pension liability - ending	<u>\$ 37,302,200</u>	<u>\$ 36,249,930</u>	<u>\$ 34,356,046</u>
Net position as percentage of the total pension liability	72.76 %	74.73 %	76.78 %
Covered payroll	\$ 9,628,949	\$ 9,412,235	\$ 9,659,471
Net pension liability as a percentage of covered payroll	387.40 %	385.14 %	355.67 %

This schedule is presented as required by accounting principles generally accepted in the United States of America. However, until a full 10-year trend is compiled, information is presented for those years available.

City of Deerfield Beach, Florida
Required Supplementary Information
Fire Pension Fund
Schedule of City Contributions

Year Ended September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2014	\$ 5,842,802	\$ 5,842,802	\$ -	\$ 9,687,400	60.31 %
2015	5,789,581	5,789,581	-	9,628,949	60.13 %
2016	5,727,739	5,727,739	-	9,412,235	60.85 %
2017	5,662,208	5,662,208	-	9,659,471	58.62 %
2018	5,911,574	5,935,937	24,363	10,020,449	59.24 %

Methods and assumptions used to determine rates:

Valuation date	October 1, 2017
Notes	Actuarially determined contributions are calculated as of October 1, one year prior to the end of the fiscal year in which contributions are reported.
Actuarial Cost Method	Entry age
Amortization Method	Level dollar, closed
Remaining Amortization Period	15 years as of October 1, 2016 and 2017
Asset Valuation Method	5-year smoothed market
Inflation	2.75%
Salary Increases	5% to 11%, including inflation
Investment Rate of Return	7.50% net of investment expenses, including inflation
Mortality	RP-2000 fully generational with Scale AA

This schedule is presented as required by accounting principles generally accepted in the United States of America. However, until a full 10-year trend is compiled, information is presented for those years available.

City of Deerfield Beach, Florida
Required Supplementary Information
Pension Trust Funds
Schedule of Changes in City's Net Pension
Liability and Related Ratios
Police Pension Fund

Measurement Date, September 30,	2015	2016	2017
Total pension liability			
Interest	\$ 3,459,881	\$ 3,359,275	\$ 3,410,810
Changes of benefit terms	2,326,603	-	-
Share Plan Allocation	359,314	421,602	451,648
Differences between expected and actual experience	(515,319)	223,166	332,132
Changes in assumption	-	3,535,687	7,201,737
Benefit payments, including refunds Employee Contributions	<u>(4,749,759)</u>	<u>(4,838,890)</u>	<u>(4,826,660)</u>
Net change in total pension liability	880,720	2,700,840	6,569,667
Total pension liability - Beginning	<u>51,305,769</u>	<u>52,186,489</u>	<u>54,887,329</u>
Total pension liability - Ending (a)	<u>52,186,489</u>	<u>54,887,329</u>	<u>61,456,996</u>
Plan fiduciary Net Position			
Contributions - Employer	\$ 1,944,572	\$ 1,908,777	\$ 2,166,053
Contributions - State	564,765	627,053	657,100
Net investment income	952,079	3,436,195	4,742,331
Benefit payments, including refunds of employee contributions	(4,749,759)	(4,838,890)	(4,826,660)
Administrative expense	<u>(97,436)</u>	<u>(96,419)</u>	<u>(92,815)</u>
Net change in plan fiduciary net position	(1,385,779)	1,036,716	2,646,009
Plan fiduciary net position - beginning	<u>39,056,879</u>	<u>37,671,100</u>	<u>38,707,816</u>
Plan fiduciary net position - ending	<u>\$ 37,671,100</u>	<u>\$ 38,707,816</u>	<u>\$ 41,353,825</u>
City's net pension liability - ending	<u>\$ 14,515,389</u>	<u>\$ 16,179,513</u>	<u>\$ 20,103,171</u>
Net position as percentage of the total pension liability	72.19 %	70.52 %	67.29 %
Covered payroll	N/A	N/A	N/A *

(*) - Not applicable as this is a frozen plan with no active members.

This schedule is presented as required by accounting principles generally accepted in the United States of America. However, until a full 10-year trend is compiled, information is presented for those years available.

City of Deerfield Beach, Florida
Required Supplementary Information
Police Pension Fund
Schedule of City Contributions

Year Ended September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll*	Actual Contribution as a % of Covered Payroll
2013	\$ 1,985,957	\$ 1,985,957	\$ -	-	-%
2014	1,984,806	1,984,806	-	-	-%
2015	2,150,023	2,150,023	-	N/A	N/A
2016	2,114,228	2,114,229	-	N/A	N/A
2017	2,371,504	2,371,505	-	N/A	N/A
2018	2,354,917	2,354,917	-	N/A	N/A

(*) - Not Applicable as this is a frozen plan with no active members.

Methods and assumptions used to determine contribution rates:

Valuation Date	October 1, 2016
Notes	Actuarially determined contributions are calculated as of October 1, which is two years prior to the end of the year in which contributions are reported.
Actuarial Cost Method	Entry age normal
Amortization Method	Level dollar, closed
Remaining Amortization Period	20 years (as of 10/01/2016 VAL)
Asset Valuation Method	Restricted to 80% - 120% of market value, obtained by smoothing three years' past differences between actual investment earnings and assumed investment return, then adding this number onto the current market value.
Inflation	N/A
Salary Increases	N/A
Investment Rate of Return	6.50% compounded annually, net of investment related expenses
Retirement Age	Age 64 with 10 years of service or age 55 with 25 years of service
Mortality	RP-2000 Table with no RP-2000 disabled table for disabled lives projection

This schedule is presented as required by accounting principles generally accepted in the United States of America. However, until a full 10-year trend is compiled, information is presented for those years available.

City of Deerfield Beach, Florida
Required Supplementary Information
Pension Trust Funds
Schedule of Changes in City's Net Pension
Liability and Related Ratios
Non-Uniformed Pension Fund

Measurement Date, September 30,	2014	2015	2016	2017
Total pension liability				
Service cost	\$ 78,741	\$ 77,233	\$ 66,123	\$ 70,710
Interest	4,289,889	4,161,337	4,325,572	4,221,714
Differences between expected and actual experience	-	528,068	612,743	348,056
Changes in assumption	-	1,187,719	3,377,835	2,822
Benefit payments, including refunds of employee contributions	<u>(5,786,184)</u>	<u>(5,826,053)</u>	<u>(5,917,598)</u>	<u>(5,842,352)</u>
Net change in total pension liability	<u>(1,417,554)</u>	<u>128,304</u>	<u>2,464,675</u>	<u>(1,199,050)</u>
Total pension liability - beginning	<u>61,985,234</u>	<u>60,567,680</u>	<u>60,695,984</u>	<u>63,160,659</u>
Total pension liability - ending (a)	<u>60,567,680</u>	<u>60,695,984</u>	<u>63,160,659</u>	<u>61,961,609</u>
Plan fiduciary net position				
Contributions - employer	\$ 1,721,000	\$ 1,713,421	\$ 1,543,620	\$ 1,595,214
Contributions - member	33,417	26,457	27,643	28,361
Net investment income of member contributions	5,519,418	(330,924)	4,169,121	5,041,747
Administrative expense	<u>(93,157)</u>	<u>(101,412)</u>	<u>(102,723)</u>	<u>(96,331)</u>
Net change in plan fiduciary net position	<u>1,394,494</u>	<u>(4,518,511)</u>	<u>(279,937)</u>	<u>726,639</u>
Plan fiduciary net position - beginning	<u>58,452,045</u>	<u>59,846,539</u>	<u>55,328,028</u>	<u>55,048,091</u>
Plan fiduciary net position - ending	<u>\$ 59,846,539</u>	<u>\$ 55,328,028</u>	<u>\$ 55,048,091</u>	<u>\$ 55,774,730</u>
City's net pension liability - ending	<u>\$ 721,141</u>	<u>\$ 5,367,956</u>	<u>\$ 8,112,568</u>	<u>\$ 6,186,879</u>
Net position as percentage of the total pension liability	97.16 %	91.16 %	87.16 %	90.01 %
Covered payroll	371,300	412,795	307,142	315,122
Net pension liability as a percentage of covered payroll	194.22 %	1,300.39 %	2,641.31 %	1,963.33 %

This schedule is presented as required by accounting principles generally accepted in the United States of America. However, until a full 10-year trend is compiled, information is presented for those years available.

City of Deerfield Beach, Florida
Required Supplementary Information
Non-Uniformed Pension Fund
Schedule of City Contributions

Year Ended September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2014	\$ 1,721,000	\$ 1,721,000	\$ -	\$ 371,300	463.51 %
2015	1,713,421	1,713,421	-	412,795	415.08 %
2016	1,543,620	1,543,620	-	307,142	502.58 %
2017	1,595,214	1,595,214	-	315,122	506.22 %
2018	1,645,642	1,645,642	-	302,211	544.53 %

Methods and assumptions used to determine contribution rates:

Valuation date	October 1, 2017
Notes	Actuarially determined contributions are calculated as of October 1, one year prior to the end of the year in which contributions are reported.
Actuarial cost method	Entry age normal cost, with amortization periods for new bases lowered by one year each year going forward.
Amortization method	Level dollar, closed
Remaining amortization period	6 years
Asset valuation method	4-year smoothed market
Inflation	2.5%
Salary increases	6.0% per year from valuation date to the assumed retirement age.
Investment rate of return	7.00%
Retirement age	Age 64 with 10 years of service or age 55 with 25 years of service
Mortality	RP-2000 fully generational with Scale BB

This schedule is presented as required by accounting principles generally accepted in the United States of America. However, until a full 10-year trend is compiled, information is presented for those years available.

City of Deerfield Beach, Florida
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Florida Retirement System Pension Plan

<u>June 30th</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
City's proportion of the net pension liability	0.00211 %	0.00223 %	0.00228 %
City's proportionate share of the FRS net pension liability	\$ 533,351	\$ 660,640	\$ 688,321
City's covered payroll	\$ 145,925	\$ 163,001	\$ 167,347
City's proportionate share of the FRS net pension liability as a percentage of its covered payroll	365.50 %	405.30 %	411.30 %
FRS Plan fiduciary net position as a percentage of the total pension liability	84.88 %	83.89 %	82.48 %

Schedule of the City's Contributions
Florida Retirement System Pension Plan

<u>September 30th</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Contractually required FRS contribution			
FRS contribution in relation to the contractually required contribution	\$ 61,648	\$ 70,230	\$ 73,052
City's covered payroll	\$ 145,929	\$ 162,463	\$ 167,347
FRS contribution as a percentage of covered payroll	42.25 %	43.23 %	43.69 %

Note: This schedule is presented as required by accounting principles generally accepted in the United States of America. However, until a full 10-year trend is compiled, information is presented for those years available.

City of Deerfield Beach, Florida
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Health Insurance Subsidy Pension Plan

<u>June 30th</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
City's proportion of the net pension liability	0.002112 %	0.002233 %	0.000512 %
City's proportionate share of the HIS net pension liability	\$ 54,911	\$ 54,680	\$ 54,214
City's covered payroll	\$ 145,925	\$ 163,001	\$ 167,347
City's proportionate share of the HIS net pension liability as a percentage of its covered payroll	37.63 %	33.55 %	32.40 %
HIS Plan fiduciary net position as a percentage of the total pension liability	0.97 %	1.64 %	1.63 %

Schedule of the City's Contribution
Health Insurance Subsidy Pension Plan

<u>September 30th</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Contractually required FRS contribution	\$ 1,041	\$ 1,186	\$ 1,491
HIS contribution in relation to the contractually required contribution	1,041	1,186	1,491
City's covered payroll	\$ 145,929	\$ 162,463	\$ 167,347
HIS contribution as a percentage of covered payroll	0.71 %	0.73 %	0.92 %

Note: This schedule is presented as required by accounting principles generally accepted in the United States of America. However, until a full 10-year trend is compiled, information is presented for those years available.

City of Deerfield Beach, Florida
Required Supplementary Information
Other Post Employment Benefits
Schedule of Changes in City's Total OPEB
Liability and Related Ratios
Other Post Employment Benefits
Last ten year fiscal years

Measurement Date, September 30,

	2017
Total OPEB liability	
Service cost	\$ 3,021,796
Interest	2,490,545
Changes in assumption	(5,077,191)
Benefit payments, including refunds of employee contributions	(2,051,208)
Net change in total OPEB liability	(1,616,058)
Total OPEB liability - beginning	78,336,130
Total OPEB liability - ending	76,720,072
City's total OPEB liability - ending	\$ 76,720,072
Covered payroll	\$ 23,857,562
Total OPEB liability as a percentage of covered payroll	322.58 %

This schedule is presented to illustrate the requirement of GASB Statement No. 75 to show information for for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**COMBINING AND INDIVIDUAL FUND STATEMENTS
AND SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Road and Bridge Tax Fund – to account for the proceeds from motor fuel tax revenues that are restricted to the maintenance and acquisition of roads and bridges.

Community Development Block Grant (“CDBG”) Fund – to account for federal proceeds which are restricted as to the objectives of community development and revitalization.

State Housing Initiative Partnership (“SHIP”) Grant Fund – to account for State funds received for providing assistance to very low, low and moderate-income households in becoming first time homebuyers or in rehabilitating their existing homes.

Miscellaneous Grants Fund – to account for federal, state and county monies restricted to expenditures for projects and programs which are outlined in the individual grant agreements.

Parking Deviation Fund – to account for impact fees collected from property owners, which fees are earmarked for construction of parking facilities within those areas from which the fees were collected.

General Trust Fund – to account for funds received as donations, which have been restricted as to expenditures for specified purposes.

Target Area Trust Fund – to account for monies collected from code violation fines and which have been designated for the rehabilitation of the Target Area within the City.

Beautification and Landscape Trust Fund – to account for tree removal fees, fines and private contributions designated for the preservation of trees within the City.

Crime Prevention Trust Fund – to account for penalties assessed on the violation of local ordinances, which funds are used to increase public awareness and acquire crime prevention tools such as informational brochures, audio visual aids and training of police officers and civilians involved in crime awareness and prevention.

Impact Fees Fund - to account for impact fees collected on new residential and commercial construction within the City.

Law Enforcement Trust Fund - a revolving fund established to account for a portion of the proceeds from the sale of property seized from illegal drug-related activities. Funds may be expended to defray certain qualified law enforcement costs.

Nuisance Abatement Assessment Fund - to account for fees collected for abating the nuisance condition of certain properties.

DEBT SERVICE FUNDS

Debt service funds are used to account for resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

General Obligation Debt Service Fund – to accumulate monies for payment of Series 2000A, and 2012 Florida Municipal Loan Council Revenue bonds, and Series 2018 Construction Revenue Bonds.

NONMAJOR GOVERNMENTAL FUNDS

CAPITAL GRANTS PROJECTS FUNDS

Capital Grants Capital Projects Fund - used to account for the acquisition and construction of major capital improvements that are financed by grants from federal, state and local agencies.

PERMANENT FUNDS

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

Perpetual Care Permanent Fund – to account for money received for the purpose of providing perpetual care for the City's cemeteries.

CITY OF DEERFIELD BEACH, FLORIDA
Nonmajor Governmental Funds
Combining Balance Sheet
September 30, 2018

	Special Revenue Funds	General Obligation Debt Service Fund	Capital Grants Projects Fund	Perpetual Care Permanent Fund	Total Nonmajor Governmental Funds
Assets					
Cash and cash equivalents	\$ 4,637,326	\$ 79	\$ -	\$ 101,610	\$ 4,739,015
Investments	1,127,135	6,495,579	-	1,290,787	8,913,501
Receivables, net of allowances:					
Accounts	-	-	-	254	254
Interest	7,479	11,643	-	15,357	34,479
Due from other governments	855,071	-	-	-	855,071
Total assets	<u>\$ 6,627,011</u>	<u>\$ 6,507,301</u>	<u>\$ -</u>	<u>\$ 1,408,008</u>	<u>\$ 14,542,320</u>
Liabilities					
Accounts payable	983,530	-	-	-	983,530
Accrued payroll	27,778	-	-	-	27,778
Due to other funds	404,463	-	3,476	-	407,939
Total liabilities	<u>1,415,771</u>	<u>-</u>	<u>3,476</u>	<u>-</u>	<u>1,419,247</u>
Deferred Inflows of Resources					
Unavailable revenue	254,454	-	-	-	254,454
Total deferred inflows of resources	<u>254,454</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>254,454</u>
Fund Balances					
Nonspendable	-	-	-	1,408,008	1,408,008
Restricted	5,121,361	6,507,301	(3,476)	-	11,625,186
Unassigned	(164,575)	-	-	-	(164,575)
Total fund balances	<u>4,956,786</u>	<u>6,507,301</u>	<u>(3,476)</u>	<u>1,408,008</u>	<u>12,868,619</u>
Total liabilities and fund balances	<u>\$ 6,627,011</u>	<u>\$ 6,507,301</u>	<u>\$ -</u>	<u>\$ 1,408,008</u>	<u>\$ 14,542,320</u>

CITY OF DEERFIELD BEACH, FLORIDA
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended September 30, 2018

	Special Revenue Funds	General Obligation Debt Service Fund	Capital Grants Projects Fund	Perpetual Care Permanent Fund	Total Nonmajor Governmental Funds
Revenues					
Local option gas tax	\$ 1,418,558	\$ -	\$ -	\$ -	\$ 1,418,558
Intergovernmental	2,412,672	-	-	-	2,412,672
Charges for services	412,876	-	-	-	412,876
Fines and forfeitures	511,273	-	-	-	511,273
Impact fees	138,626	-	-	-	138,626
Investment earnings	51,075	14,105	-	73,056	138,236
Miscellaneous:					
Cemetery plot sales	-	-	-	86,710	86,710
Donations/contributions	98,859	-	-	-	98,859
Administrative fees	471,392	-	-	-	471,392
Total revenues	<u>5,515,331</u>	<u>14,105</u>	<u>-</u>	<u>159,766</u>	<u>5,689,202</u>
Expenditures					
Current:					
Economic environment	1,264,732	-	-	-	1,264,732
Public Safety	577,183	-	-	-	577,183
Human services	26,872	-	-	-	26,872
Physical environment	17,705	-	-	-	17,705
Transportation	2,166,058	-	-	-	2,166,058
Culture and recreation	134,067	-	-	-	134,067
Capital outlay	1,340,689	-	14,473	-	1,355,162
Debt service:					
Principal retirement	-	2,399,936	-	-	2,399,936
Interest and fiscal charges	-	2,084,342	-	-	2,084,342
Total expenditures	<u>5,527,306</u>	<u>4,484,278</u>	<u>14,473</u>	<u>-</u>	<u>10,026,057</u>
Excess (deficiency) of revenues over expenditures	<u>(11,975)</u>	<u>(4,470,173)</u>	<u>(14,473)</u>	<u>159,766</u>	<u>(4,336,855)</u>
Other Financing Sources (Uses)					
Transfers in	486,044	4,194,707	-	-	4,680,751
Transfers out	(472,519)	-	-	(409,213)	(881,732)
Premiums on bonds issued	-	569,084	-	-	569,084
Bonds and notes issued	-	7,927,607	-	-	7,927,607
Payment to refunding bond escrow agent	-	(4,154,425)	-	-	(4,154,425)
Total other financing sources (uses)	<u>13,525</u>	<u>8,536,973</u>	<u>-</u>	<u>(409,213)</u>	<u>8,141,285</u>
Net change in fund balances	1,550	4,066,800	(14,473)	(249,447)	3,804,430
Fund balances- beginning	4,955,236	2,440,501	10,997	1,657,455	9,064,189
Fund balances - ending	<u>\$ 4,956,786</u>	<u>\$ 6,507,301</u>	<u>\$ (3,476)</u>	<u>\$ 1,408,008</u>	<u>\$ 12,868,619</u>

City of Deerfield Beach, Florida
Nonmajor Special Revenue Funds
Combining Balance Sheet
September 30, 2018

	Road And Bridge Tax Fund	CDBG Fund	SHIP Grant Fund	Miscellaneous Grants Fund	Parking Deviation Fund	General Trust Fund
Assets						
Cash and cash equivalents	\$ 384,111	\$ -	\$ 478,844	\$ 627,329	\$ 82,768	\$ 1,291,197
Investments	1,127,135	-	-	-	-	-
Receivables, net of allowances:						
Interest	7,479	-	-	-	-	-
Due from other governments	279,045	364,770	-	210,423	-	-
Total assets	<u>\$ 1,797,770</u>	<u>\$ 364,770</u>	<u>\$ 478,844</u>	<u>\$ 837,752</u>	<u>\$ 82,768</u>	<u>\$ 1,291,197</u>
Liabilities						
Accounts payable	\$ 526,753	\$ 54,057	\$ 42,414	\$ 324,317	\$ -	\$ 10,689
Accrued payroll	27,778	-	-	-	-	-
Due to other funds	-	323,926	-	80,537	-	-
Total liabilities	<u>554,531</u>	<u>377,983</u>	<u>42,414</u>	<u>404,854</u>	<u>-</u>	<u>10,689</u>
Deferred Inflows of Resources						
Unavailable revenue	-	93,189	-	161,265	-	-
Total deferred inflows of resources	<u>-</u>	<u>93,189</u>	<u>-</u>	<u>161,265</u>	<u>-</u>	<u>-</u>
Fund Balances						
Restricted	1,243,239	-	436,430	329,806	82,768	1,280,508
Unassigned	-	(106,402)	-	(58,173)	-	-
Total fund balances	<u>1,243,239</u>	<u>(106,402)</u>	<u>436,430</u>	<u>271,633</u>	<u>82,768</u>	<u>1,280,508</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,797,770</u>	<u>\$ 364,770</u>	<u>\$ 478,844</u>	<u>\$ 837,752</u>	<u>\$ 82,768</u>	<u>\$ 1,291,197</u>

City of Deerfield Beach, Florida
Nonmajor Special Revenue Funds
Combining Balance Sheet
September 30, 2018

Target Area Trust Fund	Beautification and Landscape Trust Fund	Crime Prevention Trust Fund	Impact Fees Fund	Law Enforcement Trust Fund	Nuisance Abatement Assessment Fund	Total Nonmajor Special Revenue Funds
\$ 668,836	\$ 343,947	\$ 104,238	\$ 516,978	\$ 90,432	\$ 48,646	\$ 4,637,326
-	-	-	-	-	-	1,127,135
-	-	-	-	-	-	7,479
-	-	-	-	-	833	855,071
<u>\$ 668,836</u>	<u>\$ 343,947</u>	<u>\$ 104,238</u>	<u>\$ 516,978</u>	<u>\$ 90,432</u>	<u>\$ 49,479</u>	<u>\$ 6,627,011</u>
\$ -	\$ -	\$ 25,300	\$ -	\$ -	\$ -	\$ 983,530
-	-	-	-	-	-	27,778
-	-	-	-	-	-	404,463
-	-	25,300	-	-	-	1,415,771
-	-	-	-	-	-	254,454
-	-	-	-	-	-	254,454
668,836	343,947	78,938	516,978	90,432	49,479	5,121,361
-	-	-	-	-	-	(164,575)
<u>668,836</u>	<u>343,947</u>	<u>78,938</u>	<u>516,978</u>	<u>90,432</u>	<u>49,479</u>	<u>4,956,786</u>
<u>\$ 668,836</u>	<u>\$ 343,947</u>	<u>\$ 104,238</u>	<u>\$ 516,978</u>	<u>\$ 90,432</u>	<u>\$ 49,479</u>	<u>\$ 6,627,011</u>

City of Deerfield Beach, Florida
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended September 30, 2018

	Road And Bridge Tax Fund	CDBG Fund	SHIP Grant Fund	Miscellaneous Grants Fund	Parking Deviation Fund	General Trust Fund
Revenues						
Local option gas tax	\$ 1,418,558	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	635,394	721,018	348,942	707,318	-	-
Charges for services	-	-	-	-	-	251,350
Fines and forfeitures	-	-	-	-	-	-
Impact fees	-	-	-	-	-	-
Investment earnings	51,075	-	-	-	-	-
Miscellaneous						
Donations/contributions	-	-	-	250	-	55,109
Administrative fees	471,392	-	-	-	-	-
Total revenues	<u>2,576,419</u>	<u>721,018</u>	<u>348,942</u>	<u>707,568</u>	<u>-</u>	<u>306,459</u>
Expenditures						
Current:						
Economic environment	-	395,837	561,338	307,557	-	-
Public Safety	-	-	-	479,270	-	45,325
Human services	-	26,872	-	-	-	-
Physical environment	-	-	-	-	-	-
Transportation	2,166,058	-	-	-	-	-
Culture and recreation	-	-	-	13,124	-	120,943
Capital outlay	723,798	223,517	-	391,913	-	-
Total expenditures	<u>2,889,856</u>	<u>646,226</u>	<u>561,338</u>	<u>1,191,864</u>	<u>-</u>	<u>166,268</u>
Excess (deficiency) of revenues over expenditures	<u>(313,437)</u>	<u>74,792</u>	<u>(212,396)</u>	<u>(484,296)</u>	<u>-</u>	<u>140,191</u>
Other Financing Sources (Uses)						
Transfers in	-	-	-	413,244	-	72,800
Transfers out	-	(74,718)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(74,718)</u>	<u>-</u>	<u>413,244</u>	<u>-</u>	<u>72,800</u>
Net change in fund balances	(313,437)	74	(212,396)	(71,052)	-	212,991
Fund balances - beginning of year	1,556,676	(106,476)	648,826	342,685	82,768	1,067,517
Fund balances - end of year	<u>\$ 1,243,239</u>	<u>\$ (106,402)</u>	<u>\$ 436,430</u>	<u>\$ 271,633</u>	<u>\$ 82,768</u>	<u>\$ 1,280,508</u>

City of Deerfield Beach, Florida
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended September 30, 2018

Target Area Trust Fund	Beautification and Landscape Trust Fund	Crime Prevention Trust Fund	Impact Fees Fund	Law Enforcement Trust Fund	Nuisance Abatement Assessment Fund	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,418,558
-	-	-	-	-	-	2,412,672
-	161,526	-	-	-	-	412,876
185,011	-	590	-	290,874	34,798	511,273
-	-	-	138,626	-	-	138,626
-	-	-	-	-	-	51,075
-	-	43,500	-	-	-	98,859
-	-	-	-	-	-	471,392
<u>185,011</u>	<u>161,526</u>	<u>44,090</u>	<u>138,626</u>	<u>290,874</u>	<u>34,798</u>	<u>5,515,331</u>
-	-	-	-	-	-	1,264,732
-	-	40,322	-	12,266	-	577,183
-	-	-	-	-	-	26,872
-	17,705	-	-	-	-	17,705
-	-	-	-	-	-	2,166,058
-	-	-	-	-	-	134,067
-	-	-	1,461	-	-	1,340,689
-	<u>17,705</u>	<u>40,322</u>	<u>1,461</u>	<u>12,266</u>	-	<u>5,527,306</u>
<u>185,011</u>	<u>143,821</u>	<u>3,768</u>	<u>137,165</u>	<u>278,608</u>	<u>34,798</u>	<u>(11,975)</u>
-	-	-	-	-	-	486,044
<u>(75,001)</u>	-	-	-	<u>(322,800)</u>	-	<u>(472,519)</u>
<u>(75,001)</u>	-	-	-	<u>(322,800)</u>	-	<u>13,525</u>
110,010	143,821	3,768	137,165	(44,192)	34,798	1,550
558,826	200,126	75,170	379,813	134,624	14,681	4,955,236
<u>\$ 668,836</u>	<u>\$ 343,947</u>	<u>\$ 78,938</u>	<u>\$ 516,978</u>	<u>\$ 90,432</u>	<u>\$ 49,479</u>	<u>\$ 4,956,786</u>

City of Deerfield Beach, Florida
Road and Bridge Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
For the Year Ended September 30, 2018

	Budgeted Amounts		(Budgetary Basis) Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Local option gas tax	\$ 1,440,619	\$ 1,440,619	\$ 1,418,558	\$ (22,061)
Intergovernmental	628,949	628,949	635,394	6,445
Investment earnings	-	-	51,075	51,075
Miscellaneous:				
Administrative fees	471,392	471,392	471,392	-
Total revenues	2,540,960	2,540,960	2,576,419	35,459
Expenditures				
Current:				
Transportation	2,486,990	2,486,990	2,160,779	326,211
Capital outlay	779,571	779,571	1,156,116	(376,545)
Debt service				
Principal retirement	49,584	49,584	-	49,584
Interest and fiscal charges	4,386	4,386	-	4,386
Total expenditures	3,320,531	3,320,531	3,316,895	3,636
Excess (deficiency) of revenues over (under) expenses	(779,571)	(779,571)	(740,476)	39,095
Other financing sources (Uses)				
Capital Lease	779,571	779,571	-	779,571
Net change in budgetary fund balance	\$ -	\$ -	\$ (740,476)	\$ (740,476)

City of Deerfield Beach, Florida
Community Development Block Grant Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
For the Year Ended September 30, 2018

	Budgeted Amounts		(Budgetary Basis) Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 637,867	\$ 637,867	\$ 721,018	\$ 83,151
Total revenues	<u>637,867</u>	<u>637,867</u>	<u>721,018</u>	<u>83,151</u>
Expenditures				
Current:				
Economic environment	816,034	816,034	390,865	425,169
Human services	-	-	26,872	(26,872)
Capital outlay	<u>650,000</u>	<u>650,000</u>	<u>233,203</u>	<u>416,797</u>
Total expenditures	<u>1,466,034</u>	<u>1,466,034</u>	<u>650,940</u>	<u>815,094</u>
Excess (deficiency) of revenues over (under) expenses	<u>(828,167)</u>	<u>(828,167)</u>	<u>70,078</u>	<u>898,245</u>
Other Financing Sources (Uses)				
Transfers out	(68,016)	(68,016)	(74,718)	(6,702)
Total other financing sources (uses)	<u>(68,016)</u>	<u>(68,016)</u>	<u>(74,718)</u>	<u>(6,702)</u>
Net change in budgetary fund balances	<u>\$ (896,183)</u>	<u>\$ (896,183)</u>	<u>\$ (4,640)</u>	<u>\$ (891,543)</u>

City of Deerfield Beach, Florida
Pension Trust Funds
Combining Statement of Fiduciary Net Position
September 30, 2018

	Firefighters' Pension Fund	Police Pension Fund	Non-Uniform Pension	Total Pension Trust Funds
Assets				
Money market funds	\$ 5,581,195	\$ 964,676	\$ 1,091,215	\$ 7,637,086
Investments:				
Mutual funds	27,062,812	12,526,311	7,612,486	47,201,609
U. S. government and agency securities	13,109,999	1,372,807	8,040,066	22,522,872
Corporate equities	66,050,036	27,279,018	30,765,356	124,094,410
Corporate bonds and notes	7,258,647	857,653	7,608,976	15,725,276
Total Investments	<u>113,481,494</u>	<u>42,035,789</u>	<u>54,026,884</u>	<u>209,544,167</u>
Receivables:				
Interest and dividends	132,793	21,477	139,344	293,614
Contributions receivable (state)	9,609	674,500	-	684,109
Pending trades	-	6,553	419,140	425,693
Due from brokers	21,783	-	-	21,783
Total receivables	<u>164,185</u>	<u>702,530</u>	<u>558,484</u>	<u>1,425,199</u>
Total assets	<u>119,226,874</u>	<u>43,702,995</u>	<u>55,676,583</u>	<u>218,606,452</u>
Liabilities				
Accounts payable	12,480	534,254	74,315	621,049
Total liabilities	<u>12,480</u>	<u>534,254</u>	<u>74,315</u>	<u>621,049</u>
Net Position				
Restricted for pension benefits	<u>\$ 119,214,394</u>	<u>\$ 43,168,741</u>	<u>\$ 55,602,268</u>	<u>\$ 217,985,403</u>

City of Deerfield Beach, Florida
Pension Trust Funds
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended September 30, 2018

	Firefighters' Pension Fund	Police Pension Fund	Non-Uniform Pension	Total Pension Trust Funds
Additions				
Contributions:				
Employer	\$ 5,307,928	\$ 2,149,466	\$ 1,645,642	\$ 9,103,036
Plan members	901,704	-	27,199	928,903
State (from the General Fund)	628,008	674,500	-	1,302,508
Total contributions	<u>6,837,640</u>	<u>2,823,966</u>	<u>1,672,841</u>	<u>11,334,447</u>
Investment earnings:				
Interest	2,953,444	2,580,908	1,409,486	6,943,838
Net increase in the fair value of investments	5,669,409	1,601,251	2,825,272	10,095,932
Total investment earnings	<u>8,622,853</u>	<u>4,182,159</u>	<u>4,234,758</u>	<u>17,039,770</u>
Less investment expense	(425,568)	(245,455)	(315,802)	(986,825)
Net investment earnings	<u>8,197,285</u>	<u>3,936,704</u>	<u>3,918,956</u>	<u>16,052,945</u>
Miscellaneous	-	2,310	5,171	7,481
Total additions	<u>15,034,925</u>	<u>6,762,980</u>	<u>5,596,968</u>	<u>27,394,873</u>
Deductions				
Benefits paid	9,221,757	4,856,382	5,672,502	19,750,641
Administrative expenses	198,994	91,705	96,927	387,626
Total deductions	<u>9,420,751</u>	<u>4,948,087</u>	<u>5,769,429</u>	<u>20,138,267</u>
Change in net position	5,614,174	1,814,893	(172,461)	7,256,606
Net Position Restricted for Pension Benefits:				
Beginning of year	<u>113,600,220</u>	<u>41,353,848</u>	<u>55,774,730</u>	<u>210,728,797</u>
End of year	<u>\$ 119,214,394</u>	<u>\$ 43,168,742</u>	<u>\$ 55,602,269</u>	<u>\$ 217,985,403</u>

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED)

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

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue, property tax. Information about water and sewer rates is also included.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt as well as the City's ability to issue additional debt.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial statements relate to the services that the City provides as well as the activities that the City performs.

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

CITY OF DEERFIELD BEACH, FLORIDA
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities:										
Net investment in capital assets	\$ 41,572,817	\$ 42,523,352	\$ 46,212,686	\$ 54,762,079	\$ 58,120,088	\$ 57,468,114	\$ 61,201,885	\$ 64,215,625	\$ 68,098,733	\$ 66,878,760
Restricted	17,264,796	19,803,912	18,784,355	12,470,310	10,058,524	9,663,870	7,853,503	9,614,790	10,712,284	80,502,274
Unrestricted	11,233,454	4,546,293	(1,279,034)	(4,231,887)	(4,979,499)	(615,504)	(31,131,872)	(28,967,707)	(33,718,932)	143,581,097
Governmental activities net position	<u>\$ 70,071,067</u>	<u>\$ 66,873,557</u>	<u>\$ 63,718,007</u>	<u>\$ 63,000,502</u>	<u>\$ 63,199,113</u>	<u>\$ 66,516,480</u>	<u>\$ 37,923,516</u>	<u>\$ 44,862,708</u>	<u>\$ 45,092,085</u>	<u>\$ 3,799,937</u>
Business-type activities:										
Net Investment in capital assets	46,197,560	47,731,493	48,174,577	48,786,203	48,869,742	50,924,663	52,525,476	56,362,887	51,774,904	52,967,087
Restricted	-	-	8,887,099	743,836	743,838	743,838	1,760,856	1,834,718	1,834,565	1,839,167
Unrestricted	18,673,997	19,889,646	15,646,387	28,999,074	32,233,021	33,335,797	31,535,603	26,713,892	29,117,078	8,011,660
Total business-type activities net position	<u>\$ 64,871,557</u>	<u>\$ 67,621,139</u>	<u>\$ 72,708,063</u>	<u>\$ 78,529,113</u>	<u>\$ 81,846,601</u>	<u>\$ 85,004,298</u>	<u>\$ 85,821,935</u>	<u>\$ 84,911,497</u>	<u>\$ 82,726,547</u>	<u>\$ 62,817,914</u>
Primary Government										
Net Investment in capital assets	\$ 87,770,377	\$ 90,254,845	\$ 94,387,263	\$103,548,282	\$106,989,830	\$108,392,777	\$113,727,361	\$120,578,512	\$119,873,637	\$119,845,847
Restricted	17,264,796	19,803,912	27,671,454	13,214,146	10,802,362	10,407,708	9,614,359	11,449,508	12,546,849	82,341,441
Unrestricted	29,907,451	24,435,939	14,367,353	24,767,187	27,253,522	32,720,293	403,731	(2,253,815)	(4,601,854)	135,569,437
Total primary government net position	<u>\$134,942,624</u>	<u>\$134,494,696</u>	<u>\$136,426,070</u>	<u>\$141,529,615</u>	<u>\$145,045,714</u>	<u>\$151,520,778</u>	<u>\$123,745,451</u>	<u>\$129,774,205</u>	<u>\$127,818,632</u>	<u>\$ 66,617,851</u>

CITY OF DEERFIELD BEACH, FLORIDA
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities:										
General government	\$ 22,190,311	\$ 18,528,933	\$ 22,805,473	\$ 12,612,575	\$ 11,821,874	\$ 12,353,311	\$ 14,043,751	\$ 15,971,447	\$ 18,833,091	\$ 13,858,877
Economic environment	1,964,859	1,415,860	770,651	959,617	1,981,715	2,832,290	1,746,288	2,770,154	2,421,264	3,255,195
Public safety	41,915,667	44,400,644	45,399,408	50,047,068	52,604,329	55,555,149	56,811,183	59,621,417	65,353,492	72,209,952
Human services	2,588,723	2,722,603	2,510,309	2,140,927	2,136,865	2,159,042	2,382,915	2,836,456	2,847,032	3,415,404
Physical environment	6,164,735	5,875,926	3,092,598	4,050,701	4,978,883	3,974,644	6,311,645	4,952,451	5,780,265	7,561,665
Transportation	3,138,654	2,911,620	2,579,100	2,502,148	2,906,127	3,375,247	4,125,562	4,047,654	4,527,599	4,863,339
Culture and recreation	6,607,981	6,465,100	7,223,675	5,394,983	4,358,166	4,032,285	3,728,135	5,846,869	5,992,978	7,398,066
Interest on long term debt	1,994,441	1,970,464	1,923,219	1,878,627	3,024,834	2,807,078	1,921,214	1,895,608	1,884,325	2,317,478
Total governmental activities expenses	<u>86,565,371</u>	<u>84,291,150</u>	<u>86,304,433</u>	<u>79,586,646</u>	<u>83,812,793</u>	<u>87,089,046</u>	<u>91,070,693</u>	<u>97,942,056</u>	<u>107,640,046</u>	<u>114,879,976</u>
Business-type activities:										
Water and sewer	23,145,215	21,264,592	20,182,450	20,048,897	20,899,520	22,210,582	23,570,064	25,282,502	26,341,135	26,719,702
Solid waste	15,588,347	15,307,635	14,795,080	13,613,964	14,354,330	13,849,313	14,468,169	15,712,131	17,163,860	17,109,044
Total business-type activities expenses	<u>38,733,562</u>	<u>36,572,227</u>	<u>34,977,530</u>	<u>33,662,861</u>	<u>35,253,850</u>	<u>36,059,895</u>	<u>38,038,233</u>	<u>40,994,633</u>	<u>43,504,995</u>	<u>43,828,746</u>
Total primary government expenses	<u>\$ 125,298,933</u>	<u>\$ 120,863,377</u>	<u>\$ 121,281,963</u>	<u>\$ 113,249,507</u>	<u>\$ 119,066,643</u>	<u>\$ 123,148,941</u>	<u>\$ 129,108,926</u>	<u>\$ 138,936,689</u>	<u>\$ 151,145,041</u>	<u>\$ 158,708,722</u>
Program revenues										
Governmental activities:										
Charges for services										
General government	\$ 3,994,889	\$ 4,770,617	\$ 5,253,744	\$ 1,855,406	\$ 878,655	\$ 540,328	\$ 4,291,549	\$ 4,757,881	\$ 4,439,989	\$ 4,289,131
Public safety	12,951,771	13,277,004	15,899,993	15,661,078	16,737,515	20,615,778	23,802,373	21,932,165	25,350,237	26,114,265
Human services	508,744	488,947	23,387	327,856	12,699	29,316	10,020	50,140	56,573	100,229
Physical environment	289,262	258,722	186,497	1,191,226	185,794	286,215	355,326	189,872	183,105	343,511
Transportation	1,519,532	1,581,055	1,684,182	1,633,553	1,677,235	1,829,159	2,537,022	2,566,791	2,689,914	2,572,664
Culture and recreation	1,759,727	1,510,701	1,863,060	1,347,634	1,699,851	1,907,505	2,113,288	3,078,829	2,161,352	1,707,368
Operating grants and contributions	6,877,028	6,999,594	5,009,285	5,813,834	7,588,761	6,253,912	4,941,733	6,690,084	4,803,382	5,521,769
Capital grants and contributions	426,674	925,167	2,038,731	2,330,864	1,630,221	285,142	348,392	2,374,178	2,616,764	689,982
Total governmental activities	<u>28,327,627</u>	<u>29,811,807</u>	<u>31,958,879</u>	<u>30,161,451</u>	<u>30,410,731</u>	<u>31,747,355</u>	<u>38,399,703</u>	<u>41,639,940</u>	<u>42,301,316</u>	<u>41,338,919</u>
Business-type activities:										
Charges for services										
Water and sewer	25,001,144	24,675,663	24,807,442	24,250,089	24,651,018	24,754,868	25,296,809	24,908,850	25,556,346	25,729,905
Solid waste	14,507,783	14,624,135	14,925,959	14,701,713	15,441,291	14,626,474	14,748,707	15,327,755	15,832,628	16,754,407
Capital grants and contributions	1,333,400	12,240	292,206	27,539	111,699	45,899	64,452	-	398,300	-
Total business-type activities	<u>40,842,327</u>	<u>39,312,038</u>	<u>40,025,607</u>	<u>38,979,341</u>	<u>40,204,008</u>	<u>39,427,241</u>	<u>40,109,968</u>	<u>40,236,605</u>	<u>41,787,274</u>	<u>42,484,312</u>
Total primary government program revenues	<u>\$ 69,169,954</u>	<u>\$ 69,123,845</u>	<u>\$ 71,984,486</u>	<u>\$ 69,140,792</u>	<u>\$ 70,614,739</u>	<u>\$ 71,174,596</u>	<u>\$ 78,509,671</u>	<u>\$ 81,876,545</u>	<u>\$ 84,088,590</u>	<u>\$ 83,823,231</u>
Net (Expense)/Revenue										
Governmental activities										
Governmental activities	\$ (58,237,744)	\$ (54,479,343)	\$ (54,345,554)	\$ (49,425,195)	\$ (53,402,062)	\$ (55,341,691)	\$ (52,670,990)	\$ (56,302,116)	\$ (65,338,730)	\$ (73,541,057)
Business-type activities										
Business-type activities	2,108,765	2,739,811	5,048,077	5,316,480	4,950,158	3,367,346	2,071,735	(758,028)	(1,717,721)	(1,344,434)
Total primary government net expense	<u>\$ (56,128,979)</u>	<u>\$ (51,739,532)</u>	<u>\$ (49,297,477)</u>	<u>\$ (44,108,715)</u>	<u>\$ (48,451,904)</u>	<u>\$ (51,974,345)</u>	<u>\$ (50,599,255)</u>	<u>\$ (57,060,144)</u>	<u>\$ (67,056,451)</u>	<u>\$ (74,885,491)</u>

CITY OF DEERFIELD BEACH, FLORIDA
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Revenues and Other										
Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 36,685,924	\$ 35,093,629	\$ 34,791,821	\$ 27,073,004	\$ 28,188,611	\$ 33,750,761	\$ 35,512,381	\$ 37,603,317	\$ 39,732,879	\$ 42,852,391
Utility taxes	-	-	-	6,705,240	7,343,575	7,907,567	7,976,554	8,074,781	8,307,025	8,429,194
Sales taxes	3,832,424	3,693,667	3,890,338	4,123,936	4,394,070	4,648,145	4,875,615	5,413,109	5,062,149	5,384,431
Franchise taxes	11,908,808	9,767,204	9,429,873	8,652,572	8,959,809	8,867,645	6,832,413	7,795,465	7,648,226	7,622,049
Motor fuel taxes	1,336,986	1,271,279	1,283,545	1,289,074	1,285,882	1,318,433	1,353,883	1,491,230	1,416,578	1,418,558
Alcoholic beverage/mobile home license taxes	56,288	55,795	49,433	52,419	48,407	55,777	96,892	85,980	96,204	86,067
Grants and contributions not restricted to specific programs	1,213,534	1,174,449	1,241,144	1,072,777	1,471,496	1,622,476	1,804,085	1,868,658	1,987,520	2,065,013
Unrestricted investment earnings	719,477	160,249	77,980	39,677	64,333	56,617	85,147	207,623	279,975	894,912
Miscellaneous revenues	87,851	65,561	432,884	176,178	166,419	166,676	1,797,415	380,032	730,852	2,187,154
Transfers	-	-	(7,014)	(477,187)	-	-	270,893	321,113	306,699	306,699
Total governmental activities	55,841,292	51,281,833	51,190,004	48,707,690	51,922,602	58,394,097	60,605,278	63,241,308	65,568,107	71,246,468
Business-type activities:										
Unrestricted investment earnings										
Unrestricted investment earnings	314,201	9,771	31,833	27,383	45,401	55,312	59,880	168,703	237,770	493,611
Miscellaneous revenues	-	-	-	-	-	-	(46,381)	-	-	-
Transfers	-	-	7,014	477,187	(1,678,071)	(264,961)	(270,893)	(321,113)	(306,699)	(306,699)
Total business-type activities	314,201	9,771	38,847	504,570	(1,632,670)	(209,649)	(257,394)	(152,410)	(68,929)	186,912
Total primary government	56,155,493	51,291,604	51,228,851	49,212,260	50,289,932	58,184,448	60,076,991	63,088,898	65,499,178	71,433,379
Change in net position										
Governmental activities	(2,396,452)	(3,197,510)	(3,155,550)	(717,505)	(1,479,460)	3,052,406	7,934,288	6,939,192	229,377	(2,294,589)
Business-type activities	2,422,966	2,749,582	5,086,924	5,821,050	3,317,488	3,157,697	1,814,341	(910,438)	(2,184,950)	(1,157,523)
Total primary government	\$ 26,514	\$ (447,928)	\$ 1,931,374	\$ 5,103,545	\$ 1,838,028	\$ 6,210,103	\$ 9,748,629	\$ 6,028,754	\$ (1,955,573)	\$ (3,452,112)

CITY OF DEERFIELD BEACH, FLORIDA
Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Fiscal Year	Property Taxes	Utility Taxes	Sales Taxes	Franchise Taxes	Local Option Gas Tax	Alcoholic Beverage/ Mobile Home License Taxes	Total
2009	\$ 36,685,924	\$ -	\$ 3,832,424	\$ 11,908,808	\$ 1,336,986	\$ 56,288	\$ 53,820,430
2010	35,093,628	-	3,693,667	9,767,204	1,271,279	55,795	49,881,573
2011	34,791,821	-	3,890,338	9,429,873	1,283,545	49,433	49,445,010
2012	27,073,004	6,705,240	4,123,936	8,652,572	1,289,074	52,419	47,896,245
2013	28,188,611	7,343,575	4,394,070	8,959,809	1,285,882	48,407	50,220,354
2014	33,750,761	7,907,567	5,934,513	8,867,645	1,318,433	55,777	57,834,696
2015	35,512,381	7,976,554	4,875,615	6,832,413	1,353,883	96,892	56,647,738
2016	37,603,317	8,074,781	6,393,307	7,639,677	1,491,230	85,980	61,288,292
2017	39,732,879	8,307,025	5,062,149	7,648,226	1,416,578	96,204	62,263,061
2018	42,852,391	8,429,194	6,677,330	7,622,049	1,418,558	86,067	67,085,589

CITY OF DEERFIELD BEACH, FLORIDA
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 1,236,143	\$ 1,603,545	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	18,727,759	11,681,260	-	-	-	-	-	-	-	-
Non-spendable	-	-	824,089	705,590	696,001	663,995	211,331	245,932	441,559	700,972
Assigned	-	-	3,885,412	4,600,367	4,193,717	4,502,471	7,028,371	7,855,937	8,057,917	8,291,753
Unassigned	-	-	4,682,040	1,711,253	2,823,003	8,781,650	11,631,572	16,512,401	16,400,894	17,968,892
Total general fund	<u>19,963,902</u>	<u>13,284,805</u>	<u>9,391,541</u>	<u>7,017,210</u>	<u>7,712,721</u>	<u>13,948,116</u>	<u>18,871,274</u>	<u>24,614,270</u>	<u>24,900,370</u>	<u>26,961,617</u>
All Other Governmental Funds										
Reserved	3,678,313	3,853,103	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	11,371,568	12,241,644	-	-	-	-	-	-	-	-
Debt service funds	285,989	288,157	-	-	-	-	-	-	-	-
Capital project funds	2,960,291	1,580,263	-	-	-	-	-	-	-	-
Non-spendable	-	-	2,190,989	1,217,499	1,229,499	1,240,498	1,251,701	1,066,318	1,657,455	1,408,008
Restricted	-	-	16,846,273	12,280,648	22,844,054	17,303,614	11,323,253	12,263,149	12,317,388	49,356,084
Unassigned	-	-	(908,678)	(245,058)	101,767	(181,733)	(231,284)	(284,862)	(294,146)	(164,575)
Total all other governmental funds	<u>\$ 18,296,161</u>	<u>\$ 17,963,167</u>	<u>\$ 18,128,584</u>	<u>\$ 13,253,089</u>	<u>\$ 24,175,320</u>	<u>\$ 18,362,379</u>	<u>\$ 12,343,670</u>	<u>\$ 13,044,605</u>	<u>\$ 13,680,697</u>	<u>\$ 50,599,517</u>

Note: The City implemented GASB 54 beginning with the fiscal year ended September 30, 2011.

CITY OF DEERFIELD BEACH, FLORIDA
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Property taxes	\$ 38,915,090	\$ 36,649,353	\$ 35,102,671	\$ 34,252,646	\$ 27,771,349	\$ 28,291,130	\$ 35,512,396	\$ 37,603,317	\$ 39,732,879	\$ 42,852,391
Sales and use taxes	4,713,093	3,832,424	5,036,695	5,165,731	5,432,787	5,565,280	6,221,255	6,790,747	6,374,461	6,677,330
Fire assessment fees	6,081,708	6,142,612	5,998,886	8,090,526	8,371,764	8,491,262	11,007,913	11,068,185	11,041,726	11,026,863
Franchise fees	11,645,505	12,011,964	9,921,939	9,584,608	8,704,150	8,959,809	8,447,210	7,795,465	7,648,226	7,622,049
Utility taxes	-	-	-	-	6,705,240	7,343,575	7,976,554	8,074,781	8,307,025	8,429,194
Local option gas tax	1,369,644	1,336,986	1,271,279	1,283,545	1,289,074	1,285,882	1,353,883	1,491,230	1,416,578	1,418,558
Local business taxes/permits	2,116,220	1,638,823	1,673,573	2,567,037	2,906,324	3,006,077	4,674,337	4,202,781	5,432,035	4,951,256
Intergovernmental	5,861,670	7,969,279	6,813,940	6,779,390	7,380,901	8,753,280	5,058,080	9,184,180	7,000,870	5,838,827
Charges for services	6,911,507	7,515,348	7,859,433	8,098,203	7,476,283	8,236,329	9,785,012	9,674,471	10,275,886	9,998,883
Fines and forfeitures	1,851,372	1,161,701	1,508,597	1,246,585	1,031,508	911,536	1,726,615	1,830,841	1,484,146	1,529,006
Impact fees	-	-	-	-	-	-	-	176,954	244,612	138,626
Investment earnings	1,531,661	724,805	160,673	78,154	39,677	64,333	85,191	207,695	279,974	894,911
Miscellaneous	6,728,838	4,902,049	5,439,834	5,918,709	7,651,004	6,870,128	17,030,831	9,085,943	9,424,423	9,244,581
Total revenues	87,726,308	83,885,344	80,787,520	83,065,134	84,760,061	87,778,621	108,879,277	107,186,680	108,662,841	110,622,475
Expenditures										
General government	20,081,498	20,312,385	19,943,800	16,674,774	15,483,228	15,510,007	21,977,441	18,083,088	20,379,141	16,637,413
Economic environment	1,964,001	910,203	778,651	1,250,183	2,113,478	2,964,052	1,821,340	2,770,158	2,121,390	2,782,544
Public safety	41,341,005	43,407,203	43,892,036	48,742,790	51,659,751	54,809,205	58,670,678	60,100,777	61,789,116	65,048,696
Human services	2,506,240	2,766,956	2,454,137	2,085,353	2,081,504	2,154,433	2,842,242	2,197,031	2,436,525	2,915,117
Physical environment	5,754,973	5,043,035	2,268,385	3,263,916	4,334,094	3,518,440	6,845,708	4,843,967	6,160,397	7,265,038
Transportation	2,221,345	1,999,906	1,670,907	1,574,080	1,850,040	2,292,118	2,737,514	2,812,545	2,795,435	2,902,618
Culture and recreation	5,717,699	5,609,960	6,533,568	4,600,545	3,504,151	2,997,052	3,658,093	3,975,250	4,603,199	5,507,911
Capital outlay	6,744,382	3,641,497	4,949,174	9,607,475	6,176,331	5,770,037	5,872,209	4,717,906	2,885,587	2,885,587
Debt service										
Principal retirement	2,622,732	2,532,394	2,340,272	2,285,825	2,285,825	2,606,667	2,504,085	2,520,002	2,725,773	2,745,479
Interest and fiscal charges	2,016,157	2,000,860	1,955,037	1,908,170	2,208,582	2,710,837	2,063,110	2,048,017	2,150,785	2,101,051
Fiscal agent fees and other fees	-	-	-	-	332,013	102,057	-	-	-	-
Total expenditures	90,970,032	88,224,399	86,785,967	91,993,111	92,028,997	99,542,112	94,894,905	104,068,739	108,047,348	110,791,454
Excess (deficiency) of revenue over (under) expenditures	(3,243,724)	(4,339,055)	(5,998,447)	(8,927,977)	(14,782,051)	(7,116,284)	(113,743)	3,117,939	615,493	1,209,564
Other Financing Sources (Uses)										
Transfers in	6,611,397	6,013,653	6,154,285	4,954,400	10,647,167	7,517,606	6,966,774	6,843,592	7,316,052	6,896,744
Transfers out	6,611,397	6,013,653	6,161,299	4,971,176	8,969,096	7,252,645	6,695,875	6,522,479	7,009,353	6,590,045
Bonds and notes issued	-	-	-	-	34,860,000	-	-	-	-	36,155,000
Premiums on bonds issued	-	-	-	-	1,125,416	-	-	-	-	5,826,066
Proceeds from refunded bonds	-	-	-	-	(14,282,254)	-	-	-	-	-
Bonds and notes issued	424,788	-	-	-	-	-	-	-	-	36,155,000
Capital lease proceeds	-	-	-	-	-	-	-	1,752,172	-	-
Total other financing sources (uses)	726,733	424,788	(7,014)	(16,776)	23,381,233	264,961	270,899	5,191,224	306,699	78,442,765
Net changes in fund balances	\$ (2,516,991)	\$ (3,914,267)	\$ (6,005,461)	\$ (8,944,753)	\$ 8,599,182	\$ (6,851,323)	\$ 157,156	\$ 5,191,224	\$ 922,192	\$ 78,273,786
Debt services as a percentage of non-capital expenditures	5.60 %	5.50 %	5.40 %	5.10 %	13.20 %	5.50 %	4.40 %	4.73 %	4.83 %	4.55 %

CITY OF DEERFIELD BEACH, FLORIDA
General Governmental Tax Revenues by Source
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

Fiscal Year	Property Taxes	Utility Taxes	Sales Taxes	Franchise Taxes	Local Option Gas Tax	Alcoholic Beverage/ Mobile Home License Taxes	Total
2009	\$ 36,649,353	\$ -	\$ 3,832,424	\$ 12,011,964	\$ 1,336,986	\$ 56,288	\$ 53,887,015
2010	35,102,671	-	5,036,695	9,921,939	1,271,279	55,795	51,388,379
2011	34,252,646	-	5,165,731	9,584,608	1,283,545	49,433	50,335,963
2012	27,771,349	6,705,240	5,432,787	8,704,150	1,289,074	52,419	49,955,019
2013	28,291,130	7,343,575	5,565,280	8,959,809	1,285,882	48,407	51,494,083
2014	33,750,761	7,907,567	5,934,513	8,867,645	1,318,433	55,777	57,834,696
2015	35,512,396	7,976,554	4,875,615	6,832,413	1,353,883	96,892	56,647,753
2016	37,603,317	8,074,781	6,393,307	7,639,677	1,377,907	85,980	61,174,969
2017	39,732,879	8,307,025	6,374,461	7,648,226	1,416,578	96,204	63,575,373
2018	42,852,391	8,429,194	6,677,330	7,622,049	1,418,558	86,067	67,085,589

CITY OF DEERFIELD BEACH, FLORIDA
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Property (1)	Personal Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value (1)	Taxable Assessed Value as a Percentage of Actual Taxable Value
2009	\$ 9,221,922,520	\$ 453,847,937	\$ 2,863,212,036	\$ 6,812,558,421	5.3000	\$ 11,304,635,476	60.263%
2010	7,933,546,387	450,375,114	2,293,568,030	6,090,353,471	5.7900	9,834,257,465	61.930%
2011	6,413,168,923	411,439,128	1,684,098,356	5,140,509,695	6.7688	8,035,763,100	63.970%
2012	6,085,548,562	392,877,631	1,636,113,175	4,842,313,018	5.7688	7,629,719,059	63.466%
2013	6,068,817,518	389,788,094	1,614,924,968	4,843,680,644	5.7688	7,605,089,169	63.690%
2014	6,282,449,796	398,719,587	1,673,533,699	5,007,635,684	6.7688	7,864,092,199	63.677%
2015	6,965,511,494	402,157,090	2,064,034,621	5,303,633,963	6.7688	8,646,548,680	61.338%
2016	7,575,534,000	428,708,115	2,347,582,606	5,656,659,509	6.6688	9,388,030,664	60.254%
2017	8,307,953,360	439,084,367	2,667,289,990	6,079,747,737	6.5007	10,239,191,304	59.377%
2018	8,926,809,490	449,468,620	1,425,792,130	6,574,868,726	6.5007	10,961,317,366	59.982%

Note: Assessed values are determined as of January 1st for each fiscal year.

(1) Real Property is assessed at 88% and Personal Property is assessed at 55%

Source: Broward County, Florida Property Appraiser

CITY OF DEERFIELD BEACH, FLORIDA
Property Tax Rates – Direct and Overlapping Government

Fiscal Year	Overlapping Rates													Total Direct & Overlapping Rates
	City of Deerfield Beach			County			School District			Children's Services	North Broward Hospital District	South Florida Water Management District	Florida Inland Navigation District	
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating millage	Debt Service Millage	Total School Millage					
2009	4.9072	0.3928	5.3000	4.8889	0.4256	5.3145	7.4170	-	7.4170	0.3754	1.7059	0.6240	0.0345	20.7713
2010	5.3499	0.4401	5.7900	4.8889	0.5000	5.3889	7.4310	-	7.4310	0.4243	1.7059	0.6240	0.0345	21.3986
2011	6.2482	0.5206	6.7688	5.1021	0.4509	5.5530	7.6310	-	7.6310	0.4696	1.8750	0.6240	0.0345	22.9559
2012	5.1865	0.5832	5.7697	5.1860	0.3670	5.5530	7.4180	-	7.4180	0.4789	1.8750	0.4363	0.0345	21.5654
2013	5.1856	0.5832	5.7688	5.2576	0.2954	5.5530	7.4560	-	7.4560	0.4902	1.8564	0.4289	0.0345	21.5878
2014	6.2317	0.5371	6.7688	5.4400	0.2830	5.7230	7.4800	-	7.4800	0.4882	1.7554	0.4110	0.0345	22.6609
2015	6.2745	0.4943	6.7688	5.4584	0.2646	5.7230	7.4380	-	7.4380	0.4882	1.5939	0.3842	0.0345	22.4306
2016	6.1949	0.4739	6.6688	5.4741	0.2489	5.7230	7.2030	0.0710	7.2740	0.4882	1.4425	0.3551	0.0320	21.9836
2017	6.0493	0.4514	6.5007	5.4474	0.2216	5.6690	6.8360	0.0703	6.9063	0.4882	1.3462	0.3307	0.0320	21.2731
2018	6.0981	0.4026	6.5007	5.4623	0.2067	5.6690	6.4740	0.0654	6.5394	0.4882	1.2483	0.3100	0.0320	20.7876

Source: Broward County, Florida Property Appraiser.

CITY OF DEERFIELD BEACH, FLORIDA
Principal Property Taxpayers
Current Year and Nine Years Ago

Tax Payer	2018			2009		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation
1. SCG Atlas Deercreek II LLC %Starwood CAP	\$ 81,600,000	1	\$ 1.43	\$ -		\$ -
2. Publix Supermarket	77,625,530	2	1.36	69,710,580	1	1.23
3. Deerfield Beach ES Hotel LLC	63,348,740	3	1.11	-		-
4. City National Bank of FL TRSTE	60,720,450	4	1.07	63,423,930	2	1.11
5. Weingarten Realty Investors %Paul Wilke	48,983,570	5	0.86	-		-
6. Land TR City National Bank of FL Trustee	43,293,020	6	-	37,805,410	6	0.66
7. EQR-WATERWAYS LLC %STARWOOD CAP. GRP LP	42,491,670	7	0.75	-		-
8. Florida Land Holdings LLC TR	42,077,670	8	0.74	-		-
9. Quiet Waters Business Park LLC% Graystar	41,356,230	9	-	40,486,290	5	0.71
10. Crown Diversified Ind Corp	41,135,970	10	0.72	37,340,170	7	0.66
11. CP Deerfield LLC	-		-	47,809,950	3	0.84
12. City National Bank of FL	-		-	42,048,780	4	0.74
13. Felcor/CCS Holdings LP	-		-	38,385,650	8	0.67
14. Sterling Properties FL LLC	-		-	36,488,920	9	0.64
15. KTR Quorum LLC	-		-	33,754,200	10	0.59
Total	\$ 542,632,850		\$ 8.04	\$ 447,253,880		\$ 7.85

Source: Broward County Records, Taxes and Treasury Division

Broward County, Florida Property Appraiser

CITY OF DEERFIELD BEACH, FLORIDA
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended	Tax Roll Year	Collected within the Fiscal Year of the Levy				Total Collections to Date	
		Taxes Levied	Amount	Percentage of Levy	Delinquent Tax Collections*	Amount	Percentage of Levy
2009	2008	\$ 34,627,856	\$ 34,532,754	99.7	\$ 95,102	\$ 34,627,856	100.0
2010	2009	35,371,075	34,804,296	98.4	207,086	35,011,382	99.0
2011	2010	34,882,909	34,086,591	97.7	166,055	34,252,646	98.2
2012	2011	27,996,499	27,771,349	99.2	36,493	27,807,842	99.3
2013	2012	28,007,125	26,185,412	93.5	362,795	26,548,207	94.8
2014	2013	31,263,431	29,869,364	95.5	(113,030) *	29,756,334	95.2
2015	2014	33,333,975	32,924,554	98.8	(121,127) *	32,803,427	98.4
2016	2015	35,102,340	34,887,089	99.4	47,214	34,934,303	99.5
2017	2016	39,631,940	37,991,955	95.9	62,509	38,054,464	96.0
2018	2017	42,810,803	40,940,537	95.6	860,484	41,801,021	97.6

Delinquent tax collections are recognized when received. Amounts not collected as of the applicable fiscal year end have been fully reserved and are not reported in the basic financial statements.

*Negative amount represents refund of prior year's taxes as a result of decision by Broward County Value Adjustment Board.

Source: Broward County, Florida Revenue Collector

CITY OF DEERFIELD BEACH, FLORIDA
Water Sold by Type of Customer
Last Ten Fiscal Years
(in thousands of gallons)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Residential - Single Family	\$ 869,554.00	828,961.00	838,122.00	747,798.00	772,444.00	745,569.00	784,548.00	790,967.00	853,859.00	796,740.00
Residential - Multi-Family	1,056,023.00	1,119,125.00	1,095,698.00	1,063,976.00	1,123,024.00	1,063,107.00	1,084,878.00	1,006,073.00	763,095.00	753,441.00
Commercial	557,264.00	518,014.00	515,713.00	513,810.00	557,271.00	532,985.00	554,552.00	592,708.00	546,010.00	596,111.00
Irrigation	466,396.00	532,637.00	489,519.00	505,949.00	551,942.00	556,219.00	548,671.00	520,962.00	579,577.00	578,262.00
Hydrants	368.00	777.00	1,764.00	44.00	98.00	345.00	9,795.00	793.00	7,988.00	5,102.00
Total	2,949,605.00	2,999,514.00	2,940,816.00	2,831,577.00	3,004,779.00	2,898,225.00	2,982,444.00	2,911,503.00	2,750,529.00	2,729,656.00
Total direct rate per 1,000 gallons	\$ 2.65	2.65	2.65	2.65	2.65	2.65	2.65	2.65	2.65	2.65

Source: City of Deerfield Beach, Department of Financial Services

City of Deerfield Beach, Florida
Water and Sewer Rates
Last Ten Fiscal Years

Fiscal Year	Water		Sewer	
	Monthly Base Rate	Rates per 1000 Gallons	Monthly Base Rate	Rate per Gallon
2009	\$ 15.00	\$ 2.65	\$ 10.98	\$ 2.71
2010	15.00	2.65	10.98	2.71
2011	15.00	2.65	10.98	2.71
2012	15.00	2.65	10.98	2.71
2013	15.00	2.65	10.98	2.71
2014	15.00	2.65	10.98	2.71
2015	15.00	2.65	10.98	2.71
2016	15.00	2.65	10.98	2.71
2017	15.00	2.65	10.98	2.71
2018	15.00	2.65	10.98	2.71

Note: Rates are based on 3/4" meter, which is the standard household meter size.

Source: City of Deerfield Beach, Customer Service

CITY OF DEERFIELD BEACH, FLORIDA
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-type Activities			Total Primary Government	Percentage of Personal Income	Per Capita	Population	Personal Income
	General Obligation Bonds	Covenant Bonds	Capital Leases	Water and Sewer Bonds	Capital Leases	Loans and Notes					
2009	\$ 26,608,199	\$ 13,980,000	\$ 1,664,810	\$ 17,028,786	\$ 2,711,733	\$ 21,761,712	\$ 83,755,240	4.20	\$ 1,081	77,465	\$ 1,992,090,000
2010	25,209,669	13,560,000	1,375,734	16,623,792	2,472,783	20,499,422	79,741,400	4.59	1,089	73,216	1,736,610,000
2011	23,797,434	13,125,000	882,697	16,019,116	1,649,043	19,167,958	74,641,248	4.00	995	75,018	1,863,871,000
2012	22,369,937	12,670,000	479,369	15,426,772	2,607,256	17,798,020	71,351,354	4.02	934	76,389	1,776,923,000
2013	21,128,368	25,265,000	231,996	14,827,383	1,760,609	16,388,471	79,601,827	4.33	1,041	76,473	1,836,793,000
2014	19,797,105	24,140,000	80,981	14,938,143	1,087,825	14,196,426	74,240,480	4.06	960	77,361	1,829,286,000
2015	18,533,690	22,980,000	-	14,042,421	639,800	14,196,426	70,392,337	3.96	918	76,662	1,779,325,000
2016	17,295,290	21,785,000	1,665,572	12,839,802	3,042,143	12,498,150	69,125,957	3.77	890	77,659	1,834,539,000
2017	16,977,148	20,921,705	1,296,968	12,112,720	831,697	10,884,734	63,024,972	3.34	793	78,042	1,852,951,000
2018	15,073,185	51,265,000	951,425	11,397,243	610,114	9,246,973	88,543,940	3.78	1,127	78,573	2,343,754,000

Note: General Obligation and Covenant bonds are presented net of any related premiums, discounts and adjustments.

CITY OF DEERFIELD BEACH, FLORIDA
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

<u>Fiscal Year</u>	General Obligations Bonds	Less: Amounts Available in Debt Service Funds	<u>Total</u>	Percentage of Actual Taxable Value	<u>Per Capita</u>
2009	\$ 26,608,199	\$ 285,989	\$ 26,322,210	0.23 %	\$ 340
2010	25,209,669	288,157	24,921,512	0.25 %	340
2011	23,797,434	290,794	23,506,640	0.29 %	313
2012	22,369,937	290,782	22,079,155	0.29 %	289
2013	2,112,836	2,539,617	(426,781)	0.24 %	243
2014	19,797,105	2,513,964	17,283,141	0.22 %	223
2015	18,533,690	2,534,573	15,999,117	0.19 %	209
2016	17,295,290	2,400,835	14,894,455	0.18 %	223
2017	16,977,148	2,440,501	14,536,647	0.17 %	207
2018	15,073,185	605,000	14,468,185	0.13 %	184

Source: City of Deerfield Beach, Financial Services Department

City of Deerfield Beach, Florida
Direct and Overlapping Governmental Activities Debt
As of September 30, 2018

	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Direct Debt:			
General obligation bonds	\$ 15,073,185	100.00 %	\$ 15,073,185
Covenant bonds (1)	51,265,000	100.00 %	51,265,000
Capital leases	951,425	100.00 %	951,425
Total direct debt	67,289,610		67,289,610
Overlapping Debt:			
School Board of Broward County, Florida:			
Certificates of participation	\$ 1,497,821,000	3.75 %	56,168,288
Capital leases	62,745,000	3.75 %	2,352,938
Broward County, Florida (2)	207,550,000	3.75 %	7,783,125
Subtotal, overlapping debt	1,768,116,000		66,304,351
Total direct debt and overlapping debt	\$ 1,835,405,610		\$ 133,593,961

- (1) \$4,350,000 of covenant bonds are secured by and payable from the Florida Power and Light Company electric franchise fees. The remaining balance of covenant bonds are payable from all governmental activities revenue sources of the City, Except for ad valorem taxes.
- (2) Overlapping debt includes only general obligation debt secured by ad valorem taxes as of September 30, 2018.
- (3) Debt outstanding data provided by each government unit.

Sources: Assessed value data used to estimate applicable percentages provided by the Broward County, Florida Property Appraiser.

** Ratio of taxable assessed value in the City of Deerfield Beach to total Broward County assessed value.*

Note: The computation of legal debt margin is not included in the statistical section, since neither the Florida statutes nor the current ordinances of the City of Deerfield Beach specify a legal debt margin.

CITY OF DEERFIELD BEACH, FLORIDA
Water and Sewer Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Gross Revenues (A)	Expenses (B)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Escrow or Principal	Interest	Total (C)	
2009	\$ 25,315,345	\$ 17,566,467	\$ 7,748,878	\$ 1,133,359	\$ 1,183,419	\$ 2,316,778	3.34
2010	24,685,434	15,503,529	9,181,905	1,667,284	1,452,922	3,120,206	2.94
2011	24,839,275	14,564,201	10,275,074	1,936,139	1,359,143	3,295,282	3.12
2012	24,277,472	13,681,310	10,596,162	1,962,273	1,293,540	3,255,813	3.25
2013	24,696,419	14,235,267	10,461,152	1,968,105	1,278,885	3,246,990	3.22
2014	24,810,180	17,417,474	7,392,706	2,081,285	1,152,032	3,233,317	2.29
2015	25,356,689	15,350,588	10,006,101	1,498,498	1,065,191	2,563,689	3.90
2016	25,077,553	15,838,252	9,239,301	2,238,878	877,272	3,116,150	2.97
2017	25,395,815	17,079,275	8,300,090	2,340,498	829,997	3,170,495	2.62
2018	25,434,035	16,904,326	8,529,709	2,402,352	875,366	3,277,718	2.60

- A) Gross revenue for the purpose of determining debt service coverage, is equal to the sum of the operating revenues of the Water and Sewer Fund and total interest earnings.
- B) Expenses, for the purpose of determining debt service coverage, are equal to the total operating expenses of the Water and Sewer Fund less depreciation and less the general administrative charge.
- C) The debt service requirement for the Florida Municipal Loan Council Revenue bonds, Series 2008A is set forth in the tri-partite loan agreement between the City ("the Borrower"); Banc of America Public Capital Corporation ("the Purchaser"); and the Florida Municipal Loan Council ("the Issuer").
- D) The debt service requirements for the State of Florida Drinking Water Revolving Loan, as well as the State's Water Pollution Control Financing Corporation revolving loans are set forth in the 'Clean Water State Revolving Fund Agreement' between the City and the State of Florida, Department of Environmental Protection.

City of Deerfield Beach, Florida
Non-Ad Valorem Revenue
Anti-Dilution Test
September 30, 2018

<u>Revenues</u>	<u>FY2018</u>	<u>FY2017</u>	<u>Prior Two-Year Average</u>
Total Governmental Funds	\$ 110,622,478	\$ 108,662,841	\$ 109,642,660
Less: Ad Valorem Tax Revenues	(39,393,931)	(36,633,074)	(38,013,503)
Incremental Tax Revenues	(3,458,460)	(3,099,805)	(3,279,133)
Total Governmental Non-Ad Valorem Revenues	67,770,087	68,929,962	68,350,024
Less: Restricted Funds:			
Community Redevelopment Agency	(94,291)	(9,668)	(51,980)
General Construction Fund	(289,843)	(1,656,619)	(973,231)
Non-Major Governmental Funds	(5,689,202)	(4,893,648)	(5,291,425)
Adjusted Non-Ad Valorem Revenues	<u>\$ 61,696,751</u>	<u>\$ 62,370,027</u>	<u>\$ 62,033,388</u>

<u>Expenditures</u>	<u>FY2018</u>	<u>FY2017</u>	<u>Prior Two-Year Average</u>
Essential Expenditures:			
Public Safety	\$ 64,429,468	\$ 60,964,416	\$ 62,696,942
General Governmental	16,637,412	20,379,141	18,508,277
Total Essential Expenditures	81,066,880	81,343,557	81,205,219
Less: Ad Valorem Revenues Available to Pay Essential Expenditures	(39,393,931)	(36,633,074)	(38,013,503)
Adjusted Essential Expenditures	<u>41,672,949</u>	<u>44,710,483</u>	<u>43,191,716</u>

Net Non-Ad Valorem Revenues Available for Debt Service	<u>\$ 20,023,802</u>	<u>\$ 17,659,544</u>	<u>\$ 18,841,673</u>
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<u>Adjustments</u>	<u>FY2018</u>	<u>FY2017</u>	<u>Prior Two-Year Average</u>
Ad Valorem Revenue Restricted for Debt Service	\$ 2,519,724	\$ 2,519,364	\$ 2,519,544

Test 1 - Prior Two Year Average of Non-Ad Valorem Revenues Covers Projected MADS by 150%

Net Non-Ad Valorem Revenues available for debt service	\$ 18,841,673
Maximum Annual Non-Ad Valorem Debt Service	\$ 3,615,366
Coverage	521.16 % (5.2x)

Test 2 - Projected MADS does not exceed 20% of Governmental Fund Revenues, less ad valorem revenues restricted for debt service and debt proceeds

Two-Year Average Net Total Governmental Funds	\$ 107,123,116
Maximum Annual Non-Ad Valorem Debt Service	\$ 3,615,366
Coverage	3.37 %

CITY OF DEERFIELD BEACH, FLORIDA
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	(1) Population	Personal Income**	(2) Per Capita Personal Income	(1) Median Age	(3) School Enrollment	(2) Unemployment Rate
2009	77,465	\$ 1,992,090	\$ 25,716	44.6	7,931	8.90 %
2010	73,216	1,736,610	23,719	42.2	8,169	11.50 %
2011	75,018	1,850,526	24,668	43.3	8,278	9.00 %
2012	76,389	1,776,923	23,262	44.2	8,422	6.50 %
2013	76,473	1,836,793	24,019	43.3	7,496	5.80 %
2014	77,361	1,829,286	23,646	43.2	7,442	4.60 %
2015	76,662	1,779,325	26,210	42.1	7,961	4.60 %
2016	77,659	1,834,539	23,623	42.9	7,397	4.70 %
2017	78,042	1,852,951	23,743	43.5	7,285	3.70 %
2018	78,573	2,343,754	29,829	41.6	7,522	3.50 %

Sources:

- (1) Bureau of Economic and Business Research (BEBR)
- (2) American Factfinder & Quickfacts Census.gov
- (3) School Board of Broward County, Florida
- (4) Florida Jobs Local Area Unemployment Statistics

** Personal income data expressed in thousands

**City of Deerfield Beach, Florida
Principal Employers
Current Year and Nine Years Ago**

Employer	2018			2009		
	Employees	Rank	Percentage of Total Employment	Employees	Rank*	Percentage of Total Employment
Publix Corporation	1,875	1	5.40 %	1571	1	3.88 %
JM Family Enterprises	1,366	2	3.93 %	1025	3	2.53 %
Broward Health North	1,300	3	3.74 %	1416	2	3.49 %
UPS	560	4	1.61 %	515	6	1.27 %
City of Deerfield Beach	557	5	1.60 %	825	4	2.04 %
Republic National distribution	426	6	1.23 %	-	-	- %
Target	380	7	1.09 %	-	-	- %
Peoples Trust	361	8	1.04 %	-	-	- %
Broward Sheriff Office	292	9	0.84 %	-	-	- %
List Industries	228	10	0.66 %	216	8	0.53 %
Health Benefit District	-	-	-	263	7	- %
Medics Ambulance Service	-	-	-	163	9	- %
Pomeroy Electric	-	-	-	140	10	- %
	<u>7,345</u>	-	<u>21.14 %</u>	<u>6,765</u>	N/A*	<u>13.74 %</u>

Sources: Employer's Human Resource Department

Florida Department of Economic Opportunity

City of Deerfield Beach, Florida
Full-Time Equivalent Government Employees by Function
Last Ten Fiscal Years

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government	66	58	62	66	64	63	73	66	60	62
Public safety										
Police										
Uniformed	129	123	126	126	126	126	127	127	130	135
Civilians	53	43	43	43	46	45	45	42	42	17
Fire/Rescue										
Firefighters and Officers	149	140	140	154	143	147	138	139	141	145
Bldg. inspection services	21	20	17	18	19	16	-	-	-	-
Civilians	20	20	20	2	2	6	5	5	2	1
Economic environment	1	1	1	1	1	1	1	1	2	2
Culture and recreation	94	86	65	64	70	66	72	75	94	53
Human services	37	40	37	38	39	40	39	40	39	22
Public works administration	4	3	1	-	-	-	-	-	-	-
Grounds maintenance	39	21	42	38	31	37	36	39	42	4
Parks	44	11	11	7	7	10	10	7	7	5
Water & sewer	74	68	65	60	58	58	60	56	69	81
Solid waste	67	60	49	53	55	54	64	75	68	68
Transportation										
Street maintenance	15	13	11	10	10	11	12	11	14	15

Source: City of Deerfield Beach, Financial Services Department

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

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public safety										
Police:										
Physical arrests	4,775	4,195	2,926	2,432	2,435	2,729	2,563	2,616	2,600	2,552
Parking violations	19,654	19,638	17,446	16,603	15,248	15,315	20,084	19,980	17,982	17,413
Traffic violations	21,403	17,068	15,023	17,357	11,214	17,382	17,631	17,220	15,402	14,031
Fire/Rescue:										
Number of emergency responses	-	20,395	20,473	229,146	21,005	14,606	15,217	15,458	11,642	15,472
Inspections	7,839	6,099	6,147	7,033	5,400	5,332	7,653	3,916	2,420	3,193
Fire extinguished	146	147	156	115	162	152	139	162	185	145
Transportation										
Street maintenance:										
Streets resurfacing (miles)	-	3	2	-	13	28	22	-	-	-
Potholes repaired	2,313	2,212	2,212	1,800	800	556	204	200	436	577
Sidewalk repaired (feet)	1,800	2,700	3,200	13,900	12,000	5,705	8,555	3,920	2,894	3,911
Transit services										
Total route miles	126,638	92,167	83,458	99,846	64,570	142,690	106,942	140,124	116,317	148,424
Number of trips	29,506	27,672	23,329	25,368	87,205	97,743	91,902	86,048	79,836	43,020
Physical environment										
Number of burials	209	118	130	84	113	122	110	112	104	125
Culture and recreation										
Athletic field permits issued	32	73	70	99	65	246	493	1,344	1,682	116
Number of participants in arts & education classes	32,000	11,922	12,000	3,500	13,625	5,498	5,684	6,144	2,015	2,560
Number of special event permits issued	97	59	70	129	121	192	88	76	81	115
Attendance at special events	350,000	244,750	240,000	224,000	231,995	298,530	285,500	292,000	336,644	325,000
Water										
New connections	27	15	32	12	8	10	10	5	32	34
Water main breaks	65	63	65	39	53	12	13	40	36	60
Average daily consumption (millions of gallons)	10	9	9	9	9	9	9	9	10	-
Permitted raw water withdrawal	14	14	14	14	14	14	14	12	17	9
Sewer										
Average daily sewage treatment (Thousands of gallons)	7,400	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	5,796
Solid waste										
Refuse collected (tons/day)	189	248	196	246	251	247	276	402	260	464
Recyclables collected (tons/day)	23	27	37	25	29	33	27	49	29	35

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

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Human services										
Childcare:										
Average daily attendance	19	16	13	13	15	12	10	12	18	12
Number of meals served	24,648	27,997	18,956	15,639	20,491	15,785	18,381	18,467	15,098	18,505
Adult daycare:										
Average daily attendance	10	7	6	7	8	7	7	5	31	31
Alzheimer's daycare:										
Average daily attendance	24	27	23	18	25	27	24	28	139	151

Source: Various City departments

Note: Indicators are not available for the general government function.

**The average daily attendance for Adult daycare and Alzheimer's daycare are higher than the previous years due to a change in the counting mechanism.*

City of Deerfield Beach, Florida
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public safety										
Police:										
Stations	2	2	2	2	2	2	2	2	2	2
Patrol units	162	129	126	126	126	126	130	130	130	130
Fire/Rescue:										
Stations	4	5	6	6	6	6	6	6	6	6
Rescue ambulances	8	8	8	8	6	6	6	6	6	6
Fire engines	6	6	6	6	4	4	4	4	4	4
Ladder/heavy squad trucks	2	2	2	1	1	1	1	1	1	1
Transportation										
Streets (miles)	146	146	146	146	146	146	146	146	146	146
Sidewalks (miles)	135	135	135	135	136	136	136	136	136	136
Streetlights (poles)	5,200	5,200	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Traffic signals	68	68	68	68	68	68	68	70	70	70
Culture and recreation										
Parks acreage	140	140	324	324	317	338	345	398	398	398
Parks	31	33	33	33	34	35	44	52	52	52
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis courts	12	12	12	12	12	12	12	12	12	12
Community centers	2	3	2	2	2	2	3	3	3	3
Water										
Water main (miles)	232	232	232	232	232	232	232	234	234	234
Maximum daily capacity (millions of gallons)	35	35	35	35	35	24	24	24	24	24
Sewer										
Sanitary sewers (miles)	136	136	137	137	137	137	137	136	136	136
Storm sewers (miles)	48	48	48	48	48	48	48	48	48	48
Average daily treatment capacity (<i>thousands of gallons</i>)	7,000	7,400	7,400	7,400	7,400	7,400	7,400	7,400	7,400	7,400
Solid waste										
Collection trucks	40	41	38	32	32	28	23	23	23	23

Source: Various City departments

Note: No Capital Assets Indicators are available for the general government function.